

Expanding list of out-of-network health claims eligible for mediation

HB 1742 by Smithee (Johnson)

Digest

HB 1742 would have allowed certain health plan enrollees to request mediation to settle certain out-of-network health benefit claims. The bill would have included laboratory services among the out-of-network health claims eligible for mediation if the specimen evaluated by the laboratory was collected at the preferred provider's office or facility. The bill would have made other conforming changes applicable to mediation under Insurance Code ch. 1467.

Governor's reason for veto

"In an effort to end surprise medical billing in Texas, I have signed Senate Bill 1264 into law. That leaves no work to be done by House Bill 1742, as the bill itself acknowledges in Section 14. I applaud the Legislature for addressing this critical issue in a number of bills, and I am proud to have signed the broadest one that reached my desk."

Response

Rep. John Smithee, the bill's author, had no comment on the veto.

Sen. Nathan Johnson, the Senate sponsor, said, "Gov. Abbott's veto of HB 1742 wasn't a veto in the ordinary sense of refusing to implement policy; it was more of a declaration of mootness. In fact, the policy of HB 1742 did prevail — it was absorbed into the larger surprise billing legislation, SB 1264.

"Importantly, the original version of SB 1264 did not extend to medical laboratory billing. Medical lab billing was incorporated into SB 1264 via a committee substitute only after HB 1742 had already been heard in the House. As Gov. Abbott noted in his veto statement, by its own terms, HB 1742 would go into effect only in the event the

broader surprise medical billing legislation, SB 1264, did not pass. It passed, as amended, to include the objectives of HB 1742.

"Texas is now one of only a handful of states that explicitly protect patients from surprise billing when their in-network health care provider sends a specimen to an out-of-network lab for processing. This scenario is clearly one in which a patient has no choice in or control over whether he or she receives out-of-network care, but until now, it was not included in the state's surprise billing protection statute. We are pleased with the outcome."

Notes

HB 1742 passed on the Local, Consent, and Resolutions Calendar and was not analyzed in a *Daily Floor Report*.