

By: Farabee

H.B. No. 1800

A BILL TO BE ENTITLED

AN ACT

relating to health maintenance organizations.

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

SECTION 1. Article 20A.09, Insurance Code, Subsection (a) is amended to read as follows:

(a) Every enrollee residing in this state is entitled to evidence of coverage under a health care plan. If the enrollee obtains coverage under a health care plan through an insurance policy or a contract issued by a group hospital corporation, whether by option or otherwise, the insurer or the group hospital service corporation shall issue the evidence of coverage. Otherwise, the health maintenance organization shall issue the evidence of coverage. By agreement between the insurer, group hospital service corporation, or the health maintenance organization, and the subscriber, or the person entitled to receive the policy, contract, or evidence of coverage, the evidence of coverage required by this section may be delivered electronically.

SECTION 2. Section 843.201, Insurance Code, Subsections (a) and (b) are amended to read as follows:

Sec. 843.201. DISCLOSURE OF INFORMATION ABOUT HEALTH CARE PLAN TERMS. (a) A health maintenance organization shall provide an accurate written or electronic description of health care plan terms, including restrictions or limitations related to a limited provider network or delegated network within a health care plan, to

1 allow a current or prospective group contract holder or current or
2 prospective enrollee to make comparisons and informed decisions
3 before selecting among health care plans. The written or
4 electronic description must:

5 (1) be in readable and understandable format
6 prescribed by the commissioner; and

7 (2) include a current list of physicians and
8 providers, including a delineation of any limited provider network
9 or delegated network.

10 (b) A health maintenance organization may satisfy the
11 requirement imposed under Section 843.205 if:

12 (1) the handbook's contents are substantially similar
13 to and provide the same level of disclosure as the written or
14 electronic disclosure prescribed by the commissioner; and

15 (2) the current list of physicians and providers is
16 also provided.

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