

By: Cortez

H.B. No. 4367

Substitute the following for H.B. No. 4367:

By: Oliverson

C.S.H.B. No. 4367

A BILL TO BE ENTITLED

AN ACT

relating to the preauthorization of medical or health care services by a health maintenance organization or an insurer.

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

SECTION 1. Section 843.348, Insurance Code, is amended by amending Subsection (g) and adding Subsection (g-1) to read as follows:

(g) Unless a physician or provider has materially misrepresented the proposed health care services or has substantially failed to perform the proposed health care services, if [if] the health maintenance organization has preauthorized health care services, the health maintenance organization may not deny or reduce payment to the physician or provider for those services based on:

(1) medical necessity or appropriateness of care; or  
(2) eligibility or coverage determinations if the proposed health care service is provided to the enrollee before the 31st day after the date the health care service was preauthorized and coverage is not terminated during that period [unless the physician or provider has materially misrepresented the proposed health care services or has substantially failed to perform the proposed health care services].

(g-1) Notwithstanding Section 843.347 or any other law, and for the purposes of Subsection (g), a health maintenance

1 organization may not require that the physician or provider request  
2 verification.

3 SECTION 2. Section 1301.135, Insurance Code, is amended by  
4 amending Subsection (f) and adding Subsection (f-1) to read as  
5 follows:

6 (f) Unless a physician or health care provider has  
7 materially misrepresented the proposed medical or health care  
8 services or has substantially failed to perform the proposed  
9 medical or health care services, if [~~If~~] an insurer has  
10 preauthorized medical care or health care services, the insurer may  
11 not deny or reduce payment to the physician or [~~health care~~]  
12 provider for those services based on:

- 13 (1) medical necessity or appropriateness of care; or  
14 (2) eligibility or coverage determinations if the  
15 proposed medical or health care service is provided to the insured  
16 before the 31st day after the date the medical or health care  
17 service was preauthorized and coverage is not terminated during  
18 that period [~~unless the physician or provider has materially~~  
19 ~~misrepresented the proposed medical or health care services or has~~  
20 ~~substantially failed to perform the proposed medical or health care~~  
21 ~~services].~~

22 (f-1) Notwithstanding Section 1301.133 or any other law,  
23 and for the purposes of Subsection (f), an insurer may not require  
24 that the physician or health care provider request verification.

25 SECTION 3. The changes in law made by this Act apply only to  
26 a request for preauthorization of medical care or health care  
27 services made on or after January 1, 2024, under a health benefit

1 plan delivered, issued for delivery, or renewed on or after that  
2 date. A request for preauthorization of medical care or health care  
3 services made before January 1, 2024, or on or after January 1,  
4 2024, under a health benefit plan delivered, issued for delivery,  
5 or renewed before that date, is governed by the law as it existed  
6 immediately before the effective date of this Act, and that law is  
7 continued in effect for that purpose.

8 SECTION 4. This Act takes effect September 1, 2023.