

SUBJECT: Allowing credit for insured payments directly to physicians or providers

COMMITTEE: Health Care Reform, Select — committee substitute recommended

VOTE: 10 ayes — Harless, Howard, Bonnen, Frank, Klick, E. Morales, Oliverson, Price, Rose, Walle

0 nays

1 absent — Bucy

WITNESSES: For — Shannon Meroney, NABIP-TX (National Association of Benefit & Insurance Professionals - Texas); Charles Miller, Texas 2036 (*Registered, but did not testify*); Samuel Sheetz, Americans for Prosperity; David Reynolds, Texas Chapter American College of Physicians Services; Ben Wright, Texas Medical Association; Caroline Welton, Texas Public Policy Foundation; Jorge Martinez, The LIBRE Initiative; Michelle Evans)

Against — None

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

BACKGROUND: Concerns have been raised that the cash price a doctor or medical facility may offer for a treatment, test, or procedure is less costly than a health plan's negotiated rate, but patients are not encouraged to seek out these deals because their cash payments do not count toward their deductible or out-of-pocket expenses.

DIGEST: CSHB 2002 would require an insurer to credit toward an insured's deductible and annual maximum out-of-pocket expenses an amount the insured paid directly to any physician or health care provider for a medically necessary covered medical or health care service or supply if:

- a claim had not been submitted to the insurer; and
- the amount paid by the insured to the physician or health care

provider was less than the average discounted rate for the service or supply paid to an equivalently licensed or authorized preferred provider under the insured's preferred provider benefit plan.

An insurer would be required to establish a procedure an insured could use to claim the credit and identify the documentation necessary to support a credit request. Information about the procedure and documentation would have to be readily accessible to an insured on the insurer's website.

The bill would take effect September 1, 2023, and would apply only to a preferred provider benefit plan delivered, issued for delivery or renewed on or after January 1, 2024.