

## **BILL ANALYSIS**

C.S.H.B. 2501  
By: Phillips  
Insurance  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Interested parties note that certain nonemergency medical transportation providers are increasingly using transportation network companies or rideshare models to bring patients to routine and follow-up medical appointments but that Texas providers are unable to secure the automobile insurance needed to so operate in the state under existing law. C.S.H.B. 2501 seeks to address this issue by revising the applicability of statutory provisions relating to insurance for transportation network company drivers with regard to certain entities arranging nonemergency medical transportation.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 2501 amends the Insurance Code to remove language expressly excluding an entity arranging nonemergency medical transportation under a contract with the state or a managed care organization for individuals qualifying for Medicaid or Medicare from the definition of "transportation network company" under statutory provisions relating to insurance for transportation network company drivers. The bill makes those statutory provisions inapplicable to such an entity unless the entity provides the transportation services through a digital network that connects transportation network company drivers to transportation network company riders for prearranged rides, contracts individually with each transportation network company driver who is connected to transportation network company riders for the prearranged rides through the entity's digital network, and otherwise meets all Medicaid or Medicare requirements for delivery of nonemergency medical transportation services.

### **EFFECTIVE DATE**

September 1, 2017.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 2501 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Section 1954.001(4), Insurance Code, is amended.

No equivalent provision.

SECTION 2. This Act takes effect September 1, 2017.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Same as introduced version.

SECTION 2. Section 1954.002, Insurance Code, is amended to read as follows:

Sec. 1954.002. **APPLICABILITY OF CHAPTER.** (a) This chapter applies to automobile insurance policies in this state, including policies issued by a Lloyd's plan, a reciprocal or interinsurance exchange, and a county mutual insurance company.

(b) This chapter does not apply to an entity arranging nonemergency medical transportation services under a contract with the state or a managed care organization for individuals qualifying for Medicaid or Medicare unless the entity:

(1) provides the transportation services through a digital network that connects transportation network company drivers to transportation network company riders for prearranged rides;

(2) contracts individually with each transportation network company driver who is connected to transportation network company riders for the prearranged rides through the entity's digital network; and

(3) otherwise meets all requirements under the Medicaid or Medicare program for delivery of nonemergency medical transportation services.

SECTION 3. Same as introduced version.