

BILL ANALYSIS

H.B. 3848
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Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The 87th Legislature passed S.B. 790 by Senator Judith Zaffirini, which required the Texas Department of Insurance (TDI) to conduct a study of ground ambulance billing practices in collaboration with the Department of State Health Services. The study found that fewer than 15 percent of ground ambulance transports are handled by an in-network ambulance service. Most nonemergency transports occur between hospitals, such as taking a patient from a lower level of care to a higher level of care, or between facilities, such as between a hospital and a nursing facility, and patients with coverage of nonemergency ambulance transports should have the ability to select an in-network provider for that service when they need it. However, there is no provision in Texas law requiring health insurers who offer coverage of nonemergency services to have even one in-network nonemergency ambulance provider. H.B. 3848 seeks to address this issue by requiring TDI to develop minimum access standards for nonemergency ambulance transports and clarifying that an applicable insurer is not required to contract with an emergency medical services provider if the provider does not have the authority or ability to operate in the insurer's service area.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the commissioner of insurance in SECTIONS 2 and 8 of this bill.

ANALYSIS

H.B. 3848 amends the Insurance Code to prohibit a health maintenance organization (HMO) offering a health care plan and an insurer offering a preferred provider benefit plan that each cover a nonemergency ambulance transport service that is within the scope of an emergency medical services provider's license from refusing to provide reimbursement to an in-network emergency medical services provider for the performance of the covered service solely because the service is provided by an emergency medical services provider. The bill expressly does not require an HMO or an insurer to cover a particular medical, health care, or nonemergency ambulance transport service, as applicable, and does not affect an HMO's or insurer's right to determine whether the service is medically necessary. The bill subjects an HMO and an insurer that violates these provisions to an administrative penalty capped at \$1,000 for each claim that remains unpaid. The bill specifies that each day the violation continues constitutes a separate violation.

H.B. 3848 requires the commissioner of insurance to adopt reasonable rules as necessary and proper to establish minimum access standards for nonemergency ambulance transport services delivered by an emergency medical services provider under provisions governing HMOs and

preferred provider and exclusive provider benefit plans. The bill also classifies an emergency medical services provider as a provider and health care provider under those provisions, respectively.

H.B. 3848 establishes that statutory provisions relating to the prohibition against an HMO excluding a health care service provider based on the type of license or authorization held by the provider and relating to an HMO's denial of a physician's or other provider's application to participate in providing health care services do not require an HMO to contract with an emergency medical services provider if that provider does not have the authority or ability to operate in the health maintenance organization's service area.

H.B. 3848 establishes that statutory provisions relating to the availability of preferred provider benefits and basic level benefits under a preferred provider benefit plan and relating to the designation of an insurer as a preferred provider under a preferred provider or exclusive provider benefit plan do not require an insurer to contract with an emergency medical services provider if that provider does not have the authority or ability to operate in the insurer's designated service area.

H.B. 3848 applies only to a health benefit plan that is delivered, issued for delivery, or renewed on or after January 1, 2024.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2023.