

By: Zaffirini

S.B. No. 2476

A BILL TO BE ENTITLED

1 AN ACT
2 relating to consumer protections against certain medical and health
3 care billing by municipal ground ambulance service providers.

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

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

7 SECTION 1.01. Section 1271.008, Insurance Code, is amended
8 to read as follows:

9 Sec. 1271.008. BALANCE BILLING PROHIBITION NOTICE. (a) A
10 health maintenance organization shall provide written notice in
11 accordance with this section in an explanation of benefits provided
12 to the enrollee and the physician or provider in connection with a
13 health care service or supply or transportation provided by a
14 non-network physician or provider. The notice must include:

15 (1) a statement of the billing prohibition under
16 Section 1271.155, 1271.157, [~~or~~] 1271.158, or 1271.159, as
17 applicable;

18 (2) the total amount the physician or provider may
19 bill the enrollee under the enrollee's health benefit plan and an
20 itemization of copayments, coinsurance, deductibles, and other
21 amounts included in that total; and

22 (3) for an explanation of benefits provided to the
23 physician or provider, information required by commissioner rule
24 advising the physician or provider of the availability of mediation

1 or arbitration, as applicable, under Chapter 1467.

2 (b) A health maintenance organization shall provide the
3 explanation of benefits with the notice required by this section to
4 a physician or health care provider not later than the date the
5 health maintenance organization makes a payment under Section
6 1271.155, 1271.157, [~~or~~] 1271.158, or 1271.159, as applicable.

7 SECTION 1.02. Subchapter D, Chapter 1271, Insurance Code,
8 is amended by adding Section 1271.159 to read as follows:

9 Sec. 1271.159. NON-NETWORK MUNICIPAL GROUND AMBULANCE
10 SERVICE PROVIDER. (a) In this section, "municipal ground
11 ambulance service provider" has the meaning assigned by Section
12 1467.001.

13 (b) A health maintenance organization shall pay for a
14 covered health care service performed for, or a covered supply or
15 covered transportation related to that service provided to, an
16 enrollee by a non-network municipal ground ambulance service
17 provider at the usual and customary rate or at an agreed rate. The
18 health maintenance organization shall make a payment required by
19 this subsection directly to the provider not later than, as
20 applicable:

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

26 (2) the 45th day after the date the health maintenance
27 organization receives a nonelectronic clean claim as defined by

1 Section 843.336 for those services that includes all information
2 necessary for the health maintenance organization to pay the claim.

3 (c) A non-network municipal ground ambulance service
4 provider or a person asserting a claim as an agent or assignee of
5 the provider may not bill an enrollee receiving a health care
6 service or supply or transportation described by Subsection (b) in,
7 and the enrollee does not have financial responsibility for, an
8 amount greater than an applicable copayment, coinsurance, and
9 deductible under the enrollee's health care plan that:

10 (1) is based on:

11 (A) the amount initially determined payable by
12 the health maintenance organization; or

13 (B) if applicable, a modified amount as
14 determined under the health maintenance organization's internal
15 appeal process; and

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

18 (d) This section may not be construed to require the
19 imposition of a penalty under Section 843.342.

20 SECTION 1.03. Section 1275.003, Insurance Code, is amended
21 to read as follows:

22 Sec. 1275.003. BALANCE BILLING PROHIBITION NOTICE. (a)
23 The administrator of a health benefit plan to which this chapter
24 applies shall provide written notice in accordance with this
25 section in an explanation of benefits provided to the enrollee and
26 the physician or health care provider in connection with a health
27 care or medical service or supply or transportation provided by an

1 out-of-network provider. The notice must include:

2 (1) a statement of the billing prohibition under
3 Section [1275.051](#), [1275.052](#), [~~or~~] [1275.053](#), or [1275.054](#), as
4 applicable;

5 (2) the total amount the physician or provider may
6 bill the enrollee under the enrollee's health benefit plan and an
7 itemization of copayments, coinsurance, deductibles, and other
8 amounts included in that total; and

9 (3) for an explanation of benefits provided to the
10 physician or provider, information required by commissioner rule
11 advising the physician or provider of the availability of mediation
12 or arbitration, as applicable, under Chapter [1467](#).

13 (b) The administrator shall provide the explanation of
14 benefits with the notice required by this section to a physician or
15 health care provider not later than the date the administrator
16 makes a payment under Section [1275.051](#), [1275.052](#), [~~or~~] [1275.053](#), or
17 [1275.054](#), as applicable.

18 SECTION 1.04. Subchapter B, Chapter [1275](#), Insurance Code,
19 is amended by adding Section 1275.054 to read as follows:

20 Sec. 1275.054. OUT-OF-NETWORK MUNICIPAL GROUND AMBULANCE
21 SERVICE PROVIDER PAYMENTS. (a) In this section, "municipal ground
22 ambulance service provider" has the meaning assigned by Section
23 [1467.001](#).

24 (b) The administrator of a health benefit plan to which this
25 chapter applies shall pay for a covered health care or medical
26 service performed for, or a covered supply or covered
27 transportation related to that service provided to, an enrollee by

1 an out-of-network provider who is a municipal ground ambulance
2 service provider at the usual and customary rate or at an agreed
3 rate. The administrator shall make a payment required by this
4 subsection directly to the provider not later than, as applicable:

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

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

11 (c) An out-of-network provider who is a municipal ground
12 ambulance service provider or a person asserting a claim as an agent
13 or assignee of the provider may not bill an enrollee receiving a
14 health care or medical service or supply or transportation
15 described by Subsection (b) in, and the enrollee does not have
16 financial responsibility for, an amount greater than an applicable
17 copayment, coinsurance, and deductible under the enrollee's health
18 benefit plan that:

19 (1) is based on:

20 (A) the amount initially determined payable by
21 the administrator; or

22 (B) if applicable, the modified amount as
23 determined under the administrator's internal appeal process; and

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

26 SECTION 1.05. Section 1301.0045(b), Insurance Code, is
27 amended to read as follows:

1 (b) Except as provided by Sections 1301.0052, 1301.0053,
2 1301.155, 1301.164, [~~and~~] 1301.165, and 1301.166, this chapter may
3 not be construed to require an exclusive provider benefit plan to
4 compensate a nonpreferred provider for services provided to an
5 insured.

6 SECTION 1.06. Section 1301.010, Insurance Code, is amended
7 to read as follows:

8 Sec. 1301.010. BALANCE BILLING PROHIBITION NOTICE. (a) An
9 insurer shall provide written notice in accordance with this
10 section in an explanation of benefits provided to the insured and
11 the physician or health care provider in connection with a medical
12 care or health care service or supply or transportation provided by
13 an out-of-network provider. The notice must include:

14 (1) a statement of the billing prohibition under
15 Section 1301.0053, 1301.155, 1301.164, [~~or~~] 1301.165, or 1301.166,
16 as applicable;

17 (2) the total amount the physician or provider may
18 bill the insured under the insured's preferred provider benefit
19 plan and an itemization of copayments, coinsurance, deductibles,
20 and other amounts included in that total; and

21 (3) for an explanation of benefits provided to the
22 physician or provider, information required by commissioner rule
23 advising the physician or provider of the availability of mediation
24 or arbitration, as applicable, under Chapter 1467.

25 (b) An insurer shall provide the explanation of benefits
26 with the notice required by this section to a physician or health
27 care provider not later than the date the insurer makes a payment

1 under Section [1301.0053](#), [1301.155](#), [1301.164](#), [~~or~~] [1301.165](#), or
2 [1301.166](#), as applicable.

3 SECTION 1.07. Subchapter D, Chapter [1301](#), Insurance Code,
4 is amended by adding Section 1301.166 to read as follows:

5 Sec. 1301.166. OUT-OF-NETWORK MUNICIPAL GROUND AMBULANCE
6 SERVICE PROVIDER. (a) In this section, "municipal ground
7 ambulance service provider" has the meaning assigned by Section
8 [1467.001](#).

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

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

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

24 (c) An out-of-network provider who is a municipal ground
25 ambulance service provider or a person asserting a claim as an agent
26 or assignee of the provider may not bill an insured receiving a
27 medical care or health care service or supply or transportation

1 described by Subsection (b) in, and the insured does not have
2 financial responsibility for, an amount greater than an applicable
3 copayment, coinsurance, and deductible under the insured's
4 preferred provider benefit plan that:

5 (1) is based on:

6 (A) the amount initially determined payable by
7 the insurer; or

8 (B) if applicable, the modified amount as
9 determined under the insurer's internal appeal process; and

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

12 (d) This section may not be construed to require the
13 imposition of a penalty under Section 1301.137.

14 SECTION 1.08. Section 1551.015, Insurance Code, is amended
15 to read as follows:

16 Sec. 1551.015. BALANCE BILLING PROHIBITION NOTICE. (a)
17 The administrator of a managed care plan provided under the group
18 benefits program shall provide written notice in accordance with
19 this section in an explanation of benefits provided to the
20 participant and the physician or health care provider in connection
21 with a health care or medical service or supply or transportation
22 provided by an out-of-network provider. The notice must include:

23 (1) a statement of the billing prohibition under
24 Section 1551.228, 1551.229, ~~[or]~~ 1551.230, or 1551.231, as
25 applicable;

26 (2) the total amount the physician or provider may
27 bill the participant under the participant's managed care plan and

1 an itemization of copayments, coinsurance, deductibles, and other
2 amounts included in that total; and

3 (3) for an explanation of benefits provided to the
4 physician or provider, information required by commissioner rule
5 advising the physician or provider of the availability of mediation
6 or arbitration, as applicable, under Chapter 1467.

7 (b) The administrator shall provide the explanation of
8 benefits with the notice required by this section to a physician or
9 health care provider not later than the date the administrator
10 makes a payment under Section 1551.228, 1551.229, ~~[or]~~ 1551.230, or
11 1551.231, as applicable.

12 SECTION 1.09. Subchapter E, Chapter 1551, Insurance Code,
13 is amended by adding Section 1551.231 to read as follows:

14 Sec. 1551.231. OUT-OF-NETWORK MUNICIPAL GROUND AMBULANCE
15 SERVICE PROVIDER PAYMENTS. (a) In this section, "municipal ground
16 ambulance service provider" has the meaning assigned by Section
17 1467.001.

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

26 (1) the 30th day after the date the administrator
27 receives an electronic claim for those services that includes all

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

5 (c) An out-of-network provider who is a municipal ground
6 ambulance service provider or a person asserting a claim as an agent
7 or assignee of the provider may not bill a participant receiving a
8 health care or medical service or supply or transportation
9 described by Subsection (b) in, and the participant does not have
10 financial responsibility for, an amount greater than an applicable
11 copayment, coinsurance, and deductible under the participant's
12 managed care plan that:

13 (1) is based on:

14 (A) the amount initially determined payable by
15 the administrator; or

16 (B) if applicable, the modified amount as
17 determined under the administrator's internal appeal process; and

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

20 SECTION 1.10. Section 1575.009, Insurance Code, is amended
21 to read as follows:

22 Sec. 1575.009. BALANCE BILLING PROHIBITION NOTICE. (a)
23 The administrator of a managed care plan provided under the group
24 program shall provide written notice in accordance with this
25 section in an explanation of benefits provided to the enrollee and
26 the physician or health care provider in connection with a health
27 care or medical service or supply or transportation provided by an

1 out-of-network provider. The notice must include:

2 (1) a statement of the billing prohibition under
3 Section [1575.171](#), [1575.172](#), [~~or~~] [1575.173](#), or [1575.174](#), as
4 applicable;

5 (2) the total amount the physician or provider may
6 bill the enrollee under the enrollee's managed care plan and an
7 itemization of copayments, coinsurance, deductibles, and other
8 amounts included in that total; and

9 (3) for an explanation of benefits provided to the
10 physician or provider, information required by commissioner rule
11 advising the physician or provider of the availability of mediation
12 or arbitration, as applicable, under Chapter [1467](#).

13 (b) The administrator shall provide the explanation of
14 benefits with the notice required by this section to a physician or
15 health care provider not later than the date the administrator
16 makes a payment under Section [1575.171](#), [1575.172](#), [~~or~~] [1575.173](#), or
17 [1575.174](#), as applicable.

18 SECTION 1.11. Subchapter D, Chapter [1575](#), Insurance Code,
19 is amended by adding Section 1575.174 to read as follows:

20 Sec. 1575.174. OUT-OF-NETWORK MUNICIPAL GROUND AMBULANCE
21 SERVICE PROVIDER PAYMENTS. (a) In this section, "municipal ground
22 ambulance service provider" has the meaning assigned by Section
23 [1467.001](#).

24 (b) The administrator of a managed care plan provided under
25 the group program shall pay for a covered health care or medical
26 service performed for, or a covered supply or covered
27 transportation related to that service provided to, an enrollee by

1 an out-of-network provider who is a municipal ground ambulance
2 service provider at the usual and customary rate or at an agreed
3 rate. The administrator shall make a payment required by this
4 subsection directly to the provider not later than, as applicable:

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

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

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

19 (1) is based on:

20 (A) the amount initially determined payable by
21 the administrator; or

22 (B) if applicable, the modified amount as
23 determined under the administrator's internal appeal process; and

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

26 SECTION 1.12. Section 1579.009, Insurance Code, is amended
27 to read as follows:

1 Sec. 1579.009. BALANCE BILLING PROHIBITION NOTICE. (a)
2 The administrator of a managed care plan provided under this
3 chapter shall provide written notice in accordance with this
4 section in an explanation of benefits provided to the enrollee and
5 the physician or health care provider in connection with a health
6 care or medical service or supply or transportation provided by an
7 out-of-network provider. The notice must include:

8 (1) a statement of the billing prohibition under
9 Section 1579.109, 1579.110, [~~or~~] 1579.111, or 1579.112, as
10 applicable;

11 (2) the total amount the physician or provider may
12 bill the enrollee under the enrollee's managed care plan and an
13 itemization of copayments, coinsurance, deductibles, and other
14 amounts included in that total; and

15 (3) for an explanation of benefits provided to the
16 physician or provider, information required by commissioner rule
17 advising the physician or provider of the availability of mediation
18 or arbitration, as applicable, under Chapter 1467.

19 (b) The administrator shall provide the explanation of
20 benefits with the notice required by this section to a physician or
21 health care provider not later than the date the administrator
22 makes a payment under Section 1579.109, 1579.110, [~~or~~] 1579.111, or
23 1579.112, as applicable.

24 SECTION 1.13. Subchapter C, Chapter 1579, Insurance Code,
25 is amended by adding Section 1579.112 to read as follows:

26 Sec. 1579.112. OUT-OF-NETWORK MUNICIPAL GROUND AMBULANCE
27 SERVICE PROVIDER PAYMENTS. (a) In this section, "municipal ground

1 ambulance service provider" has the meaning assigned by Section
2 1467.001.

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

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

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

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

25 (1) is based on:

26 (A) the amount initially determined payable by
27 the administrator; or

1 (B) if applicable, a modified amount as
2 determined under the administrator's internal appeal process; and
3 (2) is not based on any additional amount determined
4 to be owed to the provider under Chapter 1467.

5 ARTICLE 2. OUT-OF-NETWORK CLAIM DISPUTE RESOLUTION

6 SECTION 2.01. Section 1467.001, Insurance Code, is amended
7 by amending Subdivision (6-a) and adding Subdivision (6-b) to read
8 as follows:

9 (6-a) "Municipal ground ambulance service provider"
10 means a health care provider employed by or contracted with a
11 municipality to use a ground vehicle for the transportation,
12 including nonemergency transportation, of an ill or injured
13 individual to a facility. The term includes an emergency medical
14 services provider and a provider using emergency medical services
15 vehicles, as those terms are defined by Section 773.003, Health and
16 Safety Code, except the terms do not include an air ambulance.

17 (6-b) "Out-of-network provider" means a diagnostic
18 imaging provider, emergency care provider, facility-based
19 provider, ~~or~~ laboratory service provider, or municipal ground
20 ambulance service provider that is not a participating provider for
21 a health benefit plan.

22 SECTION 2.02. The heading to Subchapter B, Chapter 1467,
23 Insurance Code, is amended to read as follows:

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

26 SECTION 2.03. Section 1467.050(a), Insurance Code, is
27 amended to read as follows:

1 (a) This subchapter applies only with respect to a health
2 benefit claim submitted by an out-of-network provider that is a
3 facility or municipal ground ambulance service provider.

4 SECTION 2.04. Section 1467.051(a), Insurance Code, is
5 amended to read as follows:

6 (a) An out-of-network provider or a health benefit plan
7 issuer or administrator may request mediation of a settlement of an
8 out-of-network health benefit claim through a portal on the
9 department's Internet website if:

10 (1) there is an amount billed by the provider and
11 unpaid by the issuer or administrator after copayments,
12 deductibles, and coinsurance for which an enrollee may not be
13 billed; and

14 (2) the health benefit claim is for:

15 (A) emergency care;

16 (B) an out-of-network laboratory service; ~~or~~

17 (C) an out-of-network diagnostic imaging
18 service; or

19 (D) an out-of-network municipal ground ambulance
20 service.

21 SECTION 2.05. Subchapter B, Chapter 1467, Insurance Code,
22 is amended by adding Section 1467.0555 to read as follows:

23 Sec. 1467.0555. MEDIATION INVOLVING MUNICIPAL GROUND
24 AMBULANCE SERVICE PROVIDER. (a) A municipal ground ambulance
25 service provider may elect to submit multiple claims to mediation
26 in one proceeding if:

27 (1) the total amount in controversy for the claims

1 does not exceed \$5,000; and

2 (2) the claims are limited to the same administrator
3 or health benefit plan issuer.

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

8 ARTICLE 3. TRANSITION AND EFFECTIVE DATE

9 SECTION 3.01. The changes in law made by this Act apply only
10 to a ground ambulance service provided on or after January 1, 2024.
11 A ground ambulance service provided before January 1, 2024, is
12 governed by the law in effect immediately before the effective date
13 of this Act, and that law is continued in effect for that purpose.

14 SECTION 3.02. This Act takes effect September 1, 2023.