

BILL ANALYSIS

H.B. 2929
By:Bonnen
Introduced

BACKGROUND AND PURPOSE

Interested parties note that the necessity to have health care providers' claims paid timely the legislature enacted the prompt payment act. TEX. INS. CODE. §1301. In current form, the act does not measure with intent. Providers that file complaints with the Department of Insurance under the act are often subject to retaliatory measures. These retaliatory measures are in the form of unlawful payment locks, harassment by voluminous record requests, systematic audits, and the death-penalty retaliatory action being the cancelation of a provider's contract. Additionally, providers are finding that insurance companies have sought out, and exploited loopholes which negate strict time requirements of the act at large. Currently, by utilizing arbitrary means, an insurance company can effectively abrogate the entire act rendering providers without a meaningful process, and at the same time, there has been a chilling effect on the act due to known retaliation.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offense, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the commissioner of insurance in SECTION 1 of this bill.

ANALYSIS

H.B. 2929 amends the Insurance Code to offer providers minimal protections against retaliation from an insurance company should a provider file a complaint under the act with the Department of Insurance. This amendment does not expand nor take away the original intent of the act; this amendment merely offers cover during the pendency of a complaint with the Department of Insurance.

Additionally, H.B. 2929 amends TEX. INS. CODE. §1301 in a manner which limits an insurance company's capability to exploit current loopholes of the prompt payment of claims. Specifically, the foregoing amendments provide needed clarity to address resubmission of claim payment analysis, specifications to timely audits which might otherwise adulterate the purpose of the act, proper disclosure of audit information, and reasonable remedies.

EFFECTIVE DATE

On passage, or if the bill does not receive the necessary vote, September 1, 2021.