

BILL ANALYSIS

C.S.H.B. 1742
By: Smithee
Insurance
Committee Report (Substituted)

BACKGROUND AND PURPOSE

It has been suggested that patients who receive surprise medical bills for certain laboratory services should be allowed to use the mediation process currently available with respect to balance billing by out-of-network health care providers to resolve these bills. C.S.H.B. 1742 seeks to address this issue by authorizing an enrollee in a preferred provider benefit plan or a health benefit plan to request mediation of a settlement of an out-of-network health benefit claim for a laboratory service under certain conditions.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the commissioner of insurance, the Texas Medical Board, and other appropriate regulatory agencies in SECTION 12 of this bill.

ANALYSIS

C.S.H.B. 1742 amends the Insurance Code to authorize an enrollee of a preferred provider benefit plan or a health benefit plan to request mediation of a settlement of an out-of-network health benefit claim for a laboratory service if:

- the amount for which the enrollee is responsible to the laboratory, including the amount unpaid by the applicable administrator or insurer, is greater than \$500;
- the laboratory is an out-of-network laboratory; and
- the specimen evaluated by the laboratory is collected at the office of a health care practitioner who is a preferred provider or has a contract with the administrator or at a facility that is a preferred provider or has a contract with the applicable administrator.

C.S.H.B. 1742 applies only to a claim for health care services provided on or after January 1, 2020.

EFFECTIVE DATE

September 1, 2019.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 1742 may differ from the original in minor or nonsubstantive ways, the

following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute revises the conditions under which an enrollee may request mediation by requiring that the specimen be collected at the office of an applicable health care practitioner or facility.

The substitute does not include a provision conditioning eligibility for mediation on the network status of the provider collecting the specimen.

The substitute does not include as part of the conditions under which the enrollee may request mediation the enrollee's not having had a reasonable opportunity to inquire about the laboratory's network status.