BILL ANALYSIS

Senate Research Center
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S.B. 50
By: Nelson
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AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

State law requires issuers of health insurance plans to pay electronically-submitted clean claims that have been affirmatively adjudicated within 30 days. In some cases, issuers of health benefit plans have been inappropriately rejecting clean claims due to their presence in electronic batches of claims containing one or more non-clean claims.

As proposed, S.B. 50 prohibits an insurer or health maintenance organization from refusing to include in a contract with a provider provisions relating to the submission of bundled claims and the payment of clean claims bundled with non-clean claims.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter I, Chapter 843, Insurance Code, by adding Section 843.323, as follows:

> Sec. 843.323. CONTRACT PROVISIONS PROHIBITING BUNDLING OF CLAIMS. Prohibits a health maintenance organization (HMO) from refusing to include a provision in a contract with a participating physician or provider under which the HMO may not refuse to pay a certain individual clean claim, as that term is defined under Subchapter J, submitted by the physician or provider. Provides that this rule applies only if payment is refused because another claim submitted by the physician or provider is not a clean claim, regardless of whether the claims are submitted or processed together.

SECTION 2. Amends Subchapter B, Chapter 1301, Insurance Code, as effective April 1, 2005, by adding Section 1301.0641, as follows:

> Sec. 1301.0641. CONTRACT PROVISIONS PROHIBITING BUNDLING OF CLAIMS. Prohibits an insurer from refusing to include a provision in a contract with a preferred provider under which the insurer may not refuse to pay a certain individual clean claim, as that term is defined under Subchapter C, submitted by the provider. Provides that this rule applies only if payment is refused because another claim submitted by the provider is not a clean claim, regardless of whether the claims are submitted or processed together.

SECTION 3. Makes application of this Act prospective to January 1, 2006.

SECTION 4. Effective date: September 1, 2005.