BILL ANALYSIS

Senate Research Center
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S.B. 1666
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Health & Human Services
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Managed care organizations are dropping or terminating contracts of durable medical equipment providers for sole source providers, and they are not honoring the continuity of care for their patients. They are firing providers without cause and only giving 90 days from termination rather than the end of contract. S.B. 1666 would protect continuity of care and patient choice for Medicaid recipients with complex medical needs. This legislation enshrines the value of continuity of care and patient satisfaction to achieve optimal outcomes and overall savings for the state.

S.B. 1666 updates the Insurance Code to provide clear guidance regarding continuity of care and patient choice protection for those with complex medical needs.

As proposed, S.B. 1666 amends current law relating to an insurer's obligation under a preferred provider benefit plan for continuity of care for certain Medicaid recipients.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 1301.154, Insurance Code, by amending Subsection (a) and adding Subsection (c), as follows:

> (a) Provides that certain sections, except as provided by Subsections (b) and (c), do not extend an insurer's obligation to reimburse the terminated physician or provider or, if applicable, the insured at the preferred provider level of coverage for ongoing treatment of an insured after the 90th day after the date of the end of the contract, or if the insured has been diagnosed as having a terminal illness at the time of the termination, the expiration of the nine-month period after the effective date of the termination. Makes nonsubstantive changes.
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> (c) Provides that an insurer's obligation to reimburse, at the preferred provider level of coverage, the physician or provider or, if applicable, the insured, if an insured is a Medicaid recipient with complex medical needs who receives Medicaid services through a Medicaid managed care organization under Chapter 533 (Medicaid Managed Care Program), Government Code, and who has established at any time a relationship with a specialty provider, including a provider of durable medical equipment, services, or supplies, extends until a contract has been implemented under Section 533.038(g) (relating to requiring the Health and Human Services Commission to develop a clear and easy process that allows a recipient with complex medical needs who has established a relationship with a specialty provider to continue receiving care from that provider), Government Code.

SECTION 2. Requires a state agency, if necessary for implementation of a provision of this Act, to request a waiver or authorization from a federal agency, and authorizes delay of implementation until such a waiver or authorization is granted.

SECTION 3. Makes application of this Act prospective to January 1, 2024.

SECTION 4. Effective date: September 1, 2023.