

BILL ANALYSIS

S.B. 2544
By: Hancock
Insurance
Committee Report (Unamended)

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 sponsor has 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. S.B. 2544 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

S.B. 2544 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.

S.B. 2544 applies only to a dispute regarding charges for a health care or medical service or supply provided on or after the bill's effective date. A dispute regarding charges for a health care or medical service or supply provided before the bill's effective date is governed by the law in effect immediately before that date if mediation of the dispute under statutory provisions relating to mandatory mediation for out-of-network facilities is requested on or before the 120th day after the bill's effective date, and that law is continued in effect for that purpose. If mediation of a dispute under those statutory provisions regarding charges for a health care or medical service or supply provided before the bill's effective date is not requested on or before the 120th day after that date, the dispute is not eligible for mediation under those statutory provisions.

EFFECTIVE DATE

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