

1-1 By: Farabee (Senate Sponsor - Averitt) H.B. No. 1800  
1-2 (In the Senate - Received from the House May 7, 2003;  
1-3 May 9, 2003, read first time and referred to Committee on State  
1-4 Affairs; May 23, 2003, reported favorably by the following vote:  
1-5 Yeas 6, Nays 0; May 23, 2003, sent to printer.)

1-6 A BILL TO BE ENTITLED  
1-7 AN ACT

1-8 relating to health maintenance organizations.

1-9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-10 SECTION 1. Section 9(a), Texas Health Maintenance  
1-11 Organization Act (Article 20A.09, Vernon's Texas Insurance Code),  
1-12 is amended to read as follows:

1-13 (a) Every enrollee residing in this state is entitled to  
1-14 evidence of coverage under a health care plan. If the enrollee  
1-15 obtains coverage under a health care plan through an insurance  
1-16 policy or a contract issued by a group hospital service  
1-17 corporation, whether by option or otherwise, the insurer or the  
1-18 group hospital service corporation shall issue the evidence of  
1-19 coverage. Otherwise, the health maintenance organization shall  
1-20 issue the evidence of coverage. By agreement between the insurer,  
1-21 group hospital service corporation, or health maintenance  
1-22 organization and the subscriber, or the person entitled to receive  
1-23 the policy, contract, or evidence of coverage, the evidence of  
1-24 coverage required by this section may be delivered electronically.

1-25 SECTION 2. Section 843.201, Insurance Code, is amended to  
1-26 read as follows:

1-27 Sec. 843.201. DISCLOSURE OF INFORMATION ABOUT HEALTH CARE  
1-28 PLAN TERMS. (a) A health maintenance organization shall provide an  
1-29 accurate written or electronic description of health care plan  
1-30 terms, including restrictions or limitations related to a limited  
1-31 provider network or delegated network within a health care plan, to  
1-32 allow a current or prospective group contract holder or current or  
1-33 prospective enrollee to make comparisons and informed decisions  
1-34 before selecting among health care plans. The written or  
1-35 electronic description must:

1-36 (1) be in readable and understandable format  
1-37 prescribed by the commissioner; and

1-38 (2) include a current list of physicians and  
1-39 providers, including a delineation of any limited provider network  
1-40 or delegated network.

1-41 (b) A health maintenance organization may satisfy the  
1-42 requirement imposed under Subsection (a) through the member  
1-43 handbook provided under Section 843.205 if:

1-44 (1) the handbook's contents are substantially similar  
1-45 to and provide the same level of disclosure as the written or  
1-46 electronic description prescribed by the commissioner; and

1-47 (2) the current list of physicians and providers is  
1-48 also provided.

1-49 SECTION 3. This Act takes effect September 1, 2003.

1-50 \* \* \* \* \*