

Chapter 467

S.B. No. 481

AN ACT

1
2 relating to consumer information concerning facility-based
3 physicians and notice and availability of mediation for balance
4 billing by a facility-based physician.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 324.001(8), Health and Safety Code, is
7 amended to read as follows:

8 (8) "Facility-based physician" means a radiologist,
9 an anesthesiologist, a pathologist, an emergency department
10 physician, ~~or~~ a neonatologist, or an assistant surgeon.

11 SECTION 2. Section 1456.001(3), Insurance Code, is amended
12 to read as follows:

13 (3) "Facility-based physician" means a radiologist,
14 an anesthesiologist, a pathologist, an emergency department
15 physician, ~~or~~ a neonatologist, or an assistant surgeon:

16 (A) to whom the facility has granted clinical
17 privileges; and

18 (B) who provides services to patients of the
19 facility under those clinical privileges.

20 SECTION 3. Section 1456.004(c), Insurance Code, is amended
21 to read as follows:

22 (c) A facility-based physician who bills a patient covered
23 by a preferred provider benefit plan or a health benefit plan under
24 Chapter 1551 that does not have a contract with the facility-based

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1 physician shall send a billing statement to the patient that
2 contains a conspicuous, plain-language explanation [~~with~~
3 ~~information sufficient to notify the patient~~] of the mandatory
4 mediation process available under Chapter 1467 if the amount for
5 which the enrollee is responsible to the physician, after
6 copayments, deductibles, and coinsurance, including the amount
7 unpaid by the administrator or insurer, is greater than \$500
8 [~~\$1,000~~].

9 SECTION 4. Section 1467.001(4), Insurance Code, is amended
10 to read as follows:

11 (4) "Facility-based physician" means a radiologist,
12 an anesthesiologist, a pathologist, an emergency department
13 physician, [~~or~~] a neonatologist, or an assistant surgeon:

14 (A) to whom the facility has granted clinical
15 privileges; and

16 (B) who provides services to patients of the
17 facility under those clinical privileges.

18 SECTION 5. Section 1467.051(a), Insurance Code, is amended
19 to read as follows:

20 (a) An enrollee may request mediation of a settlement of an
21 out-of-network health benefit claim if:

22 (1) the amount for which the enrollee is responsible
23 to a facility-based physician, after copayments, deductibles, and
24 coinsurance, including the amount unpaid by the administrator or
25 insurer, is greater than \$500 [~~\$1,000~~]; and

26 (2) the health benefit claim is for a medical service
27 or supply provided by a facility-based physician in a hospital that

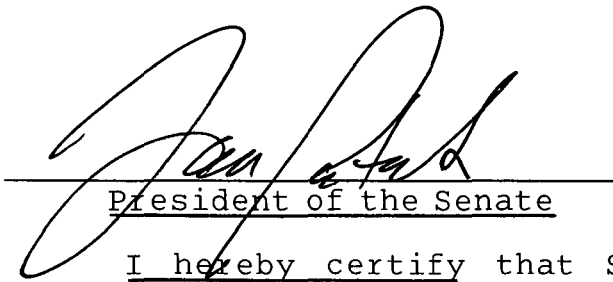
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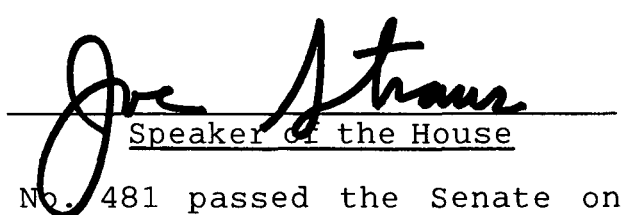
1 is a preferred provider or that has a contract with the
2 administrator.

3 SECTION 6. Sections 1456.004(c) and 1467.051(a), Insurance
4 Code, as amended by this Act, apply only to charges for a medical
5 service or supply provided on or after the effective date of this
6 Act. Charges for a medical service or supply provided before the
7 effective date of this Act are governed by the law as it existed
8 immediately before the effective date of this Act, and that law is
9 continued in effect for that purpose.

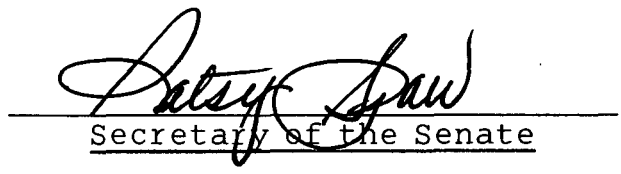
10 SECTION 7. This Act takes effect September 1, 2015.

S.B. No. 481


President of the Senate


Speaker of the House

I hereby certify that S.B. No. 481 passed the Senate on April 9, 2015, by the following vote: Yeas 28, Nays 3; and that the Senate concurred in House amendment on May 22, 2015, by the following vote: Yeas 29, Nays 2. _____

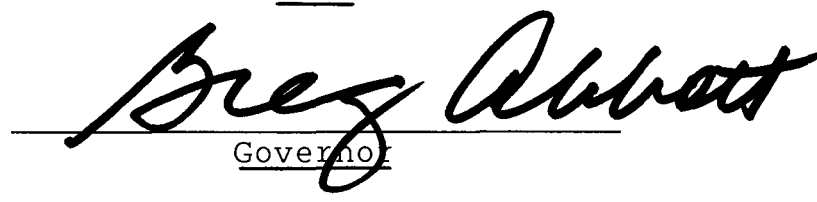

Secretary of the Senate

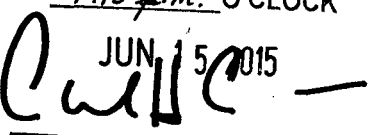
I hereby certify that S.B. No. 481 passed the House, with amendment, on May 18, 2015, by the following vote: Yeas 137, Nays 1, one present not voting. _____


Chief Clerk of the House

Approved:

6-5-2015
Date


Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
9:15 p.m. O'CLOCK
JUN 15 2015

Secretary of State

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 6, 2015

TO: Honorable John Frullo, Chair, House Committee on Insurance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB481 by Hancock (Relating to consumer information concerning facility-based physicians and notice and availability of mediation for balance billing by a facility-based physician.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Health and Safety Code relating to consumer information concerning facility-based physicians and notice and availability of mediation for balance billing by a facility-based physician.

Based on information provided by the State Office of Administrative Hearings, the Texas Department of Insurance, Texas Medical Board, Teacher Retirement System, Employees Retirement System, Texas A&M University System Administration, and the University of Texas System Administration, it is assumed that all duties and responsibilities necessary to implement the provisions of the bill could be accomplished utilizing existing staff and resources.

Based on information provided by the Texas Department of Insurance (TDI), the bill would result in an average of 3.3 rate filings from 120 issuers. Each insurer pays \$100 per filing which would yield a one-time revenue gain of \$39,400 to be deposited to General Revenue-Dedicated Texas Department of Insurance Fund 36 (Fund 36). Since Fund 36 is a self-leveling account, this analysis also assumes that any additional revenue resulting from the implementation of the bill would accumulate in account fund balances and that TDI would adjust the assessment of the maintenance tax or other fees accordingly in the following year.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 323 Teacher Retirement System, 327 Employees Retirement System, 360 State Office of Administrative Hearings, 454 Department of Insurance, 720 The University of Texas System Administration, 503 Texas Medical Board, 710 Texas A&M University System Administrative and General Offices

LBB Staff: UP, ER, AG, CL, NV, ED, EMo, TWh

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 4, 2015

TO: Honorable John Frullo, Chair, House Committee on Insurance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB481 by Hancock (Relating to notice and availability of mediation for balance billing by a facility-based physician.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for SB481, As Engrossed: a negative impact of (\$124,258) through the biennium ending August 31, 2017.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2016	(\$62,129)
2017	(\$62,129)
2018	(\$62,129)
2019	(\$62,129)
2020	(\$62,129)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1
2016	(\$62,129)
2017	(\$62,129)
2018	(\$62,129)
2019	(\$62,129)
2020	(\$62,129)

Fiscal Analysis

The bill would amend the Health and Safety Code and the Insurance Code relating to notice and availability of mediation for balance billing-based physician.

The bill would amend Section 1467 of the Insurance Code by eliminating the \$1,000 threshold for

a mediation request related to an out-of-network health benefit claim dispute.

The bill would take effect September 1, 2015. Any changes to law as a result of the bill would only apply to charges for medical service or supply provided on or after the effective date of this act.

Methodology

Based on information provided by the State Office of Administrative Hearings (SOAH), eliminating the \$1,000 threshold for mediation requests would result in an increased number of referrals to SOAH from an estimated 127 to 254 cases per year. Based on SOAH's current staffing, the additional workload would require an additional part-time Administrative Law Judge III and Legal Assistant III.

Based on information provided by the Texas Department of Insurance (TDI), the bill would result in an average of 3.3 rate filings from 120 issuers. Each insurer pays \$100 per filing which would yield a one-time revenue gain of \$39,400 to be deposited to General Revenue-Dedicated Texas Department of Insurance Fund 36 (Fund 36). Since Fund 36 is a self-leveling account, this analysis also assumes that any additional revenue resulting from the implementation of the bill would accumulate in account fund balances and that TDI would adjust the assessment of the maintenance tax or other fees accordingly in the following year.

Based on information provided by the Texas Department of Insurance, Teacher Retirement System, Employees Retirement System, Texas A&M University System Administration, and the University of Texas System Administration, it is assumed that any additional duties and responsibilities necessary to implement the provisions of the bill can be accomplished utilizing existing staff and resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 323 Teacher Retirement System, 327 Employees Retirement System, 360 State Office of Administrative Hearings, 454 Department of Insurance, 503 Texas Medical Board, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration

LBB Staff: UP, AG, CL, NV, ER, ED, EMO, TWh

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

March 23, 2015

TO: Honorable Kevin Eltife, Chair, Senate Committee on Business & Commerce

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB481 by Hancock (Relating to notice and availability of mediation for balance billing by a facility-based physician.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB481, As Introduced: a negative impact of (\$124,258) through the biennium ending August 31, 2017.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2016	(\$62,129)
2017	(\$62,129)
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2019	(\$62,129)
2020	(\$62,129)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i>
	1
2016	(\$62,129)
2017	(\$62,129)
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2019	(\$62,129)
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Fiscal Analysis

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