

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

	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

2-1 a determination from an independent review organization under
2-2 Section 4201.656 affirming or denying the health maintenance
2-3 organization's or insurer's determination to rescind the
2-4 physician's or provider's exemption.

2-5 (b) The department shall establish and maintain a database
2-6 of preauthorization exemption grants, denials, rescissions, and
2-7 internal appeal and independent review determinations. On the
2-8 request of a physician or provider, the department shall provide
2-9 the physician or provider with information regarding the
2-10 physician's or provider's preauthorization exemption status with
2-11 respect to each relevant health maintenance organization or insurer
2-12 and with respect to each relevant health care service.

2-13 (c) The department shall collect and compile data
2-14 regarding:

2-15 (1) the number and timing of evaluations being
2-16 conducted by each health maintenance organization or insurer under
2-17 this subchapter;

2-18 (2) the number of internal appeals or independent
2-19 reviews conducted by or with respect to each health maintenance
2-20 organization or insurer under this subchapter;

2-21 (3) the number of exemptions granted, denied, or
2-22 rescinded by each health maintenance organization or insurer, by
2-23 provider type and health care service; and

2-24 (4) the number and outcomes of internal appeals or
2-25 independent reviews conducted by or with respect to each health
2-26 maintenance organization or insurer.

2-27 (d) The department shall annually prepare a statistical
2-28 report reflecting the data collected under Subsection (c) and make
2-29 the report available to the public on request.

2-30 SECTION 3. Section 4201.659(d), Insurance Code, is
2-31 repealed.

2-32 SECTION 4. Subchapter N, Chapter 4201, Insurance Code, as
2-33 amended by this Act, applies only to a determination regarding a
2-34 physician's or provider's preauthorization exemption status made on
2-35 or after the effective date of this Act. A determination made
2-36 before the effective date of this Act is governed by the law as it
2-37 existed immediately before the effective date of this Act, and that
2-38 law is continued in effect for that purpose.

2-39 SECTION 5. This Act takes effect September 1, 2025.

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