

BILL ANALYSIS

C.S.H.B. 2632
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Insurance
Committee Report (Substituted)

BACKGROUND AND PURPOSE

There are concerns that there are insufficient tools available to the Texas Department of Insurance that allow the agency to induce a health maintenance organization (HMO), insurer, or managed care entity to effectively notify contracted providers of changes in coding guidelines, fee schedules, or rates, as applicable. C.S.H.B. 2632 seeks to address these concerns by requiring these entities to provide better notice of any change to a reimbursement paid to a physician or provider for a good or service.

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. 2632 amends the Insurance Code to require a health maintenance organization (HMO) or an HMO agent and an insurer or insurer's agent that provides notice of changes to coding guidelines and fee schedules that will result in a change of payment to a physician, provider, or preferred provider, as applicable, to provide the notice to the physician or provider, including a licensed clinical social worker, in a manner that is trackable and indicates the date and time the notice was sent, including by certified mail, return receipt requested, to the physician's or provider's address or by email to an email address specified by the physician or provider.

C.S.H.B. 2632 requires a managed care entity to provide to each health care provider, including a licensed physician and a licensed clinical social worker, under contract with the managed care entity notice of any change to a reimbursement amount that will be paid to the provider for a good or service provided by the provider. The bill requires the notice to be provided before the effective date of the change and to be sent directly to each provider that may be affected by the change and in a manner that is trackable and indicates the date and time the notice was sent, including by certified mail, return receipt requested, to the provider's address or by email to an email address specified by the provider.

EFFECTIVE DATE

September 1, 2019.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 2632 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute includes requirements for an HMO or HMO agent and an insurer or insurer's agent to provide the notice of certain changes to coding guidelines and fee schedules in a manner that is trackable and indicates the date and time the notice was sent.

The substitute does not include a definition of "physician," but does include a physician licensed to practice medicine in Texas in the definition of "health care provider." The substitute includes a licensed clinical social worker among the health care providers to whom a managed care entity is required to provide notice of any change to a reimbursement amount paid to the provider.