

1-1 By: Menéndez S.B. No. 547  
1-2 (In the Senate - Filed December 6, 2024; February 3, 2025,  
1-3 read first time and referred to Committee on Health & Human  
1-4 Services; April 28, 2025, reported adversely, with favorable  
1-5 Committee Substitute by the following vote: Yeas 9, Nays 0;  
1-6 April 28, 2025, sent to printer.)

1-7	COMMITTEE VOTE				
1-8		Yea	Nay	Absent	PNV
1-9	Kolkhorst	X			
1-10	Perry	X			
1-11	Blanco	X			
1-12	Cook	X			
1-13	Hall	X			
1-14	Hancock	X			
1-15	Hughes	X			
1-16	Miles	X			
1-17	Sparks	X			

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 547 By: Perry

1-19 A BILL TO BE ENTITLED  
1-20 AN ACT

1-21 relating to notice from a health benefit plan issuer regarding a  
1-22 physician's or health care provider's preauthorization exemption  
1-23 status.

1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-25 SECTION 1. Section 4201.659(e), Insurance Code, is amended  
1-26 to read as follows:

1-27 (e) If a physician or provider submits a preauthorization  
1-28 request for a health care service for which the physician or  
1-29 provider qualifies for an exemption from preauthorization  
1-30 requirements under Section 4201.653, the health maintenance  
1-31 organization or insurer must promptly provide a notice to the  
1-32 physician or provider that includes:

1-33 (1) a statement that the physician or provider  
1-34 qualifies for an exemption from preauthorization requirements  
1-35 under Section 4201.653;

1-36 (2) a list of the health care services and health  
1-37 benefit plans to which the exemption applies;

1-38 (3) a statement of the duration of the exemption [the  
1-39 information described by Subsection (d)]; and

1-40 (4) [~~(2)~~] a notification of the health maintenance  
1-41 organization's or insurer's payment requirements.

1-42 SECTION 2. Subchapter N, Chapter 4201, Insurance Code, is  
1-43 amended by adding Section 4201.660 to read as follows:

1-44 Sec. 4201.660. EXEMPTION STATUS NOTIFICATION TO  
1-45 DEPARTMENT; DATABASE AND REPORT. (a) A health maintenance  
1-46 organization or insurer that uses a preauthorization process for  
1-47 health care services shall provide written notice to the department  
1-48 of a physician's or provider's preauthorization exemption status  
1-49 under this subchapter not later than the 10th day after the date on  
1-50 which the health maintenance organization or insurer:

1-51 (1) completes an evaluation of the physician or  
1-52 provider as required by Section 4201.653(b) and determines whether  
1-53 the physician or provider qualifies for an exemption;

1-54 (2) determines that the health maintenance  
1-55 organization or insurer will continue the physician's or provider's  
1-56 exemption under Section 4201.653(c);

1-57 (3) provides notice to the physician or provider of a  
1-58 determination to rescind the physician's or provider's exemption;  
1-59 or

1-60 (4) makes an internal appeal determination or receives

a determination from an independent review organization under Section 4201.656 affirming or denying the health maintenance organization's or insurer's determination to rescind the physician's or provider's exemption.

(b) The department shall establish and maintain a database of preauthorization exemption grants, denials, recissions, and internal appeal and independent review determinations. On the request of a physician or provider, the department shall provide the physician or provider with information regarding the physician's or provider's preauthorization exemption status with respect to each relevant health maintenance organization or insurer and with respect to each relevant health care service.

(c) The department shall collect and compile data regarding:

(1) the number and timing of evaluations being conducted by each health maintenance organization or insurer under this subchapter;

(2) the number of internal appeals or independent reviews conducted by or with respect to each health maintenance organization or insurer under this subchapter;

(3) the number of exemptions granted, denied, or rescinded by each health maintenance organization or insurer, by provider type and health care service; and

(4) the number and outcomes of internal appeals or independent reviews conducted by or with respect to each health maintenance organization or insurer.

(d) The department shall annually prepare a statistical report reflecting the data collected under Subsection (c) and make the report available to the public on request.

SECTION 3. Section 4201.659(d), Insurance Code, is repealed.

SECTION 4. Subchapter N, Chapter 4201, Insurance Code, as amended by this Act, applies only to a determination regarding a physician's or provider's preauthorization exemption status made on or after the effective date of this Act. A determination made before the effective date of this Act is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 5. This Act takes effect September 1, 2025.

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