SUBJECT: Revising provisions related to health plan physician rankings

COMMITTEE: Insurance — committee substitute recommended

VOTE: 7 ayes — Oliverson, Cain, Cortez, Caroline Harris, Hull, Paul, Perez

2 nays — A. Johnson, Julie Johnson

WITNESSES: For — Tom Denniston, Denniston Data Inc; Shannon Meroney, National Association of Benefits & Insurance Professionals; Charles Miller, Texas 2036; Blake Hutson, Texas Association of Health Plans (*Registered, but did not testify*: Samuel Sheetz, Americans for Prosperity; Sarah Douglas, National Federation of Independent Business; Matt Abel, Texas Association of Business; Jorge Martinez, The LIBRE Initiative; Thomas Parkinson)

Against — Pradeep Kumar, Texas Medical Association (*Registered, but did not testify*: David Reynolds, Texas Chapter American College of Physicians Services; Bobby Hillert, Texas Orthopaedic Association; Jill Sutton, Texas Osteopathic Medical Association; Elizabeth Farley, Texas Society of Anesthesiologists)

On — (*Registered, but did not testify*: Debra Diaz-Lara, Texas Department of Insurance)

BACKGROUND: Some have suggested that simplifying the requirements health plans must follow when ranking physicians by quality would help provide patients with the information they need to make informed physician choices.

DIGEST: CSHB 3351 would revise provisions related to health plan rankings of physicians. Current provisions related to the ability of a health benefit plan issuer to rank or classify physicians would be removed and replaced with new provisions that would prohibit a health benefit plan from ranking or classifying physicians into tiers based on performance unless:

- the standards used by the health benefit plan to rank or classify

physicians were propagated or developed by an organization designated by the insurance commissioner through rule;
- the ranking, comparison, or evaluation followed requirements specified in the bill; and
- each affected physician was provided with a process to identify discrepancies between the standard and the ranking, comparison, or evaluation, as propagated by the health benefit plan.

If a physician submitted information to a health benefit plan issuer that identified a discrepancy, the health benefit plan issuer would be required to remedy the discrepancy by either the date of publication or the 30th day after the date the health benefit plan issuer received the information from the physician, whichever was later.

Provisions related to insurance commissioner responsibilities for identifying quality standards that could be used by health plans would be revised to remove existing provisions and replaced with a requirement limiting the commissioner to only those organizations:

- that were bona fide and unbiased toward or against any medical provider;
- that had standards to be used in rankings, comparisons, and evaluations that followed criteria specified in the bill; and
- that had an easy-to-use process by which a medical provider could report certain errors for prompt investigation, and, if appropriate, correction.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2023.