88R11818 CJD-F

By:  Hughes S.B. No. 1298

A BILL TO BE ENTITLED

AN ACT

relating to requests for arbitration of certain billing disputes between health benefit plan issuers or administrators and out-of-network facilities.

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

SECTION 1.  Section 1467.081, Insurance Code, is amended to read as follows:

Sec. 1467.081.  APPLICABILITY OF SUBCHAPTER. Except as provided by Section 1467.103, this [~~This~~] subchapter applies only with respect to a health benefit claim submitted by an out-of-network provider who is not a facility.

SECTION 2.  Section 1467.101, Insurance Code, is amended by adding Subsection (c) to read as follows:

(c)  The following conduct constitutes bad faith participation with respect to mediation under Subchapter B:

(1)  failing to provide the material facts necessary to conduct a meaningful mediation process; or

(2)  failing to send to mediation a representative who is authorized to negotiate on the party's behalf.

SECTION 3.  Subchapter C, Chapter 1467, Insurance Code, is amended by adding Section 1467.103 to read as follows:

Sec. 1467.103.  REQUEST FOR ARBITRATION. (a) Bad faith participation with respect to mediation under Subchapter B by a party to the mediation is grounds for the opposing party to request arbitration under Subchapter B-1.

(b)  On a request for arbitration under Subsection (a):

(1)  the out-of-network facility that is a party to the mediation is considered an out-of-network provider for purposes of the arbitration under Subchapter B-1; and

(2)  the department shall:

(A)  select an arbitrator; and

(B)  require the arbitrator to make a determination not later than the 30th day after the date the arbitrator receives the information necessary to make the determination under Section 1467.083.

(c)  Not later than the 30th day after the date an arbitrator's written decision is provided to the parties under Section 1467.088, the health benefit plan issuer or administrator shall pay the out-of-network facility any additional amount necessary to satisfy the award.

SECTION 4.  Section 1467.103, Insurance Code, as added by this Act, applies only to a claim for health care or medical services or supplies provided on or after January 1, 2024.

SECTION 5.  This Act takes effect September 1, 2023.