By: Hancock

S.B. No. 1264

A BILL TO BE ENTITLED 1 AN ACT 2 relating to consumer protections against billing and limitations on information reported by consumer reporting agencies. 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS: 4 ARTICLE 1. LIMITATIONS ON SURPRISE BILLING INFORMATION REPORTED BY 5 CONSUMER REPORTING AGENCIES 6 SECTION 1.01 Section 20.05, Business & Commerce Code, is 7 amended by amending Subsection (a) and adding Subsection (d) to 8 read as follows: 9 Except as provided by Subsection (b), a consumer 10 (a) reporting agency may not furnish a consumer report containing 11 12 information related to: 13 (1) a case under Title 11 of the United States Code or 14 under the federal Bankruptcy Act in which the date of entry of the order for relief or the date of adjudication predates the consumer 15 16 report by more than 10 years; (2) a suit or judgment in which the date of entry 17 predates the consumer report by more than seven years or the 18 governing statute of limitations, whichever is longer; 19 (3) a tax lien in which the date of payment predates 20 21 the consumer report by more than seven years; 22 (4) a record of arrest, indictment, or conviction of a 23 crime in which the date of disposition, release, or parole predates the consumer report by more than seven years; [or] 24

S.B. No. 1264 1 (5) a collection account with a medical industry code, if the consumer was covered by a health benefit plan at the time of 2 the event giving rise to the collection and the collection is for an 3 outstanding balance, after copayments, deductibles, and 4 5 coinsurance, owed to an emergency care provider or a facility-based provider for an out-of-network benefit claim; or 6 7 (6) another item or event that predates the consumer 8 report by more than seven years. 9 (d) In this section: (1) "Emergency care provider" means a physician, 10 health care practitioner, facility, or other health care provider 11 12 who provides emergency care. (2) "Facility" has the meaning assigned by Section 13 14 324.001, Health and Safety Code. 15 (3) "Facility-based provider" means a physician, health care practitioner, or other health care provider who 16 17 provides health care or medical services to patients of a facility. (4) "Health care practitioner" means an individual who 18 is licensed to provide health care services. 19 ARTICLE 2. ELIMINATION OF SURPRISE BILLING FOR CERTAIN HEALTH 20 21 BENEFIT PLANS SECTION 2.01. Section 1271.155, Insurance Code, is amended 2.2 23 by amending Subsection (a) and adding Subsection (f) to read as 24 follows: 25 (a) A health maintenance organization shall pay for 26 emergency care performed by non-network physicians or providers in an amount that the organization determines is reasonable for the 27

1 <u>emergency care</u> [at the usual and customary rate] or at an agreed
2 rate.

3 (f) A non-network physician or provider may not bill a 4 patient described by this section in, and the patient has no 5 financial responsibility for, an amount greater than the patient's 6 responsibility under the patient's health care plan, including an 7 applicable copayment, coinsurance, or deductible.

8 SECTION 2.02. Subchapter D, Chapter 1271, Insurance Code, 9 is amended by adding Section 1271.157 to read as follows:

Sec. 1271.157. NON-NETWORK FACILITY-BASED PROVIDERS. (a)
In this section, "facility-based provider" means a physician or
health care provider who provides health care services to patients
of a health care facility.

14 (b) A health maintenance organization shall pay for a health 15 care service performed by a non-network provider who is a 16 facility-based provider in an amount that the organization 17 determines is reasonable for the service or at an agreed rate if the 18 provider performed the service at a health care facility that is a 19 network provider.

20 (c) A non-network facility-based provider may not bill a 21 patient receiving a health care service described by Subsection (b) 22 in, and the patient does not have financial responsibility for, an 23 amount greater than the patient's responsibility under the 24 patient's health care plan, including an applicable copayment, 25 coinsurance, or deductible.

26 SECTION 2.03. Subtitle C, Title 8, Insurance Code, is 27 amended by adding Chapter 1276 to read as follows:

1 CHAPTER 1276. ELECTIVE PROVISIONS FOR SELF-FUNDED OR SELF-INSURED 2 MANAGED CARE PLANS Sec. 1276.0001. DEFINITIONS. In this chapter: 3 4 (1) "Eligible plan" means a managed care plan that is a 5 self-funded or self-insured employee welfare benefit plan that provides health benefits and is established in accordance with the 6 7 Employee Retirement Income Security Act of 1974 (29 U.S.C. Section 1001 et seq.). 8 "Emergency care" has the meaning assigned by 9 (2) 10 Section 1301.155. (3) "Facility-based provider" means a physician or 11 12 health care provider who provides health care services to patients 13 of a health care facility. 14 (4) "Managed care plan" means a health benefit plan 15 under which the plan administrator provides or arranges for health 16 care benefits to plan participants and requires or encourages plan 17 participants to use physicians and health care providers the plan 18 designates. (5) "Out-of-network provider" means, with respect to 19 20 an eligible plan, a physician or health care provider who is not a 21 participating provider. (6) "Participating provider" means a physician or 22 health care provider who has contracted with an eligible plan 23 24 administrator to provide services to enrollees. Sec. 1276.0002. ELECTION FOR SURPRISE HEALTH CARE BILLING 25 26 PROHIBITION AND MEDIATION. (a) A plan sponsor of an eligible plan may elect on an annual basis for this section and Chapter 1467 to 27

S.B. No. 1264

S.B. No. 1264 1 apply to the plan. A sponsor making an election shall provide written notice of the election to the department in the form and 2 3 manner required by department rule. 4 (b) An administrator of an eligible plan for which an election is made under Subsection (a) shall pay for a health care 5 service performed by an out-of-network provider in an amount that 6 7 the administrator determines is reasonable for the service or at an 8 agreed rate if: 9 (1) the provider is a facility-based provider who 10 performed the service at a health care facility that is a participating provider; or 11 12 (2) the service is emergency care. (c) An out-of-network provider described by Subsection (b) 13 14 may not bill the patient in, and the patient does not have financial 15 responsibility for, an amount greater than the patient's responsibility under the patient's eligible plan, including an 16 applicable copayment, coinsurance, or deductible. 17 (d) An administrator of an eligible plan for which an 18 19 election is made under Subsection (a) shall ensure that the plan and any evidence of coverage complies with this section and Chapter 20 1467. 21 SECTION 2.04. Section 1301.0053, Insurance Code, is amended 22 to read as follows: 23 Sec. 1301.0053. EXCLUSIVE 24 PROVIDER BENEFIT PLANS: EMERGENCY CARE. (a) If a nonpreferred provider provides emergency 25 26 care as defined by Section 1301.155 to an enrollee in an exclusive

5

provider benefit plan, the issuer of the plan shall reimburse the

1 nonpreferred provider <u>in an amount that the issuer determines is</u>
2 <u>reasonable for the emergency care services</u> [at the usual and
3 <u>customary rate</u>] or at a rate agreed to by the issuer and the
4 nonpreferred provider for the provision of the services.

5 (b) An out-of-network provider may not bill an insured 6 receiving emergency care in, and the insured does not have 7 financial responsibility for, an amount greater than the insured's 8 responsibility under the insured's exclusive provider benefit 9 plan, including an applicable copayment, coinsurance, or 10 deductible.

11 SECTION 2.05. Section 1301.155, Insurance Code, is amended 12 by amending Subsection (b) and adding Subsection (c) to read as 13 follows:

(b) If an insured cannot reasonably reach a preferred provider, an insurer shall provide reimbursement for the following emergency care services <u>in an amount that the insurer determines is</u> <u>reasonable for the services</u> at the preferred level of benefits until the insured can reasonably be expected to transfer to a preferred provider:

(1) a medical screening examination or other evaluation required by state or federal law to be provided in the emergency facility of a hospital that is necessary to determine whether a medical emergency condition exists;

(2) necessary emergency care services, including the
 treatment and stabilization of an emergency medical condition; and
 (3) services originating in a hospital emergency
 facility or freestanding emergency medical care facility following

1	treatment or stabilization of an emergency medical condition.
2	(c) For purposes of Subsection (b), an out-of-network
3	provider may not bill an insured in, and the insured does not have
4	financial responsibility for, an amount greater than the insured's
5	responsibility under the insured's preferred provider benefit
6	plan, including an applicable copayment, coinsurance, or
7	deductible.
8	SECTION 2.06. Subchapter D, Chapter 1301, Insurance Code,
9	is amended by adding Section 1301.164 to read as follows:
10	Sec. 1301.164. OUT-OF-NETWORK FACILITY-BASED PROVIDER.
11	(a) In this section, "facility-based provider" means a physician,
12	or health care provider who provides health care services to
13	patients of a health care facility.
14	(b) An insurer shall pay for a health care service performed
15	by a nonpreferred provider who is a facility-based provider in an
16	amount that the insurer determines is reasonable for the service or
17	at an agreed rate if the provider performed the service at a health
18	care facility that is a participating provider.
19	(c) A nonpreferred provider who is a facility-based
20	provider may not bill an insured receiving a health care service
21	described by Subsection (b) in, and the insured does not have
22	financial responsibility for, an amount greater than the insured's
23	responsibility under the insured's health care plan, including an
24	applicable copayment, coinsurance, or deductible.
25	SECTION 2.07. Subchapter E, Chapter 1551, Insurance Code,
26	is amended by adding Sections 1551.228 and 1551.229 to read as

27 follows:

Sec. 1551.228. EMERGENCY CARE COVERAGE. (a) In this section, "emergency care" has the meaning assigned by Section 1301.155.

4 (b) A managed care plan provided under the group benefits
5 program must provide out-of-network emergency care coverage for
6 participants in accordance with this section.

7 (c) The coverage must require the administrator of the plan
8 to pay for emergency care performed by an out-of-network provider
9 in an amount that the administrator determines is reasonable for
10 the emergency care or at an agreed rate.

11 (d) For the purposes of Subsection (c), an out-of-network 12 provider may not bill an enrollee in, and the enrollee does not have 13 financial responsibility for, an amount greater than the enrollee's 14 responsibility under the enrollee's managed care plan, including an 15 applicable copayment, coinsurance, or deductible.

16 <u>Sec. 1551.229. OUT-OF-NETWORK FACILITY-BASED PROVIDER</u>
17 <u>COVERAGE. (a) In this section, "facility-based provider" means a</u>
18 <u>physician or health care provider who provides health care services</u>
19 <u>to patients of a health care facility.</u>

(b) A managed care plan provided under the group benefits
 program out-of-network facility-based provider must provide
 coverage for participants in accordance with this section.

23 (c) The coverage must require the administrator of the plan 24 to pay for a health care service performed for an enrollee by an 25 out-of-network provider who is a facility-based provider in an 26 amount that the administrator determines is reasonable for the 27 service or at an agreed rate if the provider performed the service

1	at a health care facility that is a participating provider.
2	(d) An out-of-network provider who is a facility-based
3	provider may not bill an enrollee receiving a health care service
4	described by Subsection (c) in, and the enrollee does not have
5	financial responsibility for, an amount greater than the enrollee's
6	responsibility under the enrollee's managed care plan, including an
7	applicable copayment, coinsurance, or deductible.
8	SECTION 2.08. Subchapter D, Chapter 1575, Insurance Code,
9	is amended by adding Sections 1575.171 and 1575.172 to read as
10	follows:
11	Sec. 1575.171. EMERGENCY CARE COVERAGE. (a) In this
12	section, "emergency care" has the meaning assigned by Section
13	1301.155.
14	(b) A managed care plan offered under the group program must
15	provide out-of-network emergency care coverage in accordance with
16	this section.
17	(c) The coverage must require the administrator of the plan
18	to pay for emergency care performed by an out-of-network provider
19	in an amount that the administrator determines is reasonable for
20	the emergency care or at an agreed rate.
21	(d) For the purposes of Subsection (c), an out-of-network
22	provider may not bill an enrollee in, and the enrollee does not have
23	financial responsibility for, an amount greater than the enrollee's
24	responsibility under the enrollee's managed care plan, including an
25	applicable copayment, coinsurance, or deductible.
26	Sec. 1575.172. OUT-OF-NETWORK FACILITY-BASED PROVIDER
27	COVERAGE. (a) In this section, "facility-based provider" means a

1	physician or health care provider who provides health care services
2	to patients of a health care facility.
3	(b) A managed care plan offered under the group program must
4	provide out-of-network facility-based provider coverage in
5	accordance with this section.
6	(c) The coverage must require the administrator of the plan
7	to pay for a health care service performed for an enrollee by an
8	out-of-network provider who is a facility-based provider in an
9	amount that the administrator determines is reasonable for the
10	service or at an agreed rate if the provider performed the service
11	at a health care facility that is a participating provider.
12	(d) An out-of-network provider who is a facility-based
13	provider may not bill an enrollee receiving a health care service
14	described by Subsection (c) in, and the enrollee does not have
15	financial responsibility for, an amount greater than the enrollee's
16	responsibility under the enrollee's managed care plan, including an
17	applicable copayment, coinsurance, or deductible.
18	SECTION 2.09. Subchapter C, Chapter 1579, Insurance Code,
19	is amended by adding Sections 1579.109 and 1579.110 to read as
20	follows:
21	Sec. 1579.109. EMERGENCY CARE COVERAGE. (a) In this
22	section, "emergency care" has the meaning assigned by Section
23	<u>1301.155.</u>
24	(b) A managed care plan provided under this chapter must
25	provide out-of-network emergency care coverage in accordance with
26	this section.
27	(c) The coverage must require the administrator of the plan

1 to pay for emergency care performed for an enrollee by an 2 out-of-network provider in an amount that the administrator 3 determines is reasonable for the emergency care or at an agreed 4 rate. 5 (d) For the purposes of Subsection (c), an out-of-network provider may not bill an enrollee in, and the enrollee does not have 6 7 financial responsibility for, an amount greater than the enrollee's 8 responsibility under the enrollee's managed care plan, including an applicable copayment, coinsurance, or deductible. 9 10 Sec. 1579.110. OUT-OF-NETWORK FACILITY-BASED PROVIDER COVERAGE. (a) In this section, "facility-based provider" means a 11 12 physician or health care provider who provides health care services to patients of a health care facility. 13 14 (b) A managed care plan provided under this chapter must provide <u>out-of-network facility-based provider coverage</u> 15 in 16 accordance with this section. 17 (c) The coverage must require the administrator of the plan to pay for a health care service performed for an enrollee by an 18 19 out-of-network provider who is a facility-based provider in an amount that the administrator determines is reasonable for the 20 service or at an agreed rate if the provider performed the service 21 22 at a health care facility that is a participating provider. (d) An out-of-network provider who is a facility-based 23 24 provider may not bill an enrollee receiving a health care service described by Subsection (c) in, and the enrollee does not have 25 26 financial responsibility for, an amount greater than the enrollee's

27 responsibility under the enrollee's managed care plan, including an

1 applicable copayment, coinsurance, or deductible. ARTICLE 3. MANDATORY MEDIATION REQUESTED BY PROVIDER, ISSUER, OR 2 3 ADMINISTRATOR SECTION 3.01. Sections 1467.001(1), (3), (5), and (7), 4 5 Insurance Code, are amended to read as follows: (1)"Administrator" means: 6 an administering firm for a health benefit 7 (A) 8 plan providing coverage under Chapter 1551, 1575, or 1579; [and] 9 if applicable, the claims administrator for (B) 10 the health benefit plan; and (C) if applicable, an administrating firm for an 11 12 eligible plan for which an election is made under Section 1276.0002. 13 14 (3) "Enrollee" means an individual who is eligible to 15 receive benefits through a [preferred provider benefit plan or a] health benefit plan subject to this chapter [under Chapter 1551, 16 17 1575, or 1579]. "Mediation" means a process in which an impartial (5) 18 19 mediator facilitates and promotes agreement between the health [insurer offering a preferred provider] benefit plan issuer or the 20 administrator and a facility-based provider or emergency care 21 provider or the provider's representative to settle a health 22 benefit claim of an enrollee. 23 24 (7) "Party" means <u>a health benefit plan issuer</u> [an insurer] offering a health [a preferred provider] benefit plan, an 25

25 insurer] offering <u>a health</u> [a preferred provider] benefit plan, an 26 administrator, or a facility-based provider or emergency care 27 provider or the provider's representative who participates in a

1 mediation conducted under this chapter. [The enrollee is also considered a party to the mediation.] 2 SECTION 3.02. Sections 1467.002 and 1467.005, Insurance 3 Code, are amended to read as follows: 4 5 Sec. 1467.002. APPLICABILITY OF CHAPTER. This chapter applies to: 6 a health benefit plan offered by a health 7 (1)8 maintenance organization operating under Chapter 843; 9 (2) a preferred provider benefit plan, including an 10 exclusive provider benefit plan, offered by an insurer under Chapter 1301; and 11 (3) [(2)] an administrator of a health benefit plan, 12 other than a health maintenance organization plan, under Chapter 13 14 1551, 1575, or 1579 or of an eligible plan for which an election is 15 made under Section 1276.0002.

Sec. 1467.005. REFORM. This chapter may not be construed to prohibit:

(1) <u>a health</u> [an insurer offering a preferred
provider] benefit plan <u>issuer</u> or administrator from, at any time,
offering a reformed claim settlement; or

(2) a facility-based provider or emergency care
 provider from, at any time, offering a reformed charge for health
 care or medical services or supplies.

24 SECTION 3.03. Sections 1467.051(a) and (b), Insurance Code, 25 are amended to read as follows:

26 (a) <u>A facility-based provider, emergency care provider,</u>
 27 <u>health benefit plan issuer, or administrator</u> [An enrollee] may

1 request mediation of a settlement of an out-of-network health
2 benefit claim if:

3 (1) the amount <u>charged by the provider and unpaid by</u>
4 <u>the issuer or administrator</u> [for which the enrollee is responsible
5 to a facility-based provider or emergency care provider], after
6 copayments, deductibles, and coinsurance, [including the amount
7 unpaid by the administrator or insurer,] is greater than \$500; and

8

9

(2) the health benefit claim is for:

(A) emergency care; or

(B) a health care or medical service or supply
provided by a facility-based provider in a facility that is a
preferred provider or that has a contract with the administrator.

(b) <u>If a person</u> [Except as provided by Subsections (c) and (d), if an enrollee] requests mediation under this subchapter, the facility-based provider or emergency care provider, or the provider's representative, and the <u>health benefit plan issuer</u> [insurer] or the administrator, as appropriate, shall participate in the mediation.

SECTION 3.04. Section 1467.052(c), Insurance Code, is amended to read as follows:

(c) A person may not act as mediator for a claim settlement dispute if the person has been employed by, consulted for, or otherwise had a business relationship with <u>a health benefit plan</u> <u>issuer or administrator of a health</u> [an insurer offering the <u>preferred provider</u>] benefit plan <u>that is subject to this chapter</u> or a physician, health care practitioner, or other health care provider during the three years immediately preceding the request

1 for mediation.

2 SECTION 3.05. Section 1467.053(d), Insurance Code, is 3 amended to read as follows:

4 (d) The mediator's fees shall be split evenly and paid by
5 the <u>health benefit plan issuer</u> [insurer] or administrator and the
6 facility-based provider or emergency care provider.

7 SECTION 3.06. Sections 1467.054(a), (b), (c), and (d), 8 Insurance Code, are amended to read as follows:

9 (a) <u>A facility-based provider, emergency care provider,</u> 10 <u>health benefit plan issuer, or administrator</u> [<u>An enrollee</u>] may 11 request mandatory mediation under this <u>subchapter</u> [chapter].

12 (b) A request for mandatory mediation must be provided to 13 the department on a form prescribed by the commissioner and must 14 include:

15 (1) the name of the <u>person</u> [enrollee] requesting 16 mediation;

17 (2) a brief description of the claim to be mediated; 18 (3) contact information, including a telephone 19 number, for the requesting <u>person</u> [enrollee] and the <u>person's</u> 20 [enrollee's] counsel, if the <u>person</u> [enrollee] retains counsel;

(4) the name of the facility-based provider or emergency care provider and name of the <u>health benefit plan issuer</u> [<u>insurer</u>] or administrator; and

24 (5) any other information the commissioner may require25 by rule.

26 (c) On receipt of a request for mediation, the department
 27 shall notify, as applicable, the facility-based provider or

1 emergency care provider and <u>health benefit plan issuer</u> [insurer] or 2 administrator of the request.

3 (d) In an effort to settle the claim before mediation, all 4 parties must participate in an informal settlement teleconference 5 not later than the 30th day after the date on which <u>a person</u> [the 6 <u>enrollee</u>] submits a request for mediation under this <u>subchapter</u> 7 [<u>section</u>].

8 SECTION 3.07. Section 1467.055(g), Insurance Code, is 9 amended to read as follows:

10 (g) <u>A</u> [Except at the request of an enrollee, a] mediation 11 shall be held not later than the 180th day after the date of the 12 request for mediation.

SECTION 3.08. Sections 1467.056(a), (b), and (d), Insurance
Code, are amended to read as follows:

15 (a) In a mediation under this <u>subchapter</u> [chapter], the 16 parties shall[:

17

[(1)] evaluate whether:

18 <u>(1)</u> [(A)] the amount charged by the facility-based 19 provider or emergency care provider for the health care or medical 20 service or supply is excessive; and

21 (2) [(B)] the amount paid by the <u>health benefit plan</u> 22 <u>issuer</u> [insurer] or administrator represents <u>a reasonable amount</u> 23 [the usual and customary rate] for the health care or medical 24 service or supply or is unreasonably low[; and

25 [(2) as a result of the amounts described by
26 Subdivision (1), determine the amount, after copayments,
27 deductibles, and coinsurance are applied, for which an enrollee is

1 responsible to the facility-based provider or emergency care
2 provider].

3 (b) The facility-based provider or emergency care provider 4 may present information regarding the amount charged for the health 5 care or medical service or supply. The <u>health benefit plan issuer</u> 6 [insurer] or administrator may present information regarding the 7 amount paid by the issuer [insurer] or administrator.

8 (d) The goal of the mediation is to reach an agreement among [the enrollee,] the facility-based provider or emergency care 9 provider $[\tau]$ and the <u>health benefit plan issuer</u> [insurer] or 10 administrator, as applicable, as to the amount paid by the issuer 11 [insurer] or administrator to the facility-based provider or 12 emergency care provider and $[\tau]$ the amount charged by the 13 14 facility-based provider or emergency care provider [, and the amount 15 paid to the facility-based provider or emergency care provider by the enrollee]. 16

17 SECTION 3.09. Sections 1467.058 and 1467.059, Insurance 18 Code, are amended to read as follows:

Sec. 1467.058. CONTINUATION OF MEDIATION. After a referral is made under Section 1467.057, the facility-based provider or emergency care provider and the <u>health benefit plan issuer</u> [<u>insurer</u>] or administrator may elect to continue the mediation to further determine their responsibilities. [Continuation of <u>mediation under this section does not affect the amount of the</u> <u>billed charge to the enrollee.</u>]

26 Sec. 1467.059. MEDIATION AGREEMENT. The mediator shall 27 prepare a confidential mediation agreement and order that states[+

S.B. No. 1264 [(1) the total amount for which the enrollee will be 1 responsible to the facility-based provider or emergency care 2 provider, after copayments, deductibles, and coinsurance; and 3 4 [(2)] any agreement reached by the parties under 5 Section 1467.058. 6 SECTION 3.10. Section 1467.101(a), Insurance Code, is amended to read as follows: 7 8 (a) The following conduct constitutes bad faith mediation for purposes of this chapter: 9 failing to participate in the mediation; 10 (1)failing to provide information the mediator 11 (2) believes is necessary to facilitate an agreement; [or] 12 (3) failing to designate 13 а representative participating in the mediation with full authority to enter into 14 15 any mediated agreement; or 16 (4) failing to appear for mediation. SECTION 2.11. Section 1467.151(b), 17 Insurance Code, is amended to read as follows: 18 The department and the Texas Medical Board or other 19 (b) appropriate regulatory agency shall maintain information: 20 21 (1) on each complaint filed that concerns a claim or mediation subject to this chapter; and 22 (2) related to a claim that is the basis of an enrollee 23 24 complaint, including: 25 (A) the type of services that gave rise to the 26 dispute; the type and specialty, if any, 27 (B) of the

S.B. No. 1264 1 facility-based provider or emergency care provider who provided the out-of-network service; 2 3 (C) the county and metropolitan area in which the health care or medical service or supply was provided; 4 5 (D) whether the health care or medical service or supply was for emergency care; and 6 7 (E) any other information about: 8 (i) the health benefit plan issuer [insurer] or administrator that the commissioner by rule requires; 9 10 or 11 (ii) the facility-based provider or 12 emergency care provider that the Texas Medical Board or other appropriate regulatory agency by rule requires. 13 ARTICLE 4. CONFORMING AMENDMENTS 14 15 SECTION 4.01. Sections 1456.002(a) and (c), Insurance Code, are amended to read as follows: 16 17 (a) This chapter applies to any health benefit plan that: provides benefits for medical or surgical expenses 18 (1)19 incurred as a result of a health condition, accident, or sickness, including an individual, group, blanket, or franchise insurance 20 policy or insurance agreement, a group hospital service contract, 21 or an individual or group evidence of coverage that is offered by: 22 23 an insurance company; (A) 24 (B) group hospital service corporation а operating under Chapter 842; 25 26 (C) a fraternal benefit society operating under 27 Chapter 885;

S.B. No. 1264 1 (D) a stipulated premium company operating under 2 Chapter 884; 3 (E) [a health maintenance organization operating 4 under Chapter 843; 5 [(F)] a multiple employer welfare arrangement that holds a certificate of authority under Chapter 846; 6 nonprofit 7 (F) [(G)] an approved health corporation that holds a certificate of authority under Chapter 8 844; or 9 10 (G) [(H)] an entity not authorized under this code or another insurance law of this state that contracts directly 11 12 for health care services on a risk-sharing basis, including a capitation basis; or 13 14 (2) provides health and accident coverage through a 15 risk pool created under Chapter 172, Local Government Code, notwithstanding Section 172.014, Local Government Code, or any 16 17 other law. (C) This chapter does not apply to: 18 19 (1)Medicaid managed care programs operated under Chapter 533, Government Code; 20 21 Medicaid programs operated under Chapter 32, Human (2) Resources Code; [or] 22 the state child health plan operated under Chapter 23 (3) 24 62 or 63, Health and Safety Code; or 25 (4) a health benefit plan subject to Section 1271.155, 26 1301.164, 1551.229, 1575.172, or 1579.110, or an eligible plan for which an election is made under Section 1276.0002.

20

SECTION 4.02. The following provisions of the Insurance
 Code are repealed:

3	(1) Sections 1467.051(c) and (d);
4	(2) Section 1467.0511;
5	<pre>(3) Sections 1467.054(f) and (g);</pre>
6	(4) Section 1467.055(d); and
7	(5) Section 1467.151(d).
8	ARTICLE 5. TRANSITION AND EFFECTIVE DATE
9	SECTION 5.01. The changes in law made by this Act apply only
10	to a health care or medical service or supply provided on or after
11	the effective date of this Act. A health care or medical service or
12	supply provided before the effective date of this Act is governed by
13	the law in effect immediately before the effective date of this Act,
14	and that law is continued in effect for that purpose.
15	SECTION 4.02. This Act takes effect September 1, 2019.