

By: Bhojani

H.B. No. 3127

A BILL TO BE ENTITLED

AN ACT

relating to the time for providing a response to a request for preauthorization of health benefits.

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

SECTION 1. Section 540.0303(b), Government Code, as effective April 1, 2025, is amended to read as follows:

(b) In addition to the requirements of Subchapter F, a contract between a Medicaid managed care organization and the commission to which that subchapter applies must require that the organization review and issue a determination on a prior authorization request to which this section applies according to the following time frames:

(1) within three calendar [~~business~~] days after the organization receives the request; or

(2) within the time frame and following the process the commission establishes if the organization receives a prior authorization request that does not include sufficient or adequate documentation.

SECTION 2. Section 1305.353(d), Insurance Code, is amended to read as follows:

(d) For services not described under Subsection (e) or (f), the determination under Subsection (c) must be issued and transmitted not later than the third calendar [~~working~~] day after the date the request is received. [~~For the purposes of this~~

1 subsection, "~~working day~~" has the meaning assigned by Section
2 ~~4201.002.~~]

3 SECTION 3. Subchapter G, Chapter 4201, Insurance Code, is
4 amended by adding Section 4201.3045 to read as follows:

5 Sec. 4201.3045. TIME FOR NOTICE REGARDING PREAUTHORIZATION
6 REQUEST. (a) In this section, "preauthorization" means a
7 determination that health care services proposed to be provided to
8 a patient are medically necessary and appropriate.

9 (b) A utilization review agent must transmit notice of a
10 determination made in a utilization review of a preauthorization
11 request not later than the earlier of:

12 (1) the time by which the notice must be provided under
13 another provision of this subchapter or other applicable law; or

14 (2) the third calendar day after the date of the
15 preauthorization request.

16 SECTION 4. If before implementing any provision of this Act
17 a state agency determines that a waiver or authorization from a
18 federal agency is necessary for implementation of that provision,
19 the agency affected by the provision shall request the waiver or
20 authorization and may delay implementing that provision until the
21 waiver or authorization is granted.

22 SECTION 5. (a) Section 540.0303(b), Government Code, as
23 amended by this Act, applies only to a preauthorization request
24 under a contract entered into on or after the effective date of this
25 Act. A preauthorization request under a contract entered into
26 before the effective date of this Act is governed by the law as it
27 existed immediately before the effective date of this Act, and that

1 law is continued in effect for that purpose.

2 (b) Section 1305.353(d), Insurance Code, as amended by this
3 Act, applies only to a preauthorization request under a workers'
4 compensation health care network contract entered into or renewed
5 on or after the effective date of this Act. A preauthorization
6 request under a workers' compensation health care network contract
7 entered into or renewed before the effective date of this Act is
8 governed by the law as it existed immediately before the effective
9 date of this Act, and that law is continued in effect for that
10 purpose.

11 (c) Section 4201.3045, Insurance Code, as added by this Act,
12 applies only to a preauthorization request under a health insurance
13 policy or health benefit plan delivered, issued for delivery, or
14 renewed on or after January 1, 2026, or for which the plan year
15 commences on or after January 1, 2026. A preauthorization request
16 under a health insurance policy or health benefit plan delivered,
17 issued for delivery, or renewed before January 1, 2026, or for which
18 the plan year commenced before January 1, 2026, is governed by the
19 law as it existed immediately before the effective date of this Act,
20 and that law is continued in effect for that purpose.

21 SECTION 6. This Act takes effect September 1, 2025.