

By: Seaman

H.B. No. 1267

A BILL TO BE ENTITLED

AN ACT

relating to small employer health benefit plans.

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

SECTION 1. Article 26.44A, Insurance Code, is amended to read as follows:

Art. 26.44A. BENEFIT PLANS. (a) The commissioner by rule shall establish the coverage requirements for the catastrophic care benefit plan and the basic coverage benefit plan. The commissioner shall:

(1) develop prototype policies including both basic and catastrophic coverage for use by small employer carriers; or

(2) promulgate standards describing ~~[that include]~~ all ~~[contractual]~~ provisions required to produce an entire contract for basic or catastrophic coverage ~~[in accordance with this article and this code]~~.

(b) The ~~[Coverage under the]~~ catastrophic care benefit plan must ~~[be designed to]~~ provide necessary coverage in the event of catastrophic illness or injury. ~~[The commissioner shall establish deductibles and coinsurance requirements at levels that permit options for the insured to obtain affordable catastrophic coverage.]~~

(c) The ~~[commissioner by rule shall establish coverage requirements for the basic coverage benefit plan. Coverage under the]~~ basic coverage benefit plan must ~~[be designed to]~~ provide

1 basic hospital, medical, and surgical coverages. [~~Benefits under~~
2 ~~the plan are limited to basic care requirements for illness and~~
3 ~~injury.~~]

4 (d) The [~~benefits~~] provisions of the benefit plan policies
5 must include the following:

6 (1) all required or applicable definitions;

7 (2) a list of any exclusions or limitations to
8 coverage;

9 (3) a description of covered benefits and services
10 [~~required under the plan~~]; and

11 (4) the deductible and coinsurance options that are
12 required or permitted under the plan.

13 (e) The commissioner shall establish deductibles and
14 coinsurance requirements for the basic coverage benefit plan and
15 the catastrophic care benefit plan at levels that provide access to
16 affordable basic and catastrophic coverage.

17 SECTION 2. This Act takes effect September 1, 2003, and
18 applies only to an insurance policy, certificate, evidence of
19 coverage, plan document, or health benefit plan that is delivered,
20 issued for delivery, or renewed on or after January 1, 2004. An
21 insurance policy, certificate, evidence of coverage, plan
22 document, or health benefit plan that is delivered, issued for
23 delivery, or renewed before January 1, 2004, is governed by the law
24 as it existed immediately before the effective date of this Act, and
25 the former law is continued in effect for that purpose.