

BILL ANALYSIS

Senate Research Center

H.B. 4519
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State Affairs
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 4519 amends the Insurance Code to require the commissioner of insurance to adopt standards and rules that prohibit more than one independent review organization from operating out of the same office or other facility, an individual or entity from owning more than one independent review organization, an individual from owning stock in or serving on the board of more than one independent review organization, and an individual who has served on the board of an independent review organization whose certification was revoked for cause from serving on the board of another independent review organization before the fifth anniversary of the date on which the revocation occurred. The bill requires the standards and rules to prohibit an attorney who is, or has in the past served as, the registered agent for an independent review organization from representing the independent review organization in legal proceedings, and an independent review organization from disclosing confidential patient information, except to a provider who is under contract to perform the review. The bill requires the standards and rules to require an independent review organization to be based and certified in Texas and to locate the organization's primary offices in this state, to voluntarily surrender the organization's certification while the organization is under investigation or as part of an agreed order, and to apply for and receive a new certification after the organization is sold to a new owner.

H.B. 4519 amends current law relating to standards for independent review organizations.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the commissioner of insurance in SECTION 1 (Section 4202.002, Insurance Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 4202.002, Insurance Code, by adding Subsection (c), as follows:

(c) Requires the commissioner of insurance (commissioner), in addition to the standards described by Subsection (b) (relating to adoption of certain standards), to adopt standards and rules that:

(1) prohibit more than one independent review organization from operating out of the same office or other facility; an individual or entity from owning more than one independent review organization; an individual from owning stock in or serving on the board of more than one independent review organization; an individual who has served on the board of an independent review organization whose certification was revoked for cause from serving on the board of another independent review organization before the fifth anniversary of the date on which the revocation occurred; an attorney who is, or has in the past served as, the registered agent for an independent review organization from representing the independent review organization in legal proceedings; and an independent review organization from disclosing confidential patient information, except to a provider who is under contract to perform the review; and

(2) require an independent review organization to be based and certified in this state and to locate the organization's primary offices in this state; an independent review organization to voluntarily surrender the organization's certification while the organization is under investigation or as part of an agreed order; and an

independent review organization to apply for and receive a new certification after the organization is sold to a new owner.

SECTION 2. Effective date: September 1, 2009.