

BILL ANALYSIS

Senate Research Center

H.B. 2501
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Non-emergency medical transportation (NEMT) providers bring patients to routine and follow-up medical appointments, improving patient outcomes and lowering healthcare costs. These companies are increasingly using a rideshare model or have announced partnerships with Uber, Lyft, and similar companies. The problem is that current law inhibits NEMT providers from securing needed automobile insurance to operate in Texas if those providers use a rideshare model.

In 2015, the 84th Legislature passed H.B. 1733 to clarify insurance responsibilities for transportation network companies (TNCs) and their drivers. That bill established insurance coverage requirements during certain "gap periods" where a driver was not yet carrying a passenger, but was waiting for a passenger request. However, the bill's definition of "transportation network company" was written in a way that excludes NEMT providers, which has made it difficult for some providers to secure required auto insurance.

H.B. 2501 seeks to address this issue by revising the applicability of statutory provisions relating to insurance for transportation network company drivers with regard to certain entities arranging nonemergency medical transportation.

H.B. 2501 amends current law relating to insurance requirements for certain nonemergency medical transportation.

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 1954.001(4), Insurance Code, to redefine "transportation network company."

SECTION 2. Amends Section 1954.002, Insurance Code, as follows:

Sec. 1954.002. APPLICABILITY OF CHAPTER. (a) Creates this subsection from existing text and makes no further changes to this subsection.

(b) Provides that this chapter (Insurance for Transportation Network Company Drivers) does not apply to an entity arranging nonemergency medical transportation services under a contract with the state or a managed care organization for individuals qualifying for Medicaid or Medicare unless the entity provides the transportation services through a digital network that connects transportation network company (TNC) drivers to TNC riders for prearranged rides, contracts individually with each TNC driver who is connected to TNC riders for the prearranged rides through the entity's digital network, and otherwise meets all requirements under the Medicaid or Medicare program for delivery of nonemergency medical transportation services.

SECTION 3. Effective date: September 1, 2017.