

BILL ANALYSIS

Senate Research Center
79R13176 KCR-F

H.B. 888
By: Seaman (Armbrister)
State Affairs
5/18/2005
Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

H.B. 888 increases the flexibility and affordability of health coverage for Texas employers and their employees, both private and public, by making health cost information more easily available from insurance carriers and HMOs. Despite several existing Texas statutes that attempt to accomplish this, Texas employers have had difficulty obtaining timely and useful health cost information, including detailed claims information. The employer, as a health plan sponsor, needs this information to perform its duties, such as obtaining quotes for group health insurance from another insurer or excess loss insurance should the employer consider partial self-funding of its plan.

This information is essential to show the plan sponsor how their health care dollars are being spent and how they can be spent more efficiently. Without this type of data analysis, the plan sponsor is unable to determine where the funds are being spent and what design changes are appropriate.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 1209.001, Insurance Code, as follows:

Sec. 1209.001. APPLICABILITY OF CHAPTER. Designates existing text as Subsection (a) and adds Subsection (b). Provides that this chapter applies only to a group of health benefit plan, including certain small employer health benefit plans written under Chapter 1501, except as provided by Subsection (b). Provides that this chapter applies to certain governmental entities.

SECTION 2. Amends Chapter 1209, Insurance Code, by adding Section 1209.0015, as follows:

Sec. 1209.0015. DEFINITIONS. Defines "governmental entity" and "political subdivision."

SECTION 3. Amends Section 1209.002, Insurance Code, as follows:

Sec. 1209.002. CLAIMS COST INFORMATION. (a) Requires the health benefit plan issuer to provide claims cost information to the employer, on request of the employer sponsoring a group health benefit plan, for all plan participants during the periods specified by this section, rather than during the proceeding calendar year.

(b) Requires the health benefit plan issuer to provide the employer certain information required by this section, within a specified time period.

(c) Sets forth certain information required to be provided under this section in a report of claim information, within a specified period of time. Sets forth required health information for an individual to be included in a report provided under this section, to the extent allowed by federal law or other laws of this chapter relating

to privacy of an individual's identifiable health information and subject to Subsection (e).

(d) Requires a report of claim information under this section to contain all information available to the health benefit issuer that is responsive to the request made under Subsection (b) for a specified period of time, for the purposes of Subsections (c)(3) and (5).

(e) Prohibits a report of claim information from including information that can be used to identify a specific individual enrolled in the health benefit plan or the diagnosis of that individual.

(f) Requires a report to contain all information available to the health benefit plan issuer as of the date of the request that is responsive to the request, for a specified period of time, in the case of a request made under this section after the date of termination of coverage.

(g) Authorizes an employer to request that a health benefit plan issuer supplement a report provided under this section for any months not included in the initial report, after termination of a policy. Requires the health benefit plan issuer to provide a supplement under this subsection within a specified period of time.

(h) Requires an employer to request a report under this section on or before the second anniversary of the date of termination of coverage under the health benefit plan.

(i) Provides that a report of claim information provided under this section to a governmental entity may be used for contract bidding purposes and is confidential and exempt from public disclosure under Chapter 552 (Public Information), Government Code.

(j) Provides that a health benefit plan issuer that does not comply with this section is subject to administrative penalties under Chapter 84 (Sanctions), Insurance Code.

SECTION 4. Repealer: Section 1501.614, Insurance Code (Reporting of Claims Information).

Repealer: Article 21.49-15, Insurance Code (Information Required to be Provided by Insurer to Governmental Entity With Which Insurer Contracts).

SECTION 5. Makes application of this Act prospective.

SECTION 6. Effective date: September 1, 2005.