

AN ACT

relating to use of a Medicaid-based fee schedule for reimbursement of services under a contract between a health care provider and certain health benefit plans.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 1451, Insurance Code, is amended by adding Subchapter J to read as follows:

SUBCHAPTER J. REIMBURSEMENT OF HEALTH CARE PROVIDERS

Sec. 1451.451. REIMBURSEMENT UNDER MEDICAID-BASED FEE SCHEDULE. (a) An insurance company, health maintenance organization, or preferred provider organization that contracts with a health care provider to provide services in connection with Chapter 533, Government Code, or Chapter 62, Health and Safety Code, may not require the health care provider to provide access to or transfer the provider's name and contracted discounted fee for use with health benefit plans issued to individuals and groups under Chapter 1271 or 1301.

(b) An insurance company, health maintenance organization, or preferred provider organization may provide access to or transfer a provider's name and discounted fee described by Subsection (a) only if:

(1) the insurance company, health maintenance organization, or preferred provider organization provides written notice to the provider that is printed in conspicuous boldface type

1 near a separate signature line and includes a statement
2 substantially similar to the following: "By signing on this line,
3 you may be agreeing to apply this company's Medicaid or CHIP fee
4 schedule to services you provide to commercial insurance or HMO
5 enrollees."; and

6 (2) the provider authorizes the access or transfer and
7 agrees to accept the contracted discounted fee by signing the
8 notice described in Subdivision (1).

9 SECTION 2. The change in law made by this Act applies only
10 to a contract entered into or renewed on or after the effective date
11 of this Act. A contract entered into or renewed before the
12 effective date of this Act is governed by the law in effect at the
13 time the contract is entered into or renewed, and that law is
14 continued in effect for that purpose.

15 SECTION 3. This Act takes effect immediately if it receives
16 a vote of two-thirds of all the members elected to each house, as
17 provided by Section 39, Article III, Texas Constitution. If this
18 Act does not receive the vote necessary for immediate effect, this
19 Act takes effect September 1, 2013.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1221 passed the Senate on April 25, 2013, by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 1221 passed the House on May 21, 2013, by the following vote: Yeas 145, Nays 0, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor