

BILL ANALYSIS

Senate Research Center
80R8070 PB-D

S.B. 951
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State Affairs
3/20/2007
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Many healthcare insurers and health maintenance organizations (HMOs) routinely discriminate against physician-owned hospitals by refusing to include them in their networks. This practice reduces patient access to high quality hospital services because hospitals are forced out of business when they cannot acquire these contracts. Currently, there is no law that prohibits such discrimination.

As proposed, S.B. 951 prohibits insurers and HMOs from denying participation in a preferred provider network based on the ownership of the hospital.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 843.303, Insurance Code, by adding Subsection (d), to prohibit a health maintenance organization from denying participation in its delivery network to a hospital provider, based on the ownership of the hospital provider, if the hospital provider is licensed under Chapter 241 (Hospitals), Health and Safety Code.

SECTION 2. Amends Section 1301.051, Insurance Code, by adding Subsection (f), to prohibit an insurer offering a preferred provider benefit plan from denying participation as a preferred provider to a hospital based solely on the ownership of the hospital.

SECTION 3. Amends Chapter 1451, Insurance Code, by adding Subchapter J, as follows:

SUBCHAPTER J. ACCESS TO CERTAIN HOSPITALS

Sec. 1451.451. (a) Defines "hospital."

(b) Prohibits an insurer that contracts with hospitals to provide services under a managed care plan offered by the insurer in this state from denying participation in the managed care plan's delivery network to a hospital based solely on the ownership of the hospital.

SECTION 4. Effective date: September 1, 2007.