

BILL ANALYSIS

H.B. 1602
By: Eissler
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Medicare and Prescription Drug, Improvement, and Modernization Act of 2003 included provisions authorizing “tax-favored” health savings accounts (HSAs) for the payment of qualified medical expenses. Participants in an HSA must also be covered by a high deductible health plan (HDHP). which meets certain minimum annual deductible requirements--currently, those minimum annual deductibles must be at least \$1,000 for self-only coverage and \$2,000 for family coverage.

HSA’s may be offered alongside a high deductible health plan in Texas until January 1, 2006 with no change in current law. In order to continue to offer HSA’s in 2006, Texas must address current laws that impede the offering of health savings accounts by requiring first dollar coverage such as: childhood immunizations from birth to age six which are not subject to co-pays, coinsurance and deductibles; and hearing screening for newborns which may be subject to co-pay and coinsurance, but not subject to deductibles. H.B. 1602 addresses this problem.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the commissioner of insurance in SECTION 1 (Section 1653.003, Insurance Code) of this bill.

ANALYSIS

SECTION 1. Amends Subtitle I, Title 8, Insurance Code, by adding Chapter 1653 as follows:

Chapter 1653. HIGH DEDUCTIBLE HEALTH PLAN

Sec. 1653.001. Defines the term “high deductible health plan.”

Sec. 1653.002. (a) Refers to applicability of other law.

(b) Provides that notwithstanding, any other law, a provision of this code may not be construed to prevent an insurer, health maintenance organization, or other entity issuing a health insurance policy or certificate of coverage from applying deductible or copayment requirements to benefits, including state-mandated health benefits, in order to qualify the health insurance policy or certificate of coverage as a high deductible plan.

Sec. 1653.003. Requires the commissioner to adopt rules as necessary to implement this section.

SECTION 2. Provides that the change in law made by this Act applies only to a health insurance policy or certificate of coverage that is delivered, issued for delivery, or renewed on or after the effective date of this Act.

SECTION 3: Effective date

EFFECTIVE DATE

Upon passage, or if the Act does not receive the necessary number or votes, the Act takes effect September 1, 2005.