By: Schwertner S.B. No. 486

A BILL TO BE ENTITLED

AN ACT

relating to provider reimbursements and enrollee cost-sharing payments for services provided under a managed care plan by certain out-of-network providers.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter A, Chapter 533, Government Code, is amended by adding Section 533.01316 to read as follows:

Sec. 533.01316. REIMBURSEMENT FOR CERTAIN OUT-OF-NETWORK SERVICES. (a) This section applies only to a Medicaid service provided to a recipient by a provider who, on the date the recipient was initially enrolled or was reenrolled for a subsequent enrollment period in a managed care plan offered by a Medicaid managed care organization, was included in the organization's provider network directory but is no longer in the provider network on the date the service is provided to the recipient.

(b) Except as provided by Subsection (c), the commission shall require a Medicaid managed care organization to reimburse a provider of a service to which this section applies at the organization's in-network reimbursement rate if the service is provided to the recipient during the enrollment period that began on the date described by Subsection (a).

(c) Subsection (b) does not apply if the provider is no longer in the Medicaid managed care organization's provider network on the date the service is provided because:

(1) the provider's license to provide health care services is expired, suspended, or revoked; or

(2) the provider unilaterally terminated participation in the network for a reason other than the organization's default or breach of the contract between the provider and the organization.

SECTION 2. Subchapter K, Chapter 1451, Insurance Code, is amended by adding Section 1451.506 to read as follows:

Sec. 1451.506. PAYMENT OR REIMBURSEMENT FOR CERTAIN OUT-OF-NETWORK HEALTH CARE SERVICES. (a) If a provider is included in a health benefit plan issuer's provider directory on the date an enrollee enrolls in the plan, the issuer shall, until the expiration of the health benefit plan contract year or other contract period during which the enrollee enrolled:

(1) pay or reimburse the provider the in-network rate for services provided to the enrollee; and

(2) ensure that the enrollee is not responsible for a cost-sharing amount that is higher than the amount the enrollee would have been required to pay if the service had been provided by an in-network provider.

(b) This section does not apply if the provider is no longer in the health benefit plan issuer's provider network on the date the service is provided because:

(1) the provider's license to provide health care services is expired, suspended, or revoked; or

(2) the provider unilaterally terminated participation in the network for a reason other than the issuer's

default or breach of the contract between the provider and the issuer.

SECTION 3. (a) The Health and Human Services Commission shall, in a contract between the commission and a managed care organization under Chapter 533, Government Code, that is entered into or renewed on or after the effective date of this Act, require that the managed care organization comply with Section 533.01316, Government Code, as added by this Act.

(b) The Health and Human Services Commission shall seek to amend contracts entered into with managed care organizations under Chapter 533, Government Code, before the effective date of this Act to require those managed care organizations to comply with Section 533.01316, Government Code, as added by this Act. To the extent of a conflict between that section and a provision of a contract with a managed care organization entered into before the effective date of this Act, the contract provision prevails.

SECTION 4. Section 1451.506, Insurance Code, as added by this Act, applies only to a health benefit plan that is delivered, issued for delivery, or renewed on or after January 1, 2022. A health benefit plan delivered, issued for delivery, or renewed before January 1, 2022, is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 5. If before implementing any provision of this Act a state agency determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, the agency affected by the provision shall request the waiver or

authorization and may delay implementing that provision until the waiver or authorization is granted.

SECTION 6. This Act takes effect September 1, 2021.