

BILL ANALYSIS

C.S.H.B. 3029
By: Van Arsdale
Insurance
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Currently, an enrollee in a health maintenance organization (HMO) may appeal an adverse determination made by the HMO in accordance with the provisions of Chapter 843G (Dispute Resolution) of the Insurance Code. However, there is no provision that requires an HMO to abide by an appeal decision that favors the enrollee. C.S.H.B. 3029 specifies that if an adverse determination is appealed and a decision is rendered in favor of the enrollee, the decision is binding on the HMO.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 3029 amends the Insurance Code to provide that if an adverse determination is appealed and the health maintenance organization (HMO) or utilization review resolves the claim in favor of the enrollee, the decision is binding on the HMO. The bill requires an HMO to provide or arrange for the health care service that was the subject of the appeal within an appropriate time frame. The bill requires an HMO to pay the cost of a service that was already provided, not later than the 45th day after the date the HMO receives notice of the binding decision. The bill provides for penalties if an HMO fails to pay the cost of a service, as required.

The provisions of the Act apply only to a health care plan of a political subdivision that is exempt from application of the Employee Retirement Income Security Act of 1974.

EFFECTIVE DATE

This Act takes effect September 1, 2003.

COMPARISON OF ORIGINAL TO SUBSTITUTE

C.S.H.B. 3029 modifies the original by adding requirements relating to the payment or provision of health care services that are the subject of an appeal. The substitute specifies the health care plans to which the provisions of the Act apply.