

1-1 By: Phillips (Senate Sponsor - Schwertner) H.B. No. 3218
 1-2 (In the Senate - Received from the House May 8, 2017;
 1-3 May 16, 2017, read first time and referred to Committee on Business
 1-4 & Commerce; May 21, 2017, reported favorably by the following vote:
 1-5 Yeas 8, Nays 0; May 21, 2017, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12			X	
1-13	X			
1-14	X			
1-15	X			
1-16	X			

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to health maintenance organization contracts with certain
 1-20 entities to provide health care services.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Section [843.101](#), Insurance Code, is amended by
 1-23 amending Subsection (b) and adding Subsections (b-1) and (b-2) to
 1-24 read as follows:

1-25 (b) A health maintenance organization may provide or
 1-26 arrange for health care services only through:

1-27 (1) other health maintenance organizations;

1-28 (2) providers or groups of providers who are:

1-29 (A) under contract with or are employed by the
 1-30 health maintenance organization; or

1-31 (B) under contract with an entity that is under
 1-32 contract with the health maintenance organization to provide a
 1-33 network of providers to provide health care services only if the
 1-34 contract between the entity and the health maintenance
 1-35 organization:

1-36 (i) does not limit the health maintenance
 1-37 organization's authority or responsibility, including financial
 1-38 responsibility, to comply with any regulatory requirement that
 1-39 applies to a function performed by the entity;

1-40 (ii) requires the entity to comply with all
 1-41 regulatory requirements that apply to a function performed by the
 1-42 entity; and

1-43 (iii) expressly sets forth the requirements
 1-44 of Subparagraphs (i) and (ii); or

1-45 (3) additional health maintenance organizations or
 1-46 physicians or providers who have contracted for health care
 1-47 services with:

1-48 (A) the other health maintenance organizations;

1-49 (B) physicians with whom the health maintenance
 1-50 organization has contracted; or

1-51 (C) providers who are under contract with or are
 1-52 employed by the health maintenance organization.

1-53 (b-1) Except as provided by Subsection (b-2) and
 1-54 notwithstanding any other law, an entity described by Subsection
 1-55 (b)(2)(B) and the health maintenance organization with which the
 1-56 entity contracts are subject to Chapter [1272](#) as if the entity were a
 1-57 delegated entity unless the entity:

1-58 (1) is a delegated network or delegated third party as
 1-59 defined by Section [1272.001](#); or

1-60 (2) is not a delegated entity as provided by Section
 1-61 [1272.001](#)(a)(1)(A) or (B).

2-1 (b-2) An entity subject to Chapter 1272 under Subsection
2-2 (b-1) that does not assume risk and the health maintenance
2-3 organization with which the entity contracts are not subject to the
2-4 following provisions:

- 2-5 (1) Section 1272.053(1);
- 2-6 (2) Section 1272.057(1);
- 2-7 (3) Section 1272.061(1)(C); and
- 2-8 (4) Subchapter D, Chapter 1272.

2-9 SECTION 2. This Act takes effect September 1, 2017.

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