

By: Naishtat

H.B. No. 1489

A BILL TO BE ENTITLED

AN ACT

relating to a consumer assistance program for health benefit plan consumers.

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

SECTION 1. Subchapter E, Chapter 21, Insurance Code, is amended by adding Article 21.53Z to read as follows:

Art. 21.53Z. HEALTH BENEFIT PLAN CONSUMERS ASSISTANCE PROGRAM

Sec. 1. DEFINITION. In this article, "consumer" means a person who is entitled to coverage under a health benefit plan or who is seeking coverage under a health benefit plan.

Sec. 2. HEALTH BENEFIT PLAN DEFINED. (a) In this article, "health benefit plan" means:

(1) a plan that provides benefits for medical, surgical, or other treatment expenses incurred as a result of a health condition, a mental health condition, an accident, sickness, or substance abuse, including an individual, group, blanket, or franchise insurance policy or insurance agreement, a group hospital service contract, or an individual or group evidence of coverage or similar coverage document that is offered by:

(A) an insurance company;

(B) a group hospital service corporation operating under Chapter 842 of this code;

(C) a fraternal benefit society operating under

1 Chapter 885 of this code;

2 (D) a stipulated premium insurance company  
3 operating under Chapter 884 of this code;

4 (E) a Lloyd's plan operating under Chapter 941 of  
5 this code;

6 (F) an exchange operating under Chapter 942 of  
7 this code;

8 (G) a health maintenance organization operating  
9 under Chapter 843 of this code;

10 (H) a self-insured employee benefit plan that is  
11 subject to the Employee Retirement Income Security Act of 1974 (29  
12 U.S.C. Section 1001 et seq.), as amended, including a multiple  
13 employer welfare arrangement that holds a certificate of authority  
14 under Chapter 846 of this code; or

15 (I) an approved nonprofit health corporation  
16 that holds a certificate of authority under Chapter 844 of this  
17 code;

18 (2) the state medical assistance program, including  
19 Medicaid managed care;

20 (3) the child health plan established under Chapter  
21 62, Health and Safety Code; or

22 (4) the federal Medicare program.

23 (b) The term includes:

24 (1) a small employer health benefit plan written under  
25 Chapter 26 of this code;

26 (2) a Medicare supplemental policy as defined by  
27 Section 1882(g)(1), Social Security Act (42 U.S.C. Section 1395ss),

1 as amended; and

2 (3) a health benefit plan offered under Chapter 1551,  
3 1575, or 1601 of this code or Article 3.50-7 of this code.

4 Sec. 3. HEALTH BENEFIT PLAN CONSUMERS ASSISTANCE PROGRAM.

5 (a) The health benefit plan consumers assistance program is  
6 established in the office of public insurance counsel. The office  
7 of public insurance counsel may contract, through a request for  
8 proposals, with a nonprofit organization to operate the program.  
9 If the office of public insurance counsel enters into a contract  
10 under this subsection, the office of public insurance counsel shall  
11 monitor the performance of the nonprofit organization that operates  
12 the program.

13 (b) The program shall:

14 (1) assist individual consumers who desire to appeal  
15 the denial, termination, or reduction of health care services by  
16 the issuer of a health benefit plan or the refusal by the issuer of a  
17 health benefit plan to pay for health care services, including  
18 appeals under Article 21.58A of this code or in Medicaid and  
19 Medicare fair hearings;

20 (2) provide information to consumers in this state  
21 about health benefit plans available in this state and about the  
22 rights and responsibilities of enrollees in those plans;

23 (3) establish a statewide toll-free telephone number  
24 and an interactive Internet site that consumers can use to obtain  
25 information, advice, or assistance from the program;

26 (4) collect data concerning inquiries, problems, and  
27 grievances handled by the program and periodically distribute a

1 compilation and analysis of the data to employers, issuers of  
2 health benefit plans, regulatory agencies, and the public; and

3 (5) refer consumers to appropriate private or public  
4 individuals or entities as necessary to ensure that inquiries,  
5 problems, or grievances involving health benefit plans are handled  
6 promptly and efficiently.

7 (c) The program may:

8 (1) operate a statewide clearinghouse for objective  
9 consumer information about health benefit plan coverage, including  
10 options for obtaining health benefit plan coverage; and

11 (2) accept gifts, grants, or donations from any source  
12 for the purpose of operating the program.

13 (d) The office of public insurance counsel or an entity  
14 contracting with the office of public insurance counsel to  
15 implement this article may establish an advisory committee composed  
16 of consumers, health care providers, and representatives of health  
17 benefit plan issuers.

18 (e) A nonprofit organization contracting with the office of  
19 public insurance counsel under Subsection (a) of this section may  
20 not be involved in providing health care or issuing health benefit  
21 plans and must demonstrate that the organization has expertise in  
22 providing direct assistance to consumers who have concerns or  
23 problems involving health benefit plans.

24 Sec. 4. SCOPE OF PROGRAM; REFERRAL. The health benefit plan  
25 consumers assistance program shall supplement and not duplicate  
26 services provided by existing public and private programs or state  
27 agencies, including the department and the office of public

1 insurance counsel, and shall refer consumers to other programs or  
2 agencies as appropriate.

3 Sec. 5. PROVISION OF CERTAIN INFORMATION BY ISSUER OF  
4 HEALTH BENEFIT PLAN REQUIRED. (a) The issuer of a health benefit  
5 plan shall include in the plan's enrollment information materials  
6 notice of the availability of the health benefit plan consumers  
7 assistance program and describe the services provided by the  
8 program. The membership information materials must include the  
9 program's toll-free telephone number and state that a consumer can  
10 call the program for information or assistance in resolving a  
11 problem or filing a complaint involving the health benefit plan.

12 (b) The issuer of a health benefit plan shall provide the  
13 information required under Subsection (a) of this section in  
14 writing to any person who makes an oral or written complaint to the  
15 issuer involving the plan.

16 (c) This section does not apply to the medical assistance  
17 program. This section does not apply to the federal Medicare  
18 program or to a self-insured employee benefit plan that is subject  
19 to the Employee Retirement Income Security Act of 1974 (29 U.S.C.  
20 Section 1001 et seq.), as amended, other than a multiple employer  
21 welfare arrangement that holds a certificate of authority under  
22 Chapter 846 of this code.

23 Sec. 6. REFERRAL BY DEPARTMENT. If the department receives  
24 a complaint from a consumer involving a health benefit plan that is  
25 not subject to regulation by the department, the department shall  
26 inform the consumer about the services provided by the health  
27 benefit plan consumers assistance program and provide the consumer

1 with the program's toll-free telephone number.

2 Sec. 7. APPLICABILITY OF SUNSET ACT. If the health benefit  
3 plan consumers assistance program is not continued in existence as  
4 provided by Chapter 325, Government Code (Texas Sunset Act), as  
5 that Act applies to the performance of the functions of the office  
6 of public insurance counsel under Section 7, Article 1.35A of this  
7 code, the program is abolished and this article expires September  
8 1, 2005.

9 SECTION 2. Article 3.70-3D, Insurance Code, is repealed.

10 SECTION 3. This Act takes effect September 1, 2003.