

AN ACT

relating to health maintenance organization contracts with certain entities to provide health care services.

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

SECTION 1. Section 843.101, Insurance Code, is amended by amending Subsection (b) and adding Subsections (b-1) and (b-2) to read as follows:

(b) A health maintenance organization may provide or arrange for health care services only through:

(1) other health maintenance organizations;

(2) providers or groups of providers who are:

(A) under contract with or are employed by the health maintenance organization; or

(B) under contract with an entity that is under contract with the health maintenance organization to provide a network of providers to provide health care services only if the contract between the entity and the health maintenance organization:

(i) does not limit the health maintenance organization's authority or responsibility, including financial responsibility, to comply with any regulatory requirement that applies to a function performed by the entity;

(ii) requires the entity to comply with all regulatory requirements that apply to a function performed by the

1 entity; and

2 (iii) expressly sets forth the requirements
3 of Subparagraphs (i) and (ii); or

4 (3) additional health maintenance organizations or
5 physicians or providers who have contracted for health care
6 services with:

7 (A) the other health maintenance organizations;

8 (B) physicians with whom the health maintenance
9 organization has contracted; or

10 (C) providers who are under contract with or are
11 employed by the health maintenance organization.

12 (b-1) Except as provided by Subsection (b-2) and
13 notwithstanding any other law, an entity described by Subsection
14 (b)(2)(B) and the health maintenance organization with which the
15 entity contracts are subject to Chapter 1272 as if the entity were a
16 delegated entity unless the entity:

17 (1) is a delegated network or delegated third party as
18 defined by Section 1272.001; or

19 (2) is not a delegated entity as provided by Section
20 1272.001(a)(1)(A) or (B).

21 (b-2) An entity subject to Chapter 1272 under Subsection
22 (b-1) that does not assume risk and the health maintenance
23 organization with which the entity contracts are not subject to the
24 following provisions:

25 (1) Section 1272.053(1);

26 (2) Section 1272.057(1);

27 (3) Section 1272.061(1)(C); and

1 (4) Subchapter D, Chapter 1272.

2 SECTION 2. This Act takes effect September 1, 2017.

President of the Senate

Speaker of the House

I certify that H.B. No. 3218 was passed by the House on May 8, 2017, by the following vote: Yeas 143, Nays 0, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 3218 was passed by the Senate on May 23, 2017, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor