

BILL ANALYSIS

C.S.H.B. 3271
By: Keffer, Bill
Insurance
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Section 1451.206 Texas Insurance Code permits insurers issuing dental insurance policies to contract with dentists to establish terms under such contract for payment or reimbursement to dentists. While establishing the right to contract with dentists for terms of payment, the statute does not clearly authorize such activity to be called a preferred provider arrangement, preferred provider organization, network arrangement, in-network services, out-of-network services, or participating provider organization, as is common industry terms with all other provider arrangements. C.S.H.B. 3271 would clarify the statute thus allowing insurers who have executed the permitted contracts to utilize those terms.

Section 1503.001 Texas Insurance Code applies only to a health plan that provides benefits for medical or surgical expenses incurred as a result of a health condition, accident, or sickness. Chapter 1503 does not allow such health plans to condition coverage for a child younger than 25 years of age on the child's being a enrolled at an educational institution or from being a full time student. There are several policy types that are excluded from this requirement. Although the statute is directed toward major medical and hospitalization insurance, as originally adopted, dental insurance was not one of the policy types excluded from this requirement. C.S.H.B. 3271 would exempt dental insurance policies from these requirements.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 3271 will allow those insurers issuing dental insurance policies that have contracted with dentists to use common industry terms when describing those dental plans. The bill will also allow dental insurance policies to have the exception from coverage requirements for a child younger than 25 years of if such student is not enrolled in an educational institution as a full time student.

EFFECTIVE DATE

This act takes effect immediately if it receives a two-thirds vote off all of the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2005.

COMPARISON OF ORIGINAL TO SUBSTITUTE

C.S.H.B. 3271 is the draft by legislative council. Instead of amending Section 1451.204 by adding (c) and adding section 1451.208, the substitute creates Section 1451.208 and Section 1451.209.