

## **BILL ANALYSIS**

Senate Research Center  
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C.S.S.B. 1143  
By: Deuell  
State Affairs  
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Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Health insurers rate doctors and charge patients lower co-payments to see the physicians they deem high-quality providers. However, the physicians who do not receive this classification are not given reasons as to why and are not given the data and evidence used to determine their classification. Also, insurance companies do not use universally accepted measures of quality care or efficiency, lessening accuracy and fairness. In Texas, Blue Cross Blue Shield of Texas unveiled a network called BlueChoice Solutions with the plan of selecting member physicians based on how much their treatments cost, encouraging physicians to avoid treating patients with complications. BlueChoice Solutions was forced to postpone its posting of physician rankings on their website after physicians protested.

C.S.S.B. 1143 adds a chapter to the Insurance Code regulating physician ranking by health benefit plan issuers.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the commissioner of insurance in SECTION 1 (Section 1460.003, Insurance Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subtitle F, Title 8, Insurance Code, by adding Chapter 1460, as follows:

#### **CHAPTER 1460. PHYSICIAN RANKING BY HEALTH BENEFIT PLANS**

Sec. 1460.001. DEFINITIONS. Defines "health benefit plan issuer" and "physician."

Sec. 1460.002. PHYSICIAN RANKING REQUIREMENTS. (a) Provides that a health benefit plan issuer (issuer) is subject to the requirements of this chapter if the issuer establishes ranking programs for use in the provision of medical services by the health benefit plan under which certain physicians are presented as superior in the quality of medical care provided or in efficiency in the provision of medical services.

(b) Requires an issuer that establishes ranking programs to provide affected physicians with a complete description of the ranking program and the factors used to determine rankings before posting the rankings, and provide a reasonable mechanism for reviewing a physician's dispute regarding the physician's ranking by the issuer in accordance with Subsection (c).

(c) Requires an issuer to provide for an opportunity for review by an advisory review panel composed of at least three physicians that participate in the issuer's network, and include one member who is a physician in the same or similar specialty as the affected physician, if available.

(d) Requires the issuer to provide certain information to the affected physician.

(e) Requires the issuer to annually report to the Texas Department of Insurance the number of instances in which the issuer makes a determination contrary to the recommendation of the advisory review panel.

Sec. 1460.003. RULES. Requires the commissioner of insurance to adopt rules in the manner prescribed by Subchapter A (Rules), Chapter 36, as necessary to implement this chapter.

Sec. 1460.004. SANCTIONS. Provides that an issuer that violates this chapter is subject to sanctions under Chapter 82 (Sanctions).

SECTION 2. (a) Requires an issuer to comply with Chapter 1460, Insurance Code, not later than December 31, 2007.

(b) Provides that a issuer is not subject to sanctions under Section 1460.004, as added by this Act, before January 1, 2008.

SECTION 3. Effective date: September 1, 2007.