

CHAPTER 700

S.B. No. 1431

AN ACT

relating to the selection of health care providers by health maintenance organizations.

*Be it enacted by the Legislature of the State of Texas:*

SECTION 1. Section 14, Texas Health Maintenance Organization Act (Article 20A.14, Vernon's Texas Insurance Code), is amended by adding Subsection (g) to read as follows:

*(g) No type of provider licensed or otherwise authorized to practice in this state may be denied participation to provide health care services which are delivered by the health maintenance organization and which are within the scope of licensure or authorization of the type of provider on the sole basis of type of license or authorization. This section may not be construed to (1) require a health maintenance organization to utilize a particular type of provider in its operation; (2) require that a health maintenance organization accept each provider of a category or type; or (3) require that health maintenance organizations contract directly with such providers. Notwithstanding any other provision nothing herein shall be construed to limit the health maintenance organization's authority to set the terms and conditions under which health care services will be rendered by providers. All providers must comply with the terms and conditions established by the health maintenance organization for the provision of health services and for designation as a provider.*

SECTION 2. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed the Senate on April 30, 1987, by the following vote: Yeas 30, Nays 0. Passed the House on May 22, 1987, by a non-record vote.

Approved June 19, 1987.

Effective Aug. 31, 1987, 90 days after date of adjournment.