

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

1 arbitration under Subchapter B-1.

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

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

6 (2) the department shall:

7 (A) select an arbitrator; and

8 (B) require the arbitrator to make a
9 determination not later than the 30th day after the date the
10 arbitrator receives the information necessary to make the
11 determination under Section [1467.083](#).

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

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

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