

1-1 By: Frank (Senate Sponsor - Hancock) H.B. No. 2414
 1-2 (In the Senate - Received from the House May 3, 2023;
 1-3 May 12, 2023, read first time and referred to Committee on Health &
 1-4 Human Services; May 21, 2023, reported favorably by the following
 1-5 vote: Yeas 8, Nays 0, one present not voting; May 21, 2023, sent to
 1-6 printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
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	X			

1-18 A BILL TO BE ENTITLED
 1-19 AN ACT

1-20 relating to certain practices of a health maintenance organization
 1-21 or insurer to encourage the use of certain physicians and health
 1-22 care providers.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Subchapter I, Chapter 843, Insurance Code, is
 1-25 amended by adding Section 843.322 to read as follows:

1-26 Sec. 843.322. INCENTIVES TO USE CERTAIN PHYSICIANS OR
 1-27 PROVIDERS. (a) A health maintenance organization may provide
 1-28 incentives for enrollees to use certain physicians or providers
 1-29 through modified deductibles, copayments, coinsurance, or other
 1-30 cost-sharing provisions.

1-31 (b) A health maintenance organization that encourages an
 1-32 enrollee to obtain a health care service from a particular
 1-33 physician or provider, including offering incentives to encourage
 1-34 enrollees to use specific physicians or providers, or that
 1-35 introduces or modifies a tiered network plan or assigns physicians
 1-36 or providers into tiers, has a fiduciary duty to the enrollee or
 1-37 group contract holder to engage in that conduct only for the primary
 1-38 benefit of the enrollee or group contract holder.

1-39 SECTION 2. Section 1301.0045(a), Insurance Code, is amended
 1-40 to read as follows:

1-41 (a) Except as provided by Sections [~~Section~~] 1301.0046 and
 1-42 1301.0047, this chapter may not be construed to limit the level of
 1-43 reimbursement or the level of coverage, including deductibles,
 1-44 copayments, coinsurance, or other cost-sharing provisions, that
 1-45 are applicable to preferred providers or, for plans other than
 1-46 exclusive provider benefit plans, nonpreferred providers.

1-47 SECTION 3. Subchapter A, Chapter 1301, Insurance Code, is
 1-48 amended by adding Section 1301.0047 to read as follows:

1-49 Sec. 1301.0047. INCENTIVES TO USE CERTAIN PHYSICIANS OR
 1-50 HEALTH CARE PROVIDERS. (a) An insurer may provide incentives for
 1-51 insureds to use certain physicians or health care providers through
 1-52 modified deductibles, copayments, coinsurance, or other
 1-53 cost-sharing provisions.

1-54 (b) An insurer that encourages an insured to obtain a health
 1-55 care service from a particular physician or health care provider,
 1-56 including offering incentives to encourage insureds to use specific
 1-57 physicians or providers, or that introduces or modifies a tiered
 1-58 network plan or assigns physicians or providers into tiers, has a
 1-59 fiduciary duty to the insured or policyholder to engage in that
 1-60 conduct only for the primary benefit of the insured or
 1-61 policyholder.

2-1 SECTION 4. This Act takes effect September 1, 2023.

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