

Figure: 28 TAC §21.5071(e)

Example 1. A plan renews on September 1, 2024. For claims incurred on or after September 1, 2024, the health benefit plan issuer or administrator must pay the lesser of the billed charge, the published rate increased by 10%, or the published rate increased by the Medicare Economic Index.

Example 1-a. The political subdivision adopted a new rate effective for services provided on or after June 1, 2024. The new rate is a 5% increase from the rates submitted by the political subdivision for calendar year 2024, which is higher than the Medicare Economic Index rate for calendar year 2024. Starting June 1, 2024, the provider bills the new rates established by the political subdivision.

i. For claims incurred on or after June 1, 2024, and before September 1, 2024, the health benefit plan issuer or administrator continues to reimburse based on the rate submitted for calendar year 2024.

ii. For claims incurred on or after the plan's renewal date of September 1, 2024, the health benefit plan issuer or administrator calculates the applicable rate by adding the calendar year 2024 rate to the product of the calendar year 2024 rate and the Medicare Economic Index.

Example 2. A plan renews on March 1, 2025. For claims incurred on or after March 1, 2025, the health benefit plan issuer or administrator must pay the lesser of the billed charge, the published rate increased by 10%, or the published rate increased by the Medicare Economic Index.

Example 2-a. The political subdivision adopted a new rate effective for services provided on or after January 1, 2025. The new rate is a 3% increase from the rates submitted by the political subdivision for calendar year 2024, which is less than the Medicare Economic Index rate for calendar year 2025. Starting January 1, 2025, the provider bills the new rates established by the political subdivision.

i. For claims incurred on or after January 1, 2025, and before March 1, 2025, the health benefit plan issuer or administrator continues to reimburse based on the rate submitted for calendar year 2024.

ii. For claims incurred on or after the plan's renewal date of March 1, 2025, the health benefit plan issuer or administrator pays the billed charge amount.