

BILL ANALYSIS

C.S.S.B. 507
By: Hancock
Insurance
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties have expressed concerns with eligibility restrictions on the availability of mandatory mediation as a method for resolving billing disputes regarding certain health benefit claims. C.S.S.B. 507 seeks to address this concern by allowing more consumers to utilize mediation as a method for resolving such issues.

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.S.B. 507 amends the Insurance Code to apply statutory provisions relating to out-of-network health benefit claim dispute resolution to an administrator of a health benefit plan, other than a health maintenance organization plan, under the Texas Public School Retired Employees Group Benefits Act or the Texas School Employees Uniform Group Health Coverage Act. The bill replaces references to a facility-based physician in those statutory provisions with references to a facility-based provider, defined by the bill as a physician, health care practitioner, or other health care provider who provides health care or medical services to patients of a facility. The bill includes references to an emergency care provider, health care services, and supplies in certain of those statutory provisions, as appropriate. The bill makes specified duties and responsibilities of the Texas Medical Board and certain other entities provided under such statutory provisions applicable to any other appropriate regulatory agency, including the requirement to adopt rules as necessary to implement the respective agency's powers and duties.

C.S.S.B. 507 requires a bill sent to an enrollee by a facility-based provider or emergency care provider, or an explanation of benefits sent to an enrollee by an insurer or administrator, for an out-of-network health benefit claim eligible for mediation to contain, in not less than 10-point boldface type, a conspicuous, plain-language explanation of the mediation process. The bill establishes that an insurer, administrator, facility-based provider, or emergency care provider is encouraged to inform an enrollee who contacts the insurer, administrator, or provider about a bill that may be eligible for mediation about mediation under provisions governing out-of-network claim dispute resolution and to provide the enrollee with the Texas Department of Insurance's toll-free telephone number and website address. The bill establishes that a facility-based provider or emergency care provider who fails to provide a disclosure as required by these provisions is not subject to discipline by the board or other appropriate regulatory agency for that failure and also establishes that a cause of action is not created by that failure to disclose.

C.S.S.B. 507 includes among the persons prohibited from acting as a mediator for a claim settlement dispute a person who has been employed by, consulted for, or otherwise had a business relationship with a health care practitioner or other health care provider during the three years immediately preceding the request for mediation. The bill repeals a provision requiring a mediator to report bad faith mediation to the insurance commissioner or the board, as appropriate, following the conclusion of the mediation. The bill applies only to a claim for health care or medical services or supplies provided on or after January 1, 2018.

C.S.S.B. 507 repeals Section 1467.101(c), Insurance Code.

EFFECTIVE DATE

September 1, 2017.

COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE

While C.S.S.B. 507 may differ from the engrossed in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the engrossed and committee substitute versions of the bill.

SENATE ENGROSSED	HOUSE COMMITTEE SUBSTITUTE
SECTION 1. Section 1467.001, Insurance Code, is amended.	SECTION 1. Same as engrossed version.
SECTION 2. Section 1467.002, Insurance Code, is amended.	SECTION 2. Same as engrossed version.
SECTION 3. Section 1467.003, Insurance Code, is amended.	SECTION 3. Same as engrossed version.
SECTION 4. Section 1467.005, Insurance Code, is amended.	SECTION 4. Same as engrossed version.
SECTION 5. Section 1467.051, Insurance Code, is amended.	SECTION 5. Same as engrossed version.
SECTION 6. Subchapter B, Chapter 1467, Insurance Code, is amended.	SECTION 6. Same as engrossed version.
SECTION 7. Section 1467.052(c), Insurance Code, is amended.	SECTION 7. Same as engrossed version.
SECTION 8. Section 1467.053(d), Insurance Code, is amended.	SECTION 8. Same as engrossed version.
SECTION 9. Sections 1467.054(b), (c), and (e), Insurance Code, are amended.	SECTION 9. Same as engrossed version.
SECTION 10. Sections 1467.055(d), (h), and (i), Insurance Code, are amended.	SECTION 10. Same as engrossed version.
SECTION 11. Sections 1467.056(a), (b), and (d), Insurance Code, are amended.	SECTION 11. Same as engrossed version.

SECTION 12. Section 1467.057(a), Insurance Code, is amended.

SECTION 12. Same as engrossed version.

SECTION 13. Section 1467.058, Insurance Code, is amended.

SECTION 13. Same as engrossed version.

SECTION 14. Section 1467.059, Insurance Code, is amended.

SECTION 14. Same as engrossed version.

SECTION 15. Section 1467.060, Insurance Code, is amended.

SECTION 15. Same as engrossed version.

SECTION 16. Section 1467.101(c), Insurance Code, is amended to read as follows:

SECTION 17. Section 1467.101(c), Insurance Code, is repealed.

(c) A mediator shall report bad faith mediation to the commissioner or the Texas Medical Board or other regulatory agency, as appropriate, following the conclusion of the mediation.

SECTION 17. Section 1467.151, Insurance Code, is amended.

SECTION 16. Same as engrossed version.

SECTION 18. The changes in law made by this Act apply only to a claim for health care or medical services or supplies provided on or after January 1, 2018. A claim for health care or medical services or supplies provided before January 1, 2018, is governed by the law in effect immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 18. Same as engrossed version.

SECTION 19. This Act takes effect September 1, 2017.

SECTION 19. Same as engrossed version.