

By: Averitt

S.B. No. 1670

A BILL TO BE ENTITLED

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AN ACT

relating to the ability of a health maintenance organization to provide accessible and affordable benefit plans.

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

SECTION 1. Article 26.48, Insurance Code, is amended to read as follows:

Art. 26.48. HEALTH MAINTENANCE ORGANIZATION PLANS. (a) A health maintenance organization may offer:

(1) a state-approved health benefit plan that complies with this chapter, the Texas Health Maintenance Organization Act (Chapter 20A, Vernon's Texas Insurance Code), Title XIII, Public Health Service Act (42 U.S.C. Section 300e et seq.), and its subsequent amendments, and rules adopted under these laws;

(2) a plan developed by the commissioner under Article 26.44A of this code and additional benefit riders to the plan; or

(3) a point-of-service contract in connection with an insurance carrier that includes optional coverage for out-of-area services, emergency care, or out-of-network care.

(b) A contract offered by an insurance carrier under Subsection (a)(3) of this article is subject to all provisions of this chapter unless specifically exempted. The insurance carrier with which the health maintenance organization contracts for a point-of-service contract is not required to otherwise make available the benefit plans adopted under Subchapter E of this

1 chapter if the insurance carrier's small employer products are
2 limited to the point-of-service contract.

3 (c) A contract offered by a health maintenance organization
4 under Subsection (a)(1) of this article is not subject to any
5 restrictions or limitations on cost sharing provisions in 42 U.S.C.
6 Section 300e(b) and any rules adopted thereunder.

7 SECTION 2. Subsection (1), Section 9, Texas Health
8 Maintenance Organization Act (Article 20A.09, Vernon's Texas
9 Insurance Code), as added by Chapter 1026, Acts of the 75th
10 Legislature, Regular Session, 1997, is amended to read as follows:

11 (1) A health maintenance organization that offers a basic
12 health care plan shall provide or arrange for the provision of basic
13 health care services to its enrollees as needed and may impose
14 ~~[without]~~ limitations as to time and cost except where prohibited
15 by state or federal law or [other than limitations prescribed by]
16 rule of the commissioner.

17 SECTION 3. Article 26.38, Insurance Code, is amended to
18 read as follows:

19 Art. 26.38. HEALTH MAINTENANCE ORGANIZATION; APPROVED
20 HEALTH BENEFIT PLAN. (a) The premium rates for a state-approved
21 health benefit plan offered by a health maintenance organization
22 under Article 26.48 of this code must be established in accordance
23 with formulas or schedules of charges filed with the department.

24 (b) A health maintenance organization that participates in
25 a purchasing cooperative that provides employees of small employers
26 a choice of benefit plans, that has established a separate class of
27 business as provided by Article 26.31 of this code, and that has

1 established a separate line of business as provided under Article
2 26.48(a) of this code and Title XIII, Public Health Service Act (42
3 U.S.C. Section 300e et seq.):

4 (1) may use rating methods in accordance with this
5 subchapter that are used by other small employer carriers
6 participating in the same cooperative, including rating by age and
7 gender; and

8 (2) is not subject to any restrictions or limitations
9 on cost sharing provisions in 42 U.S.C. Section 300e(b) and any
10 rules adopted thereunder.

11 SECTION 4. This Act takes effect immediately if it receives
12 a vote of two-thirds of all the members elected to each house, as
13 provided by Section 39, Article III, Texas Constitution. If this
14 Act does not receive the vote necessary for immediate effect, this
15 Act takes effect September 1, 2003.