

SUBJECT: Revisions to “any willing provider” statute for pharmacists

COMMITTEE: Insurance — committee substitute recommended

VOTE: 7 ayes — Smithee, Van de Putte, Averitt, Bonnen, Burnam, Eiland, G. Lewis
0 nays
2 absent — Olivo, Wise

WITNESSES: None

BACKGROUND : In 1995, the Legislature enacted regulations stipulating that health insurance policies and managed care plans could not deny pharmacies from participating in plans as providers if they agreed to meet all of the terms and requirements of the plan. This “any willing provider” statute defined a managed care plan as a health maintenance organization, a preferred provider organization, or another organization that provides health care benefits under a contract or other agreement.

In a court challenge to the statute, questions were raised about whether this expanded definition of managed care, by including entities regulated by the Texas Department of Insurance, unlawfully preempted the federal Employee Retirement Income Security Act.

DIGEST: CSHB 3175 would amend the “any willing provider” statute governing pharmacies to clarify that the statute applies only to health benefit plans regulated by the Texas Department of Insurance. The bill also would specify that if part of the statute was found invalid, the other parts of the statute would still remain in effect.

CSHB 3175 would take effect September 1, 1997 and would apply only to health benefit plans delivered, issued for delivery, or renewed on or after January 1, 1998.

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NOTES: The committee substitute eliminated references to managed care plans, substituted “health benefit plan” for “health insurance” and added the severability clause.