

BILL ANALYSIS

Senate Research Center
77R3822 MXM-F

S.B. 425
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DIGEST AND PURPOSE

Currently, physicians who perform health insurance utilization reviews for the people of Texas are not required to hold a medical license from the state of Texas. A physician residing in a state other than Texas may not be aware of conditions affecting health-care services unique to this state. Further, out-of-state physicians who perform utilization review on Texas residents are not accountable to the Texas Board of Medical Examiners for the decisions they make. As proposed, S.B. 425 requires that physicians performing health insurance utilization reviews for the people of Texas be required to hold a medical license in this state. S.B. 425 also eases the process by which a health care provider may appeal a decision made by the physician performing the utilization review.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 4(h), Article 21.58A, Insurance Code, to require utilization review conducted by a utilization review agent to be under the direction of a physician licensed to practice medicine in this state, rather than by a state licensing agency in the United States.

SECTION 2. Amends Section 6(b), Article 21.58A, Insurance Code, to require the procedures for appeals to be reasonable and to include a provision that appeal decisions be made by a physician licensed to practice medicine in this state, provided that, if the appeal is denied and within 10 working days the health care provider sets forth orally or in writing good cause for having a particular type of a specialty provider review the case, the denial is required to be reviewed by a health care provider licensed in this state for the same or a similar specialty as typically manages the medical or dental condition, procedure, or treatment under discussion for review of the adverse determination, and that specialty review is required to be completed within 15 working days of receipt of the request. Makes a conforming change.

SECTION 3. Effective date: upon passage or September 1, 2001.