

SUBJECT: Reimbursement and use of certain health-care practitioners

COMMITTEE: Insurance — committee substitute recommended

VOTE: 5 ayes — Smithee, Seaman, B. Keffer, Taylor, Van Arsdale
0 nays
4 absent — Eiland, Bonnen, Gallego, Thompson

WITNESSES: For — Eric Glenn, Humana, Inc.; Mike Pollard, Texas Association of Life and Health Insurers
Against — Lisa McGiffert, Consumers Union

BACKGROUND: Insurance Code, art. 21.52 prohibits insurers from discriminating against certain health professionals in terms of payment or reimbursement for services that are within the professional's scope of practice and that would be reimbursed if administered by another practitioner under the policy. The protected groups include podiatrists, optometrists, physical therapists, dietitians, psychologists, and others.

DIGEST: CSHB 3023 would specify that the prohibition against discrimination would apply only to the rate of payment or reimbursement by the insurer, not to the cost-sharing amount paid by an enrollee, such as coinsurance, copayments, or deductibles.

The bill would take effect September 1, 2003. It would apply only to policies delivered or renewed on or after January 1, 2004.

SUPPORTERS SAY: CSHB 3023 would allow insurers to encourage their enrollees to obtain services from lower-cost providers. Under current law, enrollees have no incentive to go to lower-cost providers because their copayments or deductibles are the same.

Encouraging enrollees to obtain services from lower-cost providers would lower the overall cost of health services, while maintaining the quality of care.

Each type of practitioner included in the antidiscrimination statute offers only services within its scope of practice, which takes into account education and required experience. Licensing and regulation of these professions by state regulatory boards protect patients from substandard care.

**OPPONENTS
SAY:**

CSHB 3023 would circumvent insurance equality by allowing insurers to pay less to one group than to another for the same services. Significant confusion exists as to the possible result. The bill could allow the professionals listed in the antidiscrimination clause to be reimbursed less than other practitioners. It could allow insurers to reduce copayments for the listed professionals' services, while maintaining the same copayment for other practitioners' services. Insurers could reduce reimbursement for the listed professionals to placate the insurers' base of physician providers. In negotiating rates with physicians, insurers may be able to obtain lower rates if they promise that the total compensation for physicians would remain above that for other practitioners.

NOTES:

The committee substitute changed the filed version of HB 2023 to conform to the Texas Legislative Council format.