

SUBJECT: Requiring health plans to establish preauthorization renewal process

COMMITTEE: Insurance — committee substitute recommended

VOTE: 7 ayes — Lucio, Oliverson, S. Davis, Julie Johnson, Lambert, C. Turner,
Vo

0 nays

2 absent — G. Bonnen, Paul

WITNESSES: For — Greg Hansch, National Alliance on Mental Illness-Texas; Phil Shackelford; (*Registered, but did not testify*: Marina Hench, American Cancer Society Cancer Action Network; Stacey Pogue, Center for Public Policy Priorities; James Mathis, Houston Methodist Hospital; Marilyn Hartman, National Alliance on Mental Illness-Austin; Will Francis, National Association of Social Workers-Texas; Simone Nichols-Segers, National MS Society; Cameron Duncan, Texas Hospital Association; Clayton Stewart, Texas Medical Association; Bobby Hillert, Texas Orthopaedic Association; Bonnie Bruce, Texas Society of Anesthesiologists; John Henderson, Texas Organization of Rural and Community Hospitals)

Against — (*Registered, but did not testify*: Bill Kelly, City of Houston Mayor's Office)

On — (*Registered, but did not testify*: Jamie Walker, Texas Department of Insurance)

DIGEST: CSHB 3041 would require a health benefit plan issuer that required preauthorization as a condition of payment to provide a preauthorization renewal process. This process would have to allow a renewal of an existing preauthorization to be requested at least 60 days before the date the preauthorization expired.

If a health plan issuer received a preauthorization renewal request before

the existing preauthorization expired, the issuer would have to, if practicable, review the request and determine whether the service was preauthorized before the existing preauthorization expired.

The bill would apply to certain health benefit plans, including:

- a health maintenance organization;
- a small employer health plan subject to the Health Insurance Portability and Availability Act;
- a consumer choice of benefits plan;
- a basic coverage plan under the Texas Employees Group Benefits Act;
- a basic plan under the Texas Public School Retired Employees Group Benefits Act;
- a primary care coverage plan under the Texas School Employees Uniform Group Health Coverage Act;
- a basic coverage plan under the Uniform Insurance Benefits Act for employees of the University of Texas and Texas A&M systems;
- group health coverage made available by a school district;
- group health benefits provided to county employees; and
- health and accident coverage under the Texas Political Subdivision Employees Uniform Group Benefits Act.

The bill also would apply to the state Medicaid program, including managed care programs, and the state child health plan program.

The bill would take effect September 1, 2019, and would apply to a health benefit plan issued or renewed on or after January 1, 2020.

SUPPORTERS
SAY:

CSHB 3041 would help address unnecessary gaps in patient care by establishing a renewal process by which entities could request to renew a preauthorization before it expired. The current preauthorization process is burdensome and can lead to negative health outcomes for those who are unable to meet the process's time constraints, resulting in missed treatment for ongoing medical conditions.

Concerns about the bill's applicability to health coverage offered by counties and political subdivisions could be addressed in a floor amendment.

OPPONENTS
SAY:

CSHB 3041 would inappropriately apply the bill's preauthorization requirements to certain health coverage plans offered by counties and political subdivisions to their employees. These plans should not be subjected to Texas Department of Insurance requirements because doing so could undermine the independence of local governments.

NOTES:

The bill author plans to offer a floor amendment that would exempt certain county employee group health benefits and health coverage under the Texas Political Subdivision Uniform Group Benefits Program, as well as workers' compensation insurance coverage, from the bill's requirements. The floor amendment also would revise the number of days in which a preauthorization renewal could be requested from 60 to 45 days before the existing preauthorization expired.