

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, Chapter 26, Subchapter D, 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. Article 20A.09, subsection (1) as added by Acts  
8 1997, 75th Leg., ch. 1026, Section 7 is amended to read as follows:

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

15 SECTION 3. Article 26.38, Chapter 26, Insurance Code, is  
16 amended to read as follows:

17 Art. 26.38. Health Maintenance Organization; Approved  
18 Health Benefit Plan

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

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

1 26.48(a) of this code and Title XIII, Public Health Service Act (42  
2 U.S.C. Section 300e et seq.);

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

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

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