

By: Jetton

H.B. No. 2082

A BILL TO BE ENTITLED

AN ACT

relating to insurance regulation of a prepaid health care plan for certain individuals with low income.

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

SECTION 1. Subtitle K, Title 8, Insurance Code, is amended by adding Chapter 1683 to read as follows:

CHAPTER 1683. PREPAID HEALTH CARE PLAN FOR CERTAIN INDIVIDUALS

WITH LOW INCOME

Sec. 1683.001. INSURANCE REGULATION OF PREPAID HEALTH CARE PLAN FOR CERTAIN INDIVIDUALS WITH LOW INCOME. A plan for providing health care to individuals with low income on a prepaid basis is not considered to be engaging in the business of insurance if:

(1) eligibility in the plan is limited to:

(A) individuals not covered under any other group insurance or health benefit plan arrangement whose incomes are at or below 400 percent of the federal poverty level and who are:

(i) employed by a business employing 200 or fewer eligible individuals; or

(ii) engaged in domestic service in private households; and

(B) dependents of individuals described by Paragraph (A);

(2) the plan is operated on a nonprofit basis under the sponsorship of a nonprofit organization;

1 (3) covered primary care services are provided to
2 enrollees by health care practitioners who:

3 (A) have agreed to provide their services for
4 free or nominal reimbursement for out-of-pocket expenses or
5 expendable supplies directly related to, and incurred as a result
6 of, the service provided to the enrollee; and

7 (B) are either:

8 (i) health care practitioners on staff of
9 the sponsoring organization; or

10 (ii) volunteer practitioners recruited
11 from a county medical society;

12 (4) payments to outside contractors for marketing,
13 claims administration, and similar services total not more than 10
14 percent of the total charges imposed by the plan;

15 (5) the plan has received the approval and endorsement
16 of the county medical society in consultation with the Texas
17 Medical Association;

18 (6) except as provided by Subdivision (3), the plan
19 does not pay a portion of any fees or charges imposed under the plan
20 directly or indirectly as salary to an officer or director of the
21 sponsoring nonprofit organization; and

22 (7) the sponsoring nonprofit organization files an
23 annual report with the commissioner in the form and manner
24 prescribed by the commissioner not later than the 90th day after the
25 end of the corporation's fiscal year that includes:

26 (A) the number of plan enrollees;

27 (B) the total number of services provided under

1 the plan;

2 (C) the plan's financial statements;

3 (D) the administrative costs and salaries paid by

4 the plan; and

5 (E) any other information reasonably requested

6 by the commissioner.

7 SECTION 2. This Act takes effect September 1, 2023.