

June 25, 2007

Healthcare Legislation Update – Texas Legislature 80th Regular Session

You have accessed the Healthcare Legislation Update for the 80th Regular Session of the Texas Legislature. This update has been compiled by the Health Care Practice Group of Haynes and Boone, LLP for use as a quick reference tool on topics that we believe that will be of interest to our clients and the healthcare industry, with a specific focus on those new laws that affect hospitals, physicians and other healthcare providers.

The legislation included in this update are referenced both by bill number and subject, and short summaries and effective dates are provided. The summaries are not intended to be a comprehensive report on the legislation or to offer legal advice or opinions regarding the new laws but rather to offer a brief description of the subject matter and nature of the legislation which will allow you to determine whether it potentially impacts your business. If you are interested in particular legislation, you may access the legislation directly to obtain the full text of the new law as well as other information about it. To access the text of the legislation directly via the internet at the Texas Legislature's web site, simply click on the bill number in this update.

We hope that you find this update useful. If you have questions regarding the update itself, or any of the new laws included in it, please contact one of the Haynes and Boone attorneys who are listed below. We will welcome the opportunity to work with you in obtaining information about current legislation as well as determining the impact these new healthcare-related laws have on your business. Please contact us if you would like a presentation on any of the healthcare legislation summarized in this Update.

Please note that not all healthcare-related legislation is summarized in this update. The reader should review for any agency rules or interpretations of the laws when relying on the information provided herein.

Austin Dallas Fort Worth Houston Mexico City Moscow New York Richardson San Antonio Washington, D.C.

haynesboone.com

INDEX *hyperlinked*

[EMERGENCY MEDICAL SERVICES](#)

[HOSPITALS](#)

[MANAGED CARE / HEALTH INSURANCE](#)

[MEDICAID / CHIP](#)

[MEDICAL LIABILITY](#)

[MISCELLANEOUS HEALTH CARE ISSUES](#)

[NURSES](#)

[NURSING HOMES](#)

[PHARMACY /DRUGS](#)

[PHYSICIANS](#)

[PRIVACY / CONFIDENTIALITY/DISCLOSURE OF HEALTH INFORMATION](#)

[PUBLIC HEALTH](#)

[WORKER'S COMPENSATION](#)

Bill #	Subject	Effective Date *all dates 2007 unless otherwise indicated	Summary
EMERGENCY MEDICAL SERVICES			
HB 2827	Emergency Medical Services – Anaphylaxis Treatment	June 15 th	Requires every EMS vehicle to carry an epinephrine injector or similar device to treat anaphylaxis.
HOSPITALS			
HB 2168	Hospital District and Authority Ancillary Services	June 16 th	Authorizes hospital authorities and districts to use joint ventures with public and private entities to operate ancillary health care facilities.
HB 1060	Hospital Use of Driver's License Information	September 1 st	Prohibits hospitals from selling, transferring or disseminating information collected from a driver's license or personal identification certificate to a third party for any purpose unless the information is transferred in accordance with HIPAA. If individuals object to a hospital's use of driver's license information, the hospital must use alternative means to collect the information.

Bill #	Subject	Effective Date *all dates 2007 unless otherwise indicated	Summary
MANAGED CARE / HEALTH INSURANCE			
<u>HB 1594</u>	Managed Care Provisional Credentialing for Physicians in Group Practices	September 1 st	Provides that members of a medical group that has a managed care contract in place will be provisionally considered as having met the credentialing requirements for the managed care plan if the physician is in good standing with the Texas Medical Board and has submitted all required information. If the physician is not credentialed by the plan after review, the physician or his or her group must repay the plan the differential between the in-network and out-of-network amount reimbursement received during the interim period. Enrollees will be held harmless for any final credentialing determination.
<u>SB 1884</u>	HMO/PPO Underpayment Penalty	September 1 st	Changes the formula for underpayment calculations for HMO and PPO plans to reduce the amount of penalties owed by insurers. A PPO or HMO will not be liable for an underpayment penalty if the physician or provider notifies the HMO or PPO after the 270 th day (changed from 180 th day) after the date the underpayment was received and the HMO or PPO pays the underpayment on or before the 30 th day (changed from 45 th day) after receiving the underpayment notice.
<u>HB 2252</u>	Health Plans Offering Wellness Benefits	September 1 st	Allows health plans to provide enrollees access to wellness-type services such as health club memberships and smoking cessation programs.
<u>HB 522</u>	Health Care Identification Card Pilot Program	May 25 th	Institutes a pilot program requiring insurance plans to provide enrollees with identification cards containing standardized electronic data such as health benefit plan coverage, plan limits, deductibles, covered services, and payor and enrollee contact information.
MEDICAID / CHIP			
<u>HB 3261</u>	Use of Electronic Signatures – Medicaid	September 1 st	Allows the use of electronic signatures in Texas Medicaid program.

Bill #	Subject	Effective Date *all dates 2007 unless otherwise indicated	Summary
<u>SB 10</u>	Medicaid Reform	September 1 st	<p>Addresses a wide range of changes to the Medicaid program such as:</p> <ol style="list-style-type: none"> 1. § 1 - Simplifies processes Medicaid cost report filing process for ICF-MR and home and community-based service providers; 2. § 1 - Promotes the use of federally qualified health centers and rural health clinic services for Medicaid recipients; 3. § 2 -Requires the Health and Human Services Commission (“HHSC”) to supervise the medical transportation system; 4. § 2 - Promotes the implementation of a unified Medicaid billing system for acute care; 5. § 3 - Authorizes the HHSC commissioner to implement tailored benefit packages to certain Medicaid recipients to promote cost containment and efficiency, improve health outcomes, and improve access to services. The tailored benefits packages will be geared toward specific groups such as persons with disabilities, elderly persons, children with special health care needs, and working-age parents and caretaker relatives. The program may include the integration of a recipient’s acute and long term care needs. State and federal non-Medicaid programs may also be incorporated into tailored benefits packages; 6. § 4 - Creates a process to expand coverage of the uninsured through a non-Medicaid program; 7. § 5 - Directs the HHSC commissioner to seek a Medicaid 1115 waiver to the state Medicaid plan to more effectively use available federal money from existing Medicaid DSH and UPL funds and to seek additional sources of federal funds to defray the costs of uncompensated care, reduce the number of uninsured, and maintain and enhance community public health infrastructure provided by hospitals; 8. § 7 - Creates the Texas Health Opportunity Pool Trust Fund which operates outside of the state treasury to assist persons who do not have private health insurance coverage and health care providers providing uncompensated care;

Bill #	Subject	Effective Date *all dates 2007 unless otherwise indicated	Summary
<p><u>SB 10</u> (cont'd)</p>			<p>9. § 7 - Authorizes money in the Texas Health Opportunity Fund to be allocated to hospitals for reducing the amount of and need for uncompensated care through the implementation of strategies to improve access to primary care systems through offering patients medical homes and creating health care efficiencies such as using electronic medical records systems;</p> <p>10. § 7 - Authorizes money from the Texas Health Opportunity Fund to be used for developing initiatives to improve the infrastructure of local provider networks that provide services to Medicaid and low income patients such as for the development of electronic medical records systems;</p> <p>11. § 8 – Creates a process to determine a uniform definition of uncompensated care and requires the development of rules requiring hospitals to report the cost of uncompensated care, Hospitals that fail to timely report the cost of uncompensated care will be subject to fines;</p> <p>12. § 7 - Authorizes the establishment of a demonstration project to research the benefit of physician-centered care at long term care facilities;</p> <p>13. § 6 - Requires the HHSC to perform studies to increase the use of technology for the detection and deterrence of fraud in the state Medicaid program;</p> <p>14. § 8 - Requires Medicaid HMO contracts with insurers to include performance incentives;</p> <p>15. § 9 - Requires the HHSC commissioner to encourage Medicaid HMOs to provide non-traditional health benefits/value added services designed to improve the health of enrollees;</p> <p>16. § 10 - Requires certain Medicaid recipients to designate a primary care provider to promote the continuity of care;</p>

Bill #	Subject	Effective Date *all dates 2007 unless otherwise indicated	Summary
<p><u>SB 10</u> (cont'd)</p>			<p>17. § 11 - Allows Medicaid-eligible patients premium assistance to enroll in available group health plans;</p> <p>18. § 12 - Implements Medicaid cost-sharing for recipients that unnecessarily utilize emergency services;</p> <p>19. § 13 - Authorizes the HHSC commissioner to permit and use health information technology for the medical assistance program for eligibility information and the exchange of recipient health care information;</p> <p>20. § 27 - Establishes a committee on long term care insurance to develop incentives for employers to provide long term care and health insurance for employees;</p> <p>21. § 16 - Requires the HHSC to study the feasibility and cost effectiveness of implementing an integrated Medicaid managed care model for persons outside of a capitated Medicaid managed care model or the Star + Plus program;</p> <p>22. § 29 - Requires a feasibility study to be conducted of requiring all Medicaid recipients under 19 years old to be provided a health passport;</p> <p>23. § 18 - Creates the Medicaid Reform Legislative Oversight Committee to facilitate the process of addressing the uninsured and uncompensated hospital care issues;</p> <p>24. § 4 - Creates a pilot program for prevention and wellness for Medicaid recipients including providing rewards in the form of non-covered health related items for following disease management protocols and achieving healthy lifestyle choices such as weight loss or smoking cessation; and</p> <p>25. § 13 - Authorizes small employers and counties to create regional health plans to provide affordable health insurance coverage.</p>

Bill #	Subject	Effective Date *all dates 2007 unless otherwise indicated	Summary
<u>SB 362</u>	Increase in Penalties under Medicaid Fraud Prevention Act to Comply with the Deficit Reduction Act	May 4 th	Amends the civil remedies and <i>qui tam</i> provisions under the Medicaid Fraud Prevention Act to increase the minimum civil penalty from \$1,000 to \$5,000 (for unlawful acts that harm minors, disabled persons or the elderly, fines range from \$5,000 to \$15,000). Establishes the standard of proof that must be met for each element of a civil action for Medicaid fraud. The state is allowed to intervene in cases upon a showing of good cause. A person bringing a civil action is entitled to 15 % of any proceeds of the action if the state intervenes. If the state does not intervene, the person would be entitled to 25 - 30 % of the proceeds if certain conditions are met.
<u>HB 889</u>	Medicaid Fraud Prevention– Conforming with the Deficit Reduction Act Requirements	September 1 st	Imposes a “knowing” requirement for certain Medicaid fraud provisions such as inducing fraudulent claims or causing fraudulent claims to be presented.
<u>SB 1694</u>	Medicaid Fraud Prevention – Expansion of Conduct Covered by State Anti-Kickback Law	September 1 st	Broadens the prohibitions under the state Anti-Kickback statute Texas Human Resource Code § 32.0391(b) to prohibit the receipt of remuneration or “being influenced,” is extended to include agents, public servants, and third party vendors, and prevents remuneration in exchange for the inclusion or exclusion of a good or services available under the Medicaid program. Extends criminal penalties to certain violations involving the state Medicaid program.

Bill #	Subject	Effective Date *all dates 2007 unless otherwise indicated	Summary
<u>HB 1</u>	Appropriations Bill – Medicaid Rate Restoration & Medicaid Coverage of Prescription Drugs	September 1 st	Provides: <ol style="list-style-type: none"> 1. 10% increase in Medicaid physician reimbursement rates for adult services; 2. New funding for designated trauma facilities; 3. Partial restoration of past Medicaid hospital reimbursement reductions; and 4. Physician-administered drugs and biologics will be deemed to be covered by the Texas Medicaid Program if they are approved by the Food and Drug Administration and satisfy the criteria of the Omnibus Budget Reconciliation Act of 1990.
<u>SB 24</u>	Medicaid Reimbursement for Physician Services Provided by Telemedicine	September 1 st	Authorizes physician reimbursement if a Medicaid eligible patient is evaluated from a distant location by telemedicine if 1) a health professional under the supervision of the physician is present with the patient and 2) the medical condition for which the patient is being treated is not likely to undergo material deterioration during the 30 day period following treatment.
<u>HB 109</u>	CHIP Reform	September 1 st	Adjusts eligibility requirements, provides for 12 month continuous eligibility and provides for primary and preventative health care such as immunizations, wellness exams, eye exams, and dental check-ups.
<u>HB 2042</u>	Medicaid Provider Online Database	September 1 st	Requires HHSC to develop web-based database disclosing the names of providers who participate in the Medicaid program.
<u>SB 22</u>	Long Term Care Insurance Exclusion from Medicaid Eligibility	March 1, 2008	Disregards the value of long term care insurance policies should the policy holder apply for Medicaid long term care coverage.

Bill #	Subject	Effective Date *all dates 2007 unless otherwise indicated	Summary
MEDICAL LIABILITY			
<u>HB 2005</u>	Physical and Occupational Therapy – Tort Reform	September 1 st	Extends charitable immunity protection to physical therapists, physical therapists assistants, occupational therapists, and occupational therapists for duties and functions performed on a volunteer or pro bono basis.
<u>HB 2117</u>	Volunteer Emergency Assistance	June 15 th	Clarifies existing law to extend protection for volunteers providing emergency care.
MISCELLANEOUS HEALTH CARE ISSUES			
<u>HJR 90 & HB 14</u>	Cancer Research Institute Creation – Constitutional Amendment	State-wide Vote to be Held on November 6 th	Creates the Cancer Research and Prevention Institute of Texas and grants authority to issue up to \$3 billion in general revenue bonds to fund cancer-related research and the Cancer Research and Prevention Institute of Texas.
<u>SB 204</u>	Electronic Medical Records Requirement for Vendors	September 1 st	Requires vendors that sell electronic medical records software to allow for the capacity to support the information required by the state’s immunization registry.
<u>HB 1066</u>	Development of State Health Information Technology Infrastructure	June 15 th	Creates the Texas Health Services Authority, a public-private collaborative charged with coordinating state-wide health information technology infrastructure and promoting greater sharing of electronic health information.
<u>HB 3064</u>	Regulation of Non-Insurance Discount Health Plans	September 1 st	Regulates advertising, disclosure requirements, and contracting with health care providers by non-insurance health discount plans.
<u>HB 3473</u>	Consent to Home Health Treatment – Adult Surrogate	September 1 st	Adds home and community support services to the types of medical treatment that may be consented to by an adult surrogate on behalf of incapacitated patients.

Bill #	Subject	Effective Date *all dates 2007 unless otherwise indicated	Summary
<u>HB 518</u>	Mental Health – Emergency Detention	September 1 st	Extends the length of time a person may be detained in custody for a preliminary examination to 48 hours and clarifies how the time period is calculated. Physicians must have examined a patient no earlier than the third day before a motion for detention is filed.
<u>SB 29</u>	Health Professional Mandatory Disclosure of Background Information for License Renewal	March 1 st	Requires all health professionals to disclose additional information such as full name, mailing address and education background and training. Allows voluntary disclosure of place of birth, ethnicity, a description of primary practice location, location of high school, and number of hours per week spent a primary practice location on license renewals.
<u>HB 3928</u>	Franchise Tax Reduction	January 1, 2008	Reduces franchise tax on businesses (including health care businesses) with gross incomes between \$300,000 and \$900,000.
NURSES			
<u>SB 993</u>	Nursing – Regulation of Nursing Practice	September 1 st	<p>§ 1 – Provides new definitions of chief nursing officer and patient safety committee</p> <p>§ 2 - Changes nurse continuing education requirements.</p> <p>§ 3 - Provides clarification as to the type of patient care activity in which a nurse may refuse to participate. Any termination of discipline of a nurse who justifiably refuses to participate in certain patient care activity may be considered an act of retaliation.</p> <p>§ 4 – Allows the president of a medical or dental unit at certain state teaching hospitals to determine if nurses are entitled to full-time employee benefits.</p> <p>6, and 8-15 – Alters the reporting requirements for nurse conduct, requiring reporting of certain instances to nursing peer review committees.</p> <p>§ 17 – Requires the establishment of a nursing peer review committees regularly hires 10 or more vocational or professional nurses.</p> <p>§§ 18 - 20– Defines good faith for actions taken by a nurse or nurse administrator. Revises nursing peer review reporting process.</p>

Bill #	Subject	Effective Date *all dates 2007 unless otherwise indicated	Summary
NURSING HOMES			
<u>SB 344</u>	Survey of Long Term Care Facilities	September 1 st	Requires long term care providers subject to state survey and inspection to have an exit interview with facility management to discuss any violations. Facilities are required to submit a plan of correction within 10 working days of receipt of the final official statement of violations.
<u>SB 199</u>	Restriction of Employment of Criminally Convicted Persons at Nursing Facilities	September 1 st	Prevents the employment of persons convicted of certain crimes at long term care, home health agencies, and other facilities that care for the elderly and disabled.
<u>HB 52</u>	Long Term Care Residents Personal Needs Allowance	September 1 st	Raises the personal needs allowance for long term care residents from \$45 per month to \$60 per month.
PHARMACY / DRUGS			
<u>SB 625</u>	Pharmacy Administration – Substitution of Drugs for Transplant Patients	June 15 th	Prevents a pharmacist from changing an immunosuppressant drug or formulation of an immunosuppressant drug, brand or generic, for the treatment of a patient following a transplant without prior notification of, and the signed consent of, the change from the prescribing physician.
<u>SB 994</u>	Pharmacy – Electronic Prescriptions for Controlled Substances	September 1 st	Permits physicians to submit prescriptions for Schedule III, IV, and IV drugs telephonically or electronically.
<u>SB 1658</u>	Pharmacy – Authorization in the Event of Disaster	September 1 st	Authorizes pharmacists, in the event of a manmade or natural disaster, to dispense up to a 30 day supply of prescription drugs, not listed on Schedule II, based upon their professional judgment.
<u>SB 943</u>	Prescription Drug Wholesaler Licensing and Penalties	September 1 st	Provides penalties for the mislabeling or adulteration of prescription drugs. Implements more stringent license requirements for prescription drug wholesalers.

Bill #	Subject	Effective Date *all dates 2007 unless otherwise indicated	Summary
<u>SB 1274</u>	Flavoring of Prescription Drugs	September 1 st	Creates simplified process to allow flavoring of prescription drugs by pharmacists.
<u>HB 948</u>	Pharmacy Labeling of Prescription Drugs	September 1 st	Requires pharmacists to label in plain language in easily readable font size instructions for self-administration of prescription drugs.
<u>SB 1879</u>	Regulation of Controlled Substances	June 15 th	Requires additional documentation for Schedule II, III, and IV drugs and provides administrative penalties for noncompliance.
PHYSICIANS			
<u>HB 709</u>	Umbilical Cord Options Disclosure	May 17 th	Requires physicians, beginning January 1, 2008, to provide pregnant women with brochure on umbilical cord options prior to the third trimester or as soon as reasonably feasible. Physicians who attend the birth of a newborn will be required to provide for options of storage or donation of an umbilical cord unless the health of the mother is threatened. A physician does not have to distribute the brochure or provide options as to the use of the umbilical cord if he/she has a religious objection that is made known to the mother as soon as reasonably feasible. No penalties exist for noncompliance.
<u>SB 1832</u>	Disclosure of Anatomical Pathology Services Charges	September 1 st	Requires a physician or entity that does not directly supervise or perform anatomic pathology services to disclose in the bill to the patient, insurer, payor, or in an itemized statement to the patient the name and address of the physician or laboratory that provided the anatomic pathology services and the net amount paid or to be paid for each anatomic pathology service provided to the patient by the physician or laboratory.
<u>SB 760</u>	Telemedicine	September 1 st	Encourages the use of telemedicine and alters the definitions of telemedicine service locations.

Bill #	Subject	Effective Date *all dates 2007 unless otherwise indicated	Summary
<u>SB 36</u>	Physician Licensing Requirements	June 15 th	Changes the physician licensing requirements for certain persons to allow prospective physicians more attempts to satisfy examination requirements.
PRIVACY / CONFIDENTIALITY / DISCLOSURE OF HEALTH INFORMATION			
<u>HB 2015</u>	Employer Access to Employee Health Care Expenditures	September 1 st	Allows health plan enrollee's protected health information to be exchanged with plan sponsors and employers in a manner that is consistent with federal laws.
<u>SB 1731</u>	Consumer Access to Health Care Information	September 1 st	<p>§ 1 Creates a Consumer Guide to Health Care on the Department of State Health Services website that will require health facilities to disclose billing and pricing practices. Health facilities include ambulatory surgery centers, birthing centers and hospitals. Health facilities are required to develop and enforce written health care services and supplies billing policies. The billing policy must address the following:</p> <ol style="list-style-type: none"> 1. Emergent patients must receive written disclosure before discharge from the emergency department or facility; 2. A facility must post notice of the availability of policies; 3. A facility is required to provide an estimate of the facility's charges within 10 days of a request or before scheduling of an admission, procedure, or service; 4. A facility must provide patients with an itemized statement of billed services, if requested, no later than 10 days after the request (requests must be made within one year of the date of discharge from the facility); 5. A facility must provide an itemized statement of billed services within 30 days of a request by a third party payor who has received a claim for payment of services; 6. If a consumer overpays a facility, the facility is required to refund the overpayment no later than the 30th day after the facility determines an overpayment was made; 7. Any facility that violates these provisions will be subject to enforcement by the appropriate licensing agency; and

Bill #	Subject	Effective Date *all dates 2007 unless otherwise indicated	Summary
<p><u>SB 1731</u> (cont'd)</p>			<p>8. Facilities are required to implement a consumer complaint process.</p> <p>§§ 5 & 6 – Requires the Texas Medical Board to make a consumer guide to health care available on its website related to the billing and cost of physician health care services. Physicians are required to develop and enforce written health care services and supplies billing policies. Physicians include all persons licensed to practice medicine in Texas. The billing policies require the following:</p> <p>9. Physicians that maintain waiting areas must post a notice information patients of the availability of billing policies;</p> <p>10. Physicians must provide an estimate of charges for health care services and supplies within 10 days of a request by a patient who is seeking services on an out-of-network basis or does not have insurance coverage under a health insurance policy, government program, or HMO evidence of coverage ;</p> <p>11. Physicians must provide an estimate of charges for physician services provided in a hospital emergency department or as a result of direct emergent admission prior to discharge;</p> <p>12. Physicians must provide patients with an itemized statement of billed services, if requested, no later than 10 days after the request (requests must be made within one year of the services or supplies were provided);</p> <p>13. If requested, physicians must provide a plain language written explanation of services or supplies made on a patient’s bill or statement; and</p> <p>14. If a patient overpays a physician, the physician is required to refund the overpayment no later than the 30th day after the physician determines an overpayment was made.</p>

Bill #	Subject	Effective Date *all dates 2007 unless otherwise indicated	Summary
<p><u>SB 1731</u> (cont'd)</p>			<p>§ 7 – Authorizes the Texas Department of Insurance to collect health care benefit plan reimbursement rates from health plan issuers. The Department of State Health Services will report the information in the aggregate by region. Individual plan reimbursement rates will remain confidential. Plans that must report information include most state-regulated health plans including Texas public and university employee group plans. Generally, ERISA plans, Medicaid managed care plans and worker’s compensation benefits plans are excluded from the disclosure requirement. Failure of health plan issuer to report required health reimbursement data will result in administrative penalties.</p> <p>§§ 8 & 9 – Requires HMOs to make greater information disclosures to the Texas Department of Insurance including enrollee satisfaction data, greater financial disclosure, quality of care information, accuracy and speed of claims payment, and other disclosures. Preferred provider benefit plans will also be required to make similar disclosures. Plan data will be made available to the public on the Texas Department of Insurance website.</p> <p>§ 10 – Requires health benefit plans to disclose to enrollees that facility-based physicians, including radiologists, anesthesiologists, pathologists, emergency department physicians, and neonatologists, may not be included in the plan’s network and the facility-based physician may balance bill the enrollee.</p> <ol style="list-style-type: none"> 1. Health benefit plans must specifically identify health care facilities within its provider network in which facility-based physicians do not participate in its provider network. 2. Health plans must disclose on the enrollee’s explanation of benefits a non-network physician has been paid at the plan’s allowable or usual and customary amount and the contact information for the plan’s consumer protection division for payment complaints.

Bill #	Subject	Effective Date *all dates 2007 unless otherwise indicated	Summary
<p><u>SB 1731</u> (cont'd)</p>			<p>3. This provision covers state-regulated health benefits plans and other plans that contract with persons to provide payment, authorization and eligibility processing functions.</p> <p>4. A facility-based physician who bills patients enrolled in health plans for which the physician has does not have a contract must include:</p> <ul style="list-style-type: none"> • An itemized list of services and supplies furnished, • An explanation that the physician is not in the health plan's network, • The physician has been paid at a rate below the physician's billed amount, • Contains physician contact information, • How to file complaints with Texas Medical Board, and • For billing statements greater than \$200, not including copayments and deductibles, the physician may not report to credit agencies any amounts due if the patient finalizes a payment plan within 45 days of receiving the first billing statement. <p>Violations of this provision may result disciplinary actions and fines by the Texas Medical Board.</p> <p>5. §§ 12 & 15 requires organizations that process or pays claims, obtain the services of health care providers, or issue preauthorizations or verifications on behalf of HMOs and PPOs to be subject to the requirements of state regulated HMOs & PPOs such as providing identification cards, member handbooks, and disclosure of health care plan terms.</p> <p>6. § 13 requires insurers to provide information on request whether a physician or provider is within the insurer's network.</p>

Bill #	Subject	Effective Date *all dates 2007 unless otherwise indicated	Summary
PUBLIC HEALTH			
<u>SB 143</u>	Review of Infant Deaths.	September 1 st	Authorizes communities to institute a review team to examine fetal and infant death incidence.
<u>HB 246</u>	HIV Reporting	September 1 st	Requires Local Health Authorities to report to the State Department of Health Services all HIV and AIDS infections reported to them on a weekly basis.
<u>SB 288</u>	Reporting of Infections Acquired at Health Care Facilities	June 15 th	Creates an advisory panel to establish and maintain a reporting system for infections acquired at health care facilities. All general, pediatric and adolescent hospitals and ambulatory surgical centers must begin reporting of facility-acquired infections on June 1, 2008.
<u>HB 1082</u>	Reporting of Methicillin-resistant Staphylococcus Aureus (MRSA)	June 15 th	Establishes a pilot program to require clinical laboratories to report and track cases of MRSA.
WORKER'S COMPENSATION			
<u>HB 473</u>	Worker's Compensation	September 1 st	Restricts the use of voluntary or informal networks by insurance companies used to pay providers at a discounted rate from the worker's compensation fee guidelines.
<u>HB 888</u>	Disclosure of Medical Records to Injured Workers	June 15 th	Requires a provider to provide an injured worker with medical records upon the request of a worker's compensation ombudsman. The insurance carrier shall be responsible for the cost of providing the medical records.
<u>HB 1005</u>	Late Submission of Reimbursement Claims	September 1 st	Allows a health care provider that mistakenly submits a claim for reimbursement under a worker's compensation plan to have the 95 day submission deadline extended by 95 days from the date the provider receives notice of the error.

Bill #	Subject	Effective Date <small>*all dates 2007 unless otherwise indicated</small>	Summary
<u>HB 1006</u>	Worker's Compensation – Physician's Licensing to Perform Utilization Review	September 1 st	Requires physicians to be licensed in Texas in order to perform utilization review, retrospective review, and peer review for worker's compensation claims.
<u>HB 2004</u>	Worker's Compensation – Physician Specialty Requirement for Certain Reviews	September 1 st	Requires that the reviewing physician in certain reviews of a worker's compensation case be specialized in the area of injury involved in the particular case.
<u>HB 34</u>	Worker's Compensation – Referral Activity	September 1 st	Prohibits paying, allowing, or offering fees, rebates, or other considerations in exchange for the referral of medical or case management services on a worker's compensation claim.
<u>HB 472</u>	Worker's Compensation – Regulation of Third Party Administrators	September 1 st	Provides that workers' compensation third party administrators are subject to regulation by the Texas Third Party Administrator Act.

If you would like assistance or more information regarding this healthcare legislation update, please contact one of the Haynes and Boone Health Care Practice Group attorneys listed below.

Stephen P. Allison
(210) 978-7416
stephen.allison@haynesboone.com

Stacy L. Brainin
(214) 651-5584
stacy.brainin@haynesboone.com

Felicity A. Fowler
(713) 547-2072
felicity.fowler@haynesboone.com

Earl Harcrow
(817) 347-6646
earl.harcrow@haynesboone.com

David N. Heard
(214) 651-5563
david.heard@haynesboone.com

Michael L. Hood
(214) 651-5673
michael.hood@haynesboone.com

Jeffrey P. King
(512) 867-8413
jeff.king@haynesboone.com

Lewis A. Lefko
(214) 651-5608
lew.lefko@haynesboone.com

Thomas W. Mayo
(214) 651-5768
thomas.mayo@haynesboone.com

Michael McCabe
(214) 651-5126
michael.mccabe@haynesboone.com

Bill Morrison
(214) 651-5018
bill.morrison@haynesboone.com

If you receive this Health Care Alert by mail and would prefer to receive it electronically, please e-mail Lewis Lefko at lew.lefko@haynesboone.com.

This alert is for informational purposes only and is not intended to be legal advice. Transmission is not intended to create and receipt does not establish an attorney-client relationship. Legal advice of any nature should be sought from legal counsel. For more information about Haynes and Boone and our practices, please visit www.haynesboone.com.
© 2007 Haynes and Boone, LLP