BILL ANALYSIS

C.S.H.B. 4603
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Insurance
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The 86th Legislature enacted S.B. 1264, which prohibits certain out-of-network providers from billing health benefit plan enrollees for certain covered health care services or supplies in an amount greater than an applicable copayment, coinsurance, or deductible under the plan and allows providers to dispute payment amounts through a mediation or arbitration process, as applicable. The bill author informed the committee that, while that legislation set the national standard with the most comprehensive restrictions on surprise balance billing at the time, a mediation lookback period for disputed medical charges was originally not included and certain facilities continue to take advantage of the law's lack of a lookback period. C.S.H.B. 4603 seeks to align the process for disputing medical charges through mediation with the process under current law applicable to arbitration, which provides for a lookback period, by setting a deadline of not later than the 90th day after the date an out-of-network provider receives an initial payment for a health care or medical service or supply by which an out-of-network provider or health benefit plan issuer or administrator may request mandatory mediation for out-of-network facilities.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 4603 amends the Insurance Code to set a deadline by which an out-of-network provider or health benefit plan issuer or administrator may request mandatory mediation for a health benefit claim submitted by an out-of-network facility of not later than the 90th day after the date an applicable provider receives an initial payment for a health care or medical service or supply.

C.S.H.B. 4603 applies to a health care or medical service or supply provided:

- on or after the 30th day after the bill's effective date; or
- before the 30th day after the bill's effective date if an out-of-network provider or health benefit plan issuer or administrator requests mandatory mediation under applicable provisions relating to health benefit claims submitted by an out-of-network facility in relation to payment for the service or supply on or before the 120th day after the bill's effective date.

The bill establishes that such a health care or medical service or supply provided before the 30th day after the bill's effective date is governed by the law in effect immediately before the bill's effective date, and that law is continued in effect for that purpose.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2025.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 4603 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute omits a provision present in the introduced requiring the commissioner of insurance to adopt rules necessary to implement the bill's provisions.

Whereas the introduced established that the bill's provisions apply only to a health care or medical service or supply provided on or after the 30th day after the bill's effective date and that a health care or medical service or supply provided before that date is governed by the law in effect immediately before the bill's effective date, the substitute establishes the following:

- the bill applies to a health care or medical service or supply provided:
    - on or after the 30th day after the bill's effective date; or
    - before the 30th day after the bill's effective date if an out-of-network provider or health benefit plan issuer or administrator requests mandatory mediation under applicable provisions in relation to payment for the service or supply on or before the 120th day after the bill's effective date; and
- such a health care or medical service or supply provided before the 30th day after the bill's effective date is governed by the law in effect immediately before the bill's effective date.