

By: Kolkhorst

S.B. No. 2502

A BILL TO BE ENTITLED

AN ACT

relating to certain limitations on reimbursements paid for inpatient and outpatient hospital services for certain publicly funded health benefit plan coverage for employees and retirees.

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

SECTION 1. Section 1551.205, Insurance Code, is amended to read as follows:

Sec. 1551.205. MAXIMUM RATES FOR FACILITIES; LIMITATIONS.

(a) Disregarding any contradictory contract terms or any other law to the contrary, any facility, as such term is defined by Section 324.001 of the Health and Safety Code, that bills the group benefits program, its administering firm, carrier, or their designee, for health care services provided to an enrolled employee or dependent will never be entitled to a rate for such health care services that exceed the rate established in the applicable rider in the General Appropriations Act, Article I, Employees Retirement System of Texas.

(b) A facility shall not discriminate against an employee or dependent, or against the program, by refusing, to participate in an administering firm's or health coverage plan's network, or by refusing to serve an employee or dependent, or by providing health care services of a lower standard and quality to an employee or dependent than what the facility provides to other similar patients, because of the maximum rating schedule imposed by

1 subsection (a) of this section.

2 (c) The board of trustees may not contract for or provide a
3 coverage plan that:

4 (1) excludes or limits coverage or services for
5 acquired immune deficiency syndrome, as defined by the Centers for
6 Disease Control and Prevention of the United States Public Health
7 Service, or human immunodeficiency virus infection;

8 (2) provides coverage for serious mental illness that
9 is less extensive than the coverage provided for any physical
10 illness; or

11 (3) may provide coverage for prescription drugs to
12 assist in stopping smoking at a lower benefit level than is provided
13 for other prescription drugs.

14 SECTION 2: Section [1575.104](#), Insurance Code, is amended to read as
15 follows:

16 Sec. 1575.104. TERMS OF CONTRACT; MAXIMUM RATES FOR
17 FACILITIES. (a) A contract for group coverage awarded by the
18 trustee must meet the minimum benefit and financial standards
19 adopted by the trustee.

20 (b) Disregarding any contradictory contract terms or any
21 other law to the contrary, any facility, as such term is defined by
22 Section [324.001](#) of the Health and Safety Code, that bills the group
23 program, its administrator, carrier, or their designee, for health
24 care services provided to an enrolled retiree or dependent will
25 never be entitled to a rate for such health care services that
26 exceeds the rate established in the applicable rider in the General
27 Appropriations Act, Article III, Teacher Retirement System.

1 (c) A facility shall not discriminate against a retiree or
2 dependent, or against the group program, by refusing to
3 participate in a group program administrator's or carrier's
4 network, or by refusing to serve a retiree or dependent, or by
5 providing health care services of a lower standard and quality to a
6 retiree or dependent than what the facility provides to other
7 similar patients, because of the maximum rating schedule imposed
8 by subsection (b) of this section.

9 SECTION 3. Subchapter B, Chapter 1579, Insurance Code, is
10 amended by adding Section 1579.0511, Insurance Code, to read as
11 follows:

12 Sec. 1579.0511. MAXIMUM RATES FOR FACILITIES. (a)
13 Disregarding any contradictory contract terms or any other law to
14 the contrary, any facility, as such term is defined by Section
15 324.001 of the Health and Safety Code, that bills the program, its
16 administering firm, health coverage plan, or their designee, for
17 health care services provided to an enrolled employee or dependent
18 will never be entitled to a rate for such health care services that
19 exceeds the rate established in the applicable rider in the General
20 Appropriations Act, Article III, Teacher Retirement System.

21 (b) A facility shall not discriminate against an employee
22 or dependent, or against the program, by refusing to participate in
23 an administering firm's or health coverage plan's network, or by
24 refusing to serve an employee or dependent, or by providing health
25 care services of a lower standard and quality to an employee or
26 dependent than what the facility provides to other similar
27 patients, because of the maximum rating schedule imposed by

1 subsection (a) of this section.

2 SECTION 4. Subchapter B of Chapter 1601, Insurance Code, is
3 amended by adding Section 1601.0581, Insurance Code, to read as
4 follows:

5 Sec. 1601.0581. MAXIMUM RATES FOR FACILITIES. (a)
6 Disregarding any contradictory contract terms or any other law to
7 the contrary, any facility, as such term is defined by Section
8 324.001 of the Health and Safety Code, that bills the uniform
9 program, its administering carrier, or their designee, for health
10 care services provided to an enrolled employee, retiree, or
11 dependent will never be entitled to a rate for such health care
12 services that exceeds the rate established in the applicable rider
13 in the General Appropriations Act, Article III, University of
14 Texas System and Texas A&M University System.

15 (b) A facility shall not discriminate against an employee,
16 retiree, or dependent, or against the uniform program, by refusing
17 to participate in an administering carrier's network, or by
18 refusing to serve an employee, retiree, or dependent, or by
19 providing health care services of a lower standard and quality to an
20 employee, retiree, or dependent than what the facility provides to
21 other similar patients, because of the maximum rating schedule
22 imposed by subsection (a) of this section.

23 SECTION 4. The maximum rating schedules imposed by Section
24 1551.202, Insurance Code, Section 1575.104, Insurance Code, as
25 amended by this Act, Section 1579.0511, Insurance Code, and Section
26 1601.0581, Insurance Code, as added by this Act, shall apply to any
27 bill for health care services provided by a facility with dates of

1 service beginning on or after September 1, 2024.

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