

BILL ANALYSIS

Senate Research Center

H.B. 3016
By: Smithee (Sibley)
Economic Development
5/14/1999
Engrossed

DIGEST

Enacted by the 75th Legislature, Article 20A.12, Insurance Code, requires health maintenance organizations (HMOs) to establish a system for complaints and appeals brought by enrollees and health care providers. The system must include a provision to notify an enrollee of the enrollee's right to appeal an adverse determination to an independent review organization (IRO). Some HMOs have concluded that an enrollee's disagreement with an adverse determination constitutes a complaint and not an appeal within the meaning of Article 20A.12. H.B. 3016 amends regulations regarding health care utilization review agents.

PURPOSE

As proposed, H.B. 3016 amends regulations regarding health care utilization review agents.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Sections 5(a) and (c), Article 21.58A, Insurance Code, to require a utilization review agent (agent) to notify the enrollee or a person acting on behalf of the enrollee and the enrollee's provider of record, of a determination made in a utilization review, rather than notifying the enrollee, a person acting on behalf of the enrollee, or the enrollee's provider of record. Requires the agent to include certain descriptions of the procedure for a complaint and appeal process, including an enrollee's right to appeal, the procedures for appealing an adverse determination to an independent review organization (organization), and notification to an enrollee who has a life-threatening condition of the enrollee's right to an immediate review by the organization and procedures to obtain the review.

SECTION 2. Amends Section 6(a), Article 21.58A, Insurance Code, to specify that a filed complaint with an agent that concerns dissatisfaction or disagreement with an adverse determination constitutes an appeal of that adverse determination, for purposes of this section.

SECTION 3. Amends Section 6(b), Article 21.58A, Insurance Code, to require the letter the agent is required to send to the appealing party acknowledging the agent's receipt of the appeal to include, among other provisions, a list of the documents, rather than reasonable documents, that the appealing party must submit for review by the utilization review agent. Sets forth other procedures for appeals. Deletes requirements that a notification include certain denials of health care insurance, a statement of medical decisions, and notification of an appeal to the other party. Makes conforming changes.

SECTION 4. Amends Section 6(c), Article 21.58A, Insurance Code, to provide that notwithstanding this article or any other law, the enrollee is entitled to certain appeals. Deletes the definition for "life-threatening condition."

SECTION 5. Effective date: September 1, 1999.

SECTION 6. Emergency clause.