

BILL ANALYSIS

Senate Research Center
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C.S.H.B. 1742
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In 2009, Texas established a mediation system for patients who receive certain "surprise" medical bills. These bills may occur when a patient is treated by a health care provider who is has no contractual agreement with the patient's health insurance plan—these providers are often referred to as "out-of-network" providers. The purpose of the mediation process is to help patients resolve these surprise medical bills when the patient was unable to select his or her health care provider, or did not know that the care would be performed by an out-of-network provider.

Since 2009, the legislature has expanded the mediation process to cover additional patients with unexpected, out-of-network bills. However, the current mediation process does not apply to laboratory services. National news coverage in 2018 highlighted a patient who received a nearly \$18,000 surprise bill from an out-of-network laboratory after providing a urine sample at her in-network physician's office.

H.B. 1742 would allow patients to use Texas' surprise medical bill mediation system for certain bills from out-of-network laboratories—for example, if a specimen was collected by an in-network health care provider at that provider's office, and then sent to an out-of-network laboratory for analysis. (Original Author's/Sponsor's Statement of Intent)

C.S.H.B. 1742 amends current law relating to the mediation of the settlement of certain health benefit claims involving balance billing by out-of-network laboratories.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the commissioner of insurance and the Texas Medical Board or other regulatory agency is modified in SECTION 12 (Section 1467.151, Insurance Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 1467.001, Insurance Code, by amending Subdivisions (4), (5), and (7) and adding Subdivisions (4-b) and (4-c) to redefine "facility-based provider," "mediation," and "party" and to define "health care services" and "laboratory."

SECTION 2. Amends Section 1467.005, Insurance Code, to prohibit this chapter (Out-Of-Network Claim Dispute Resolution) from being construed to prohibit a laboratory, facility-based provider, or emergency care provider from, at any time, offering a reformed charge for health care services, rather than prohibiting this chapter from being construed to prohibit a facility-based provider, or emergency care provider from, at any time, offering a reformed charge for health care or medical services or supplies.

SECTION 3. Amends Section 1467.051, Insurance Code, as follows:

Sec. 1467.051. AVAILABILITY OF MANDATORY MEDIATION; EXCEPTION. (a)
Authorizes an enrollee to request mediation of a settlement of an out-of-network health benefit claim if:

(1) makes a conforming change to this subdivision;

(2) the health benefit is for:

(A) makes a nonsubstantive change to this paragraph;

(B) makes conforming and nonsubstantive changes to this paragraph; or

(C) a laboratory service, if:

(i) the specimen evaluated by the laboratory is collected:

(a) at the office of a health care practitioner who is a preferred provider or has a contract with the administrator; or

(b) at a facility that is a preferred provider or that has a contract with the administrator; and

(ii) the laboratory is an out-of-network laboratory.

(b) through (d) Makes conforming changes to these subsections.

SECTION 4. Amends Section 1467.0511, Insurance Code, to make conforming changes.

SECTION 5. Amends Section 1467.052(c), Insurance Code, to make conforming changes.

SECTION 6. Amends Section 1467.053(d), Insurance Code, to make conforming changes.

SECTION 7. Amends Sections 1467.054(b), (c), and (e), Insurance Code, to make conforming changes.

SECTION 8. Amends Sections 1467.055(d), (h), and (i), Insurance Code, to make conforming changes.

SECTION 9. Amends Sections 1467.056(a), (b), and (d), Insurance Code, to make conforming changes.

SECTION 10. Amends Section 1467.058, Insurance Code, to make conforming changes.

SECTION 11. Amends Section 1467.059, Insurance Code, to make conforming changes.

SECTION 12. Amends Sections 1467.151(a), (b), and (d), Insurance Code, to make conforming changes.

SECTION 13. Makes application of this Act prospective to September 1, 2019.

SECTION 14. Provides that this Act takes effect only if none of the following bills proposed by the 86th Legislature, Regular Session, 2019, or similar legislation of the 86th Legislature, Regular Session, 2019, are enacted and become law:

(1) H.B. 2967, relating to prohibited balance billing and an independent dispute resolution program for out-of-network coverage under certain managed care plans;

(2) H.B. 3933, relating to consumer protections against billing and limitations on information reported by consumer reporting agencies;

(3) S.B. 1264, relating to consumer protections against certain medical and health care billing by certain out-of-network providers; or

(4) S.B. 1591, relating to prohibited balance billing and an independent dispute resolution program for out-of-network coverage under certain managed care plans.

SECTION 15. Effective date: September 1, 2019.