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S.B. No. 547

A BILL TO BE ENTITLED

1 AN ACT

2 relating to notice from a health benefit plan issuer regarding a
3 physician's or health care provider's preauthorization exemption
4 status.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 4201.659(e), Insurance Code, is amended
7 to read as follows:

14 (1) a statement that the physician or provider
15 qualifies for an exemption from preauthorization requirements
16 under Section 4201.653;

19 (3) a statement of the duration of the exemption [~~the~~
20 information described by Subsection (d)]: and

21 (4) [-(2)] a notification of the health maintenance
22 organization's or insurer's payment requirements.

23 SECTION 2. Subchapter N, Chapter 4201, Insurance Code, is
24 amended by adding Section 4201.660 to read as follows:

	Sec. 4201.660. EXEMPTION	STATUS	NOTIFICATION	TO
1	DEPARTMENT; DATABASE AND REPORT.	(a)	A health maintenance	
2	organization or insurer that uses a preauthorization process for			
3	health care services shall provide written notice to the department			
4	of a physician's or provider's preauthorization exemption status			
5	under this subchapter not later than the 10th day after the date on			
6	which the health maintenance organization or insurer:			
7	(1) completes an evaluation of the physician or			
8	provider as required by Section 4201.653(b) and determines whether			
9	the physician or provider qualifies for an exemption;			
10	(2) determines that the health maintenance			
11	organization or insurer will continue the physician's or provider's			
12	exemption under Section 4201.653(c);			
13	(3) provides notice to the physician or provider of a			
14	determination to rescind the physician's or provider's exemption;			
15	or			
16	(4) makes an internal appeal determination or receives			
17	a determination from an independent review organization under			
18	Section 4201.656 affirming or denying the health maintenance			
19	organization's or insurer's determination to rescind the			
20	physician's or provider's exemption.			
21	(b) The department shall establish and maintain a database			
22	of preauthorization exemption grants, denials, rescissions, and			
23	internal appeal and independent review determinations. On the			
24	request of a physician or provider, the department shall provide			
25	the physician or provider with information regarding the			
26	physician's or provider's preauthorization exemption status with			
27				

1 respect to each relevant health maintenance organization or insurer
2 and with respect to each relevant health care service.

3 (c) The department shall collect and compile data
4 regarding:

5 (1) the number and timing of evaluations being
6 conducted by each health maintenance organization or insurer under
7 this subchapter;

8 (2) the number of internal appeals or independent
9 reviews conducted by or with respect to each health maintenance
10 organization or insurer under this subchapter;

11 (3) the number of exemptions granted, denied, or
12 rescinded by each health maintenance organization or insurer, by
13 provider type and health care service; and

14 (4) the number and outcomes of internal appeals or
15 independent reviews conducted by or with respect to each health
16 maintenance organization or insurer.

17 (d) The department shall annually prepare a statistical
18 report reflecting the data collected under Subsection (c) and make
19 the report available to the public on request.

20 SECTION 3. Section 4201.659(d), Insurance Code, is
21 repealed.

22 SECTION 4. Subchapter N, Chapter 4201, Insurance Code, as
23 amended by this Act, applies only to a determination regarding a
24 physician's or provider's preauthorization exemption status made on
25 or after the effective date of this Act. A determination made
26 before the effective date of this Act is governed by the law as it
27 existed immediately before the effective date of this Act, and that

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1 law is continued in effect for that purpose.

2 SECTION 5. This Act takes effect September 1, 2025.