BILL ANALYSIS

Senate Research Center
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S.B. 2476
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In 2019, the Texas Legislature passed S.B. 1294, also known as the Surprise Billing Act, authored by Senator Kelly Hancock. Prior to this law, when a health insurer refused to pay the full amount charged by an out-of-network doctor for a medical procedure, the doctor could bill the patient for the balance of the cost, often resulting in unexpected bills for patients. S.B. 1294, however, did not cover ground-ambulance services provided by municipalities, which continue to engage in balance billing.

S.B. 2476 would prohibit ground-ambulance services provided by municipalities from engaging in balance billing. This change would ensure that patients are not charged exorbitant prices for urgent trips to the hospital.

As proposed, S.B. 2476 amends current law relating to consumer protections against certain medical and health care billing by municipal ground ambulance service providers.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

ARTICLE 1. ELIMINATING SURPRISE BILLING FOR MUNICIPAL GROUND AMBULANCE SERVICES UNDER CERTAIN HEALTH BENEFIT PLANS

SECTION 1.01. Amends Section 1271.008, Insurance Code, as follows:

Sec. 1271.008. BALANCE BILLING PROHIBITION NOTICE. (a) Requires a health maintenance organization to provide written notice in accordance with this section in an explanation of benefits provided to the enrollee and the physician or provider in connection with a health care service or supply or transportation provided by a non-network physician or provider. Requires that the notice include certain information, including a statement of the billing prohibition under certain statutes, including Section 1271.159, as applicable.

(b) Requires a health maintenance organization to provide the explanation of benefits with the notice required by this section to a physician or health care provider not later than the date the health maintenance organization makes a payment under certain statutes, including Section 1271.159, as applicable.

SECTION 1.02. Amends Subchapter D, Chapter 1271, Insurance Code, by adding Section 1271.159, as follows:

Sec. 1271.159. NON-NETWORK MUNICIPAL GROUND AMBULANCE SERVICE PROVIDER. (a) Defines "municipal ground ambulance service provider."

(b) Requires a health maintenance organization to pay for a covered health care service performed for, or a covered supply or covered transportation related to

that service provided to, an enrollee by a non-network municipal ground ambulance service provider at the usual and customary rate or at an agreed rate. Requires the health maintenance organization to make a payment required by this subsection directly to the provider not later than, as applicable:

(1) the 30th day after the date the health maintenance organization receives an electronic clean claim as defined by Section 843.336 (Definition) for those services that includes all information necessary for the health maintenance organization to pay the claim; or

(2) the 45th day after the date the health maintenance organization receives a nonelectronic clean claim as defined by Section 843.336 for those services that includes all information necessary for the health maintenance organization to pay the claim.

(c) Prohibits a non-network municipal ground ambulance service provider or a person asserting a claim as an agent or assignee of the provider from billing an enrollee receiving a health care service or supply or transportation described by Subsection (b) in, and provides that the enrollee does not have financial responsibility for, an amount greater than an applicable copayment, coinsurance, and deductible under the enrollee's health care plan that:

(1) is based on the amount initially determined payable by the health maintenance organization or, if applicable, on a modified amount as determined under the health maintenance organization's internal appeal process; and

(2) is not based on any additional amount determined to be owed to the provider under Chapter 1467 (Out-of-Network Claim Dispute Resolution).

(d) Prohibits this section from being construed to require the imposition of a penalty under Section 843.342 (Violation of Certain Claims Payment Provisions; Penalties).

SECTION 1.03. Amends Section 1275.003, Insurance Code, as follows:

Sec. 1275.003. BALANCE BILLING PROHIBITION NOTICE. (a) Requires that the notice include certain information, including a statement of the billing prohibition under certain statutes, including Section 1275.054, as applicable. Makes conforming and nonsubstantive changes.

(b) Makes conforming and nonsubstantive changes to this subsection.

SECTION 1.04. Amends Subchapter B, Chapter 1275, Insurance Code, by adding Section 1275.054, as follows:

Sec. 1275.054. OUT-OF-NETWORK MUNICIPAL GROUND AMBULANCE SERVICE PROVIDER PAYMENTS. (a) Defines "municipal ground ambulance service provider."

(b) Requires the administrator of a health benefit plan to which Chapter 1275 (Balance Billing Prohibitions and Out-of-Network Claim Dispute Resolution for Certain Plans) applies to pay for a covered health care or medical service performed for, or a covered supply or covered transportation related to that service provided to, an enrollee by an out-of-network provider who is a municipal ground ambulance service provider at the usual and customary rate or at an agreed rate. Requires the administrator to make a payment required by this subsection directly to the provider not later than, as applicable:

(1) the 30th day after the date the administrator receives an electronic claim for those services that includes all information necessary for the administrator to pay the claim; or

(2) the 45th day after the date the administrator receives a nonelectronic claim for those services that includes all information necessary for the administrator to pay the claim.

(c) Prohibits an out-of-network provider who is a municipal ground ambulance service provider or a person asserting a claim as an agent or assignee of the provider from billing an enrollee receiving a health care or medical service or supply or transportation described by Subsection (b) in, and provides that the enrollee does not have financial responsibility for, an amount greater than an applicable copayment, coinsurance, and deductible under the enrollee's health benefit plan that:

(1) is based on the amount initially determined payable by the administrator or, if applicable, the modified amount as determined under the administrator's internal appeal process; and

(2) is not based on any additional amount determined to be owed to the provider under Chapter 1467.

SECTION 1.05. Amends Section 1301.0045(b), Insurance Code, to create an exception under Section 1301.166 and to make nonsubstantive changes.

SECTION 1.06. Amends Section 1301.010, Insurance Code, as follows:

Sec. 1301.010. BALANCE BILLING PROHIBITION NOTICE. (a) Requires that the notice include certain information, including a statement of the billing prohibition under certain statutes, including Section 1301.166, as applicable. Makes conforming and nonsubstantive changes.

(b) Makes conforming and nonsubstantive changes to this subsection.

SECTION 1.07. Amends Subchapter D, Chapter 1301, Insurance Code, by adding Section 1301.166, as follows:

Sec. 1301.166. OUT-OF-NETWORK MUNICIPAL GROUND AMBULANCE SERVICE PROVIDER. (a) Defines "municipal ground ambulance service provider."

(b) Requires an insurer to pay for a covered medical care or health care service performed for, or a covered supply or covered transportation related to that service provided to, an insured by an out-of-network provider who is a municipal ground ambulance service provider at the usual and customary rate or at an agreed rate. Requires the insurer to make a payment required by this subsection directly to the provider not later than, as applicable:

(1) the 30th day after the date the insurer receives an electronic clean claim as defined by Section 1301.101 (Definition) for those services that includes all information necessary for the insurer to pay the claim; or

(2) the 45th day after the date the insurer receives a nonelectronic clean claim as defined by Section 1301.101 for those services that includes all information necessary for the insurer to pay the claim.

(c) Prohibits an out-of-network provider who is a municipal ground ambulance service provider or a person asserting a claim as an agent or assignee of the provider from billing an insured receiving a medical care or health care service or supply or transportation described by Subsection (b) in, and provides that the

insured does not have financial responsibility for, an amount greater than an applicable copayment, coinsurance, and deductible under the insured's preferred provider benefit plan that:

(1) is based on the amount initially determined payable by the insurer or, if applicable, the modified amount as determined under the insurer's internal appeal process; and

(2) is not based on any additional amount determined to be owed to the provider under Chapter 1467.

(d) Prohibits this section from being construed to require the imposition of a penalty under Section 1301.137 (Violation of Claims Payment Requirements; Penalty).

SECTION 1.08. Amends Section 1551.015, Insurance Code, as follows:

Sec. 1551.015. BALANCE BILLING PROHIBITION NOTICE. (a) Requires that the notice include certain information, including a statement of the billing prohibition under certain statutes, including Section 1551.231, as applicable. Makes conforming and nonsubstantive changes.

(b) Makes conforming and nonsubstantive changes to this subsection.

SECTION 1.09. Amends Subchapter E, Chapter 1551, Insurance Code, by adding Section 1551.231, as follows:

Sec. 1551.231. OUT-OF-NETWORK MUNICIPAL GROUND AMBULANCE SERVICE PROVIDER PAYMENTS. (a) Defines "municipal ground ambulance service provider."

(b) Requires the administrator of a managed care plan provided under the group benefits program to pay for a covered health care or medical service performed for, or a covered supply or covered transportation related to that service provided to, a participant by an out-of-network provider who is a municipal ground ambulance service provider at the usual and customary rate or at an agreed rate. Requires the administrator to make a payment required by this subsection directly to the provider not later than, as applicable:

(1) the 30th day after the date the administrator receives an electronic claim for those services that includes all information necessary for the administrator to pay the claim; or

(2) the 45th day after the date the administrator receives a nonelectronic claim for those services that includes all information necessary for the administrator to pay the claim.

(c) Prohibits an out-of-network provider who is a municipal ground ambulance service provider or a person asserting a claim as an agent or assignee of the provider from billing a participant receiving a health care or medical service or supply or transportation described by Subsection (b) in, and provides that the participant does not have financial responsibility for, an amount greater than an applicable copayment, coinsurance, and deductible under the participant's managed care plan that:

(1) is based on the amount initially determined payable by the administrator or, if applicable, on the modified amount as determined under the administrator's internal appeal process; and

(2) is not based on any additional amount determined to be owed to the provider under Chapter 1467.

SECTION 1.10. Amends Section 1575.009, Insurance Code, as follows:

Sec. 1575.009. BALANCE BILLING PROHIBITION NOTICE. (a) Requires that the written notice include certain information, including a statement of the billing prohibition under certain statutes, including Section 1575.174, as applicable. Makes conforming and nonsubstantive changes.

(b) Makes conforming and nonsubstantive changes to this subsection.

SECTION 1.11. Amends Subchapter D, Chapter 1575, Insurance Code, by adding Section 1575.174, as follows:

Sec. 1575.174. OUT-OF-NETWORK MUNICIPAL GROUND AMBULANCE SERVICE PROVIDER PAYMENTS. (a) Defines "municipal ground ambulance service provider."

(b) Requires the administrator of a managed care plan provided under the group program to pay for a covered health care or medical service performed for, or a covered supply or covered transportation related to that service provided to, an enrollee by an out-of-network provider who is a municipal ground ambulance service provider at the usual and customary rate or at an agreed rate. Requires the administrator to make a payment required by this subsection directly to the provider not later than, as applicable:

(1) the 30th day after the date the administrator receives an electronic claim for those services that includes all information necessary for the administrator to pay the claim; or

(2) the 45th day after the date the administrator receives a nonelectronic claim for those services that includes all information necessary for the administrator to pay the claim.

(c) Prohibits an out-of-network provider who is a municipal ground ambulance service provider or a person asserting a claim as an agent or assignee of the provider from billing an enrollee receiving a health care or medical service or supply or transportation described by Subsection (b) in, and provides that the enrollee does not have financial responsibility for, an amount greater than an applicable copayment, coinsurance, and deductible under the enrollee's managed care plan that:

(1) is based on the amount initially determined payable by the administrator or, if applicable, on the modified amount as determined under the administrator's internal appeal process; and

(2) is not based on any additional amount determined to be owed to the provider under Chapter 1467.

SECTION 1.12. Amends Section 1579.009, Insurance Code, as follows:

Sec. 1579.009. BALANCE BILLING PROHIBITION NOTICE. (a) Requires that the notice include certain information, including a statement of the billing prohibition under certain statutes, including Section 1579.112, as applicable. Makes conforming and nonsubstantive changes.

(b) Makes conforming and nonsubstantive changes to this subsection.

SECTION 1.13. Amends Subchapter C, Chapter 1579, Insurance Code, by adding Section 1579.112, as follows:

Sec. 1579.112. OUT-OF-NETWORK MUNICIPAL GROUND AMBULANCE SERVICE PROVIDER PAYMENTS. (a) Defines "municipal ground ambulance service provider."

(b) Requires the administrator of a managed care plan provided under Chapter 1579 (Texas School Employees Uniform Group Health Coverage) to pay for a covered health care or medical service performed for, or a covered supply or covered transportation related to that service provided to, an enrollee by an out-of-network provider who is a municipal ground ambulance service provider at the usual and customary rate or at an agreed rate. Requires the administrator to make a payment required by this subsection directly to the provider not later than, as applicable:

(1) the 30th day after the date the administrator receives an electronic claim for those services that includes all information necessary for the administrator to pay the claim; or

(2) the 45th day after the date the administrator receives a nonelectronic claim for those services that includes all information necessary for the administrator to pay the claim.

(c) Prohibits an out-of-network provider who is a municipal ground ambulance service provider or a person asserting a claim as an agent or assignee of the provider from billing an enrollee receiving a health care or medical service or supply or transportation described by Subsection (b) in, and the enrollee does not have financial responsibility for, an amount greater than an applicable copayment, coinsurance, and deductible under the enrollee's managed care plan that:

(1) is based on the amount initially determined payable by the administrator or, if applicable, on a modified amount as determined under the administrator's internal appeal process; and

(2) is not based on any additional amount determined to be owed to the provider under Chapter 1467.

ARTICLE 2. OUT-OF-NETWORK CLAIM DISPUTE RESOLUTION

SECTION 2.01. Amends Section 1467.001, Insurance Code, by amending Subdivision (6-a) and adding Subdivision (6-b) to define "municipal ground ambulance service provider" and to redefine "out-of-network provider."

SECTION 2.02. Amends the heading to Subchapter B, Chapter 1467, Insurance Code, to read as follows:

SUBCHAPTER B. MANDATORY MEDIATION FOR OUT-OF-NETWORK FACILITIES AND MUNICIPAL GROUND AMBULANCE SERVICE PROVIDERS

SECTION 2.03. Amends Section 1467.050(a), Insurance Code, to provide that this subchapter applies only with respect to a health benefit claim submitted by an out-of-network provider that is a facility or municipal ground ambulance service provider.

SECTION 2.04. Amends Section 1467.051(a), Insurance Code, as follows:

(a) Authorizes an out-of-network provider or a health benefit plan issuer or administrator to request mediation of a settlement of an out-of-network health benefit claim through a portal on the Texas Department of Insurance's Internet website if certain criteria are met,

including if the health benefit claim is for certain services, including an out-of-network municipal ground ambulance service.

SECTION 2.05. Amends Subchapter B, Chapter 1467, Insurance Code, by adding Section 1467.0555, as follows:

Sec. 1467.0555. MEDIATION INVOLVING MUNICIPAL GROUND AMBULANCE SERVICE PROVIDER. (a) Authorizes a municipal ground ambulance service provider to elect to submit multiple claims to mediation in one proceeding if the total amount in controversy for the claims does not exceed $5,000 and if the claims are limited to the same administrator or health benefit plan issuer.

(b) Requires that a mediation of a settlement of a health benefit claim for an out-of-network municipal ground ambulance service be completed not later than the 90th day after the date of the request for mediation.

ARTICLE 3. TRANSITION AND EFFECTIVE DATE

SECTION 3.01. Makes application of this Act prospective to January 1, 2024.

SECTION 3.02. Effective date: September 1, 2023.