

KEEP House Bill 1534 MOVING!

SUPPORT and SIGN ON TO HB 1534

by Rep. Craig Eiland

Relating to regulation of certain health care provider network contract arrangements

HB 1534 Voted Out of the Committee on House Insurance 9-0

House Insurance Committee members unanimously voted out the committee substitute for House Bill 1534 on April 25. Stakeholders continue to work with Representative Eiland and members of the committee to refine and clarify bill language regarding actions of third-party administrators while HB 1534 moves through the legislative process over to the Calendars Committee and then to the House floor.

Stakeholder Activity

Over the past few months, the Texas Medical Association (TMA), the Texas Hospital Association (THA), the Texas Association of Health Plans (TAHP), and the American Association of Preferred Provider Organizations (AAPPO) have worked to reach a compromise on language for HB 1534. The committee substitute voted out of committee on April 25 seeks to balance access to preferred provider organization (PPO) networks and third-party entities while making their actions transparent when using a physician or hospital discount.

HB 1534 establishes:

- The criteria for network and discount access and contract termination;
- The rights and responsibilities of contracting entities; and
- The disclosure to contracting entities about any third-party access to the physicians' or hospitals' discounts.

The committee substitute for **HB 1534** provides:

- Registration requirements for currently unlicensed contracting entities; and
- Remedies for physicians and hospitals when a discount is taken without a contractual basis.

The language in the committee substitute tracks the National Council of Insurance Legislators (NCOIL) RENTAL NETWORK CONTRACT ARRANGEMENTS MODEL ACT. The model act was adopted by the NCOIL Executive Committee and by the Health, Long-Term Care, and Health Retirement Issues Committee in fall 2008.

Background

Many health plans use third-party entities to assemble networks, credential physicians and negotiate physician and hospital discounts. In some instances, third parties are used to access secondary or rental networks to make their primary networks more robust. In addition, the number of intermediaries or third parties paying health care claims today is increasing. Unfortunately, some third-party entities today profit from inappropriately accessing network contracts and then inappropriately discounting physician or hospital payments. They do this without the physicians' or hospitals' permission or agreement. Little information is known about the extent of these third parties' presence in the market or their interactions, if any, with the patient, physician, or hospital. Without this information, it becomes extremely difficult for the physicians and hospitals to detect and/or identify who has access to their discounts, or if that access was agreed upon. More importantly, it is difficult for patients to determine if or when a physician or hospital is actually in their network or what is the patient's portion of the expense for medical care. (See other side.)

ACTION NEEDED:

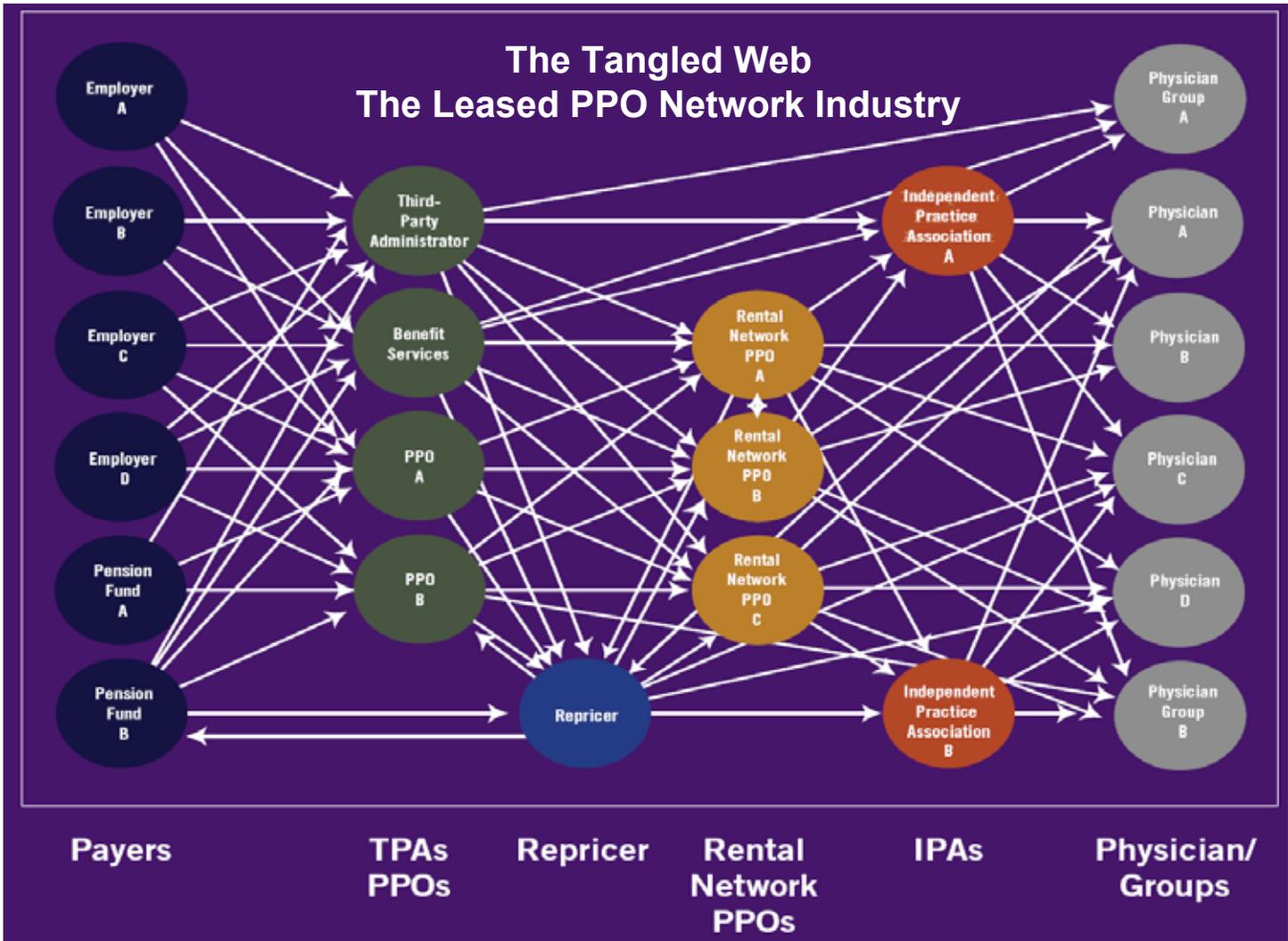
Please support the hard work and effort of all the stakeholders.

Please keep HB 1534 moving.

SIGN ON AND SUPPORT HB 1534.

Multiple states have recognized the need for transparency in this market sector and have taken steps to regulate this inappropriate activity. Thank You.





Source: American Medical Association Private Payer Advocacy