

1-1 By: Averitt S.B. No. 1670
1-2 (In the Senate - Filed March 14, 2003; March 20, 2003, read
1-3 first time and referred to Committee on State Affairs; May 2, 2003,
1-4 reported favorably by the following vote: Yeas 7, Nays 0;
1-5 May 2, 2003, sent to printer.)

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

1-8 relating to the ability of a health maintenance organization to
1-9 provide accessible and affordable benefit plans.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Article 26.48, Insurance Code, is amended to
1-12 read as follows:

1-13 Art. 26.48. HEALTH MAINTENANCE ORGANIZATION PLANS. (a) A
1-14 health maintenance organization may offer:

1-15 (1) a state-approved health benefit plan that complies
1-16 with this chapter, the Texas Health Maintenance Organization Act
1-17 (Chapter 20A, Vernon's Texas Insurance Code), Title XIII, Public
1-18 Health Service Act (42 U.S.C. Section 300e et seq.), and its
1-19 subsequent amendments, and rules adopted under these laws;

1-20 (2) a plan developed by the commissioner under Article
1-21 26.44A of this code and additional benefit riders to the plan; or

1-22 (3) a point-of-service contract in connection with an
1-23 insurance carrier that includes optional coverage for out-of-area
1-24 services, emergency care, or out-of-network care.

1-25 (b) A contract offered by an insurance carrier under
1-26 Subsection (a)(3) of this article is subject to all provisions of
1-27 this chapter unless specifically exempted. The insurance carrier
1-28 with which the health maintenance organization contracts for a
1-29 point-of-service contract is not required to otherwise make
1-30 available the benefit plans adopted under Subchapter E of this
1-31 chapter if the insurance carrier's small employer products are
1-32 limited to the point-of-service contract.

1-33 (c) A contract offered by a health maintenance organization
1-34 under Subsection (a)(1) of this article is not subject to any
1-35 restrictions or limitations on cost sharing provisions in 42 U.S.C.
1-36 Section 300e(b) and any rules adopted thereunder.

1-37 SECTION 2. Subsection (1), Section 9, Texas Health
1-38 Maintenance Organization Act (Article 20A.09, Vernon's Texas
1-39 Insurance Code), as added by Chapter 1026, Acts of the 75th
1-40 Legislature, Regular Session, 1997, is amended to read as follows:

1-41 (1) A health maintenance organization that offers a basic
1-42 health care plan shall provide or arrange for the provision of basic
1-43 health care services to its enrollees as needed and may impose
1-44 [without] limitations as to time and cost except where prohibited
1-45 by state or federal law or [other than limitations prescribed by]
1-46 rule of the commissioner.

1-47 SECTION 3. Article 26.38, Insurance Code, is amended to
1-48 read as follows:

1-49 Art. 26.38. HEALTH MAINTENANCE ORGANIZATION; APPROVED
1-50 HEALTH BENEFIT PLAN. (a) The premium rates for a state-approved
1-51 health benefit plan offered by a health maintenance organization
1-52 under Article 26.48 of this code must be established in accordance
1-53 with formulas or schedules of charges filed with the department.

1-54 (b) A health maintenance organization that participates in
1-55 a purchasing cooperative that provides employees of small employers
1-56 a choice of benefit plans, that has established a separate class of
1-57 business as provided by Article 26.31 of this code, and that has
1-58 established a separate line of business as provided under Article
1-59 26.48(a) of this code and Title XIII, Public Health Service Act (42
1-60 U.S.C. Section 300e et seq.):

1-61 (1) may use rating methods in accordance with this
1-62 subchapter that are used by other small employer carriers
1-63 participating in the same cooperative, including rating by age and
1-64 gender; and

