

By: Seaman

H.B. No. 888

A BILL TO BE ENTITLED

AN ACT

relating to the reporting of claims information under certain health benefit plans.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter C, Chapter 1501, Insurance Code, as effective April 1, 2005, is amended by adding Section 1501.112 to read as follows:

Sec. 1501.112. REPORTING OF CLAIMS INFORMATION. (a) In this section, "plan sponsor" means:

(1) a small or large employer that offers or provides employees participation in a small or large employer health benefit plan; or

(2) a person who administers, sponsors, or serves as trustee for a small or large employer described by Subdivision (1).

(b) Not later than the 30th day after the date a health benefit plan issuer receives a written request for a written report of claim information from a plan sponsor, the health benefit plan issuer shall provide the plan sponsor the requested report.

(c) As permitted by federal law, a report of claim information provided under Subsection (b) must contain all information available to the health benefit plan issuer that is responsive to the request made under Subsection (b), including nonpublic personal health information, for the 36-month period preceding the date of the request or for the entire period of

1 coverage, whichever period is shorter. A report provided under
2 this subsection must include:

3 (1) aggregate paid claims experience by month,
4 including claims experience for medical, dental, and pharmacy
5 benefits;

6 (2) total premium paid by month;

7 (3) total dollar amount of pending claims;

8 (4) total number of covered employees on a monthly
9 basis, by coverage tier based on dependent participation; and

10 (5) a separate description of any large or
11 catastrophic claim exceeding \$10,000, including the amounts paid,
12 dates of service, applicable diagnosis codes, and other
13 underwriting information that relates to the catastrophic claim and
14 is necessary to the settlement or payment of the claim.

15 (d) In the case of a request made under Subsection (b) after
16 the date of termination of coverage, as permitted by federal law,
17 the report must contain all information available to the health
18 benefit plan issuer that is responsive to the request, including
19 nonpublic personal health information, and including the
20 information described by Subsections (c)(1)-(5), for the 36-month
21 period preceding the date of termination of coverage or for the
22 entire policy period, whichever period is shorter.

23 (e) A plan sponsor may use information in a written report
24 of claim information provided under this section only as necessary
25 to perform a function described by Section 602.053.

26 (f) Not later than the 60th day after the date of
27 termination of coverage under a health benefit plan and as

1 permitted by federal law, a health benefit plan issuer shall
2 provide a plan sponsor who makes a request under Subsection (b)
3 before the date of termination of coverage a supplemental written
4 report of the information described by Subsections (c)(1)-(5),
5 including nonpublic personal health information, to update the
6 report of claim information with information that was not included
7 in the original report provided under Subsection (b).

8 (g) A plan sponsor must request a report under Subsection
9 (b) before or on the third anniversary of the date of termination of
10 coverage under a health benefit plan issued by the health benefit
11 plan issuer.

12 (h) The commissioner, after notice and hearing:

13 (1) shall impose sanctions described by Subchapter B,
14 Chapter 82; and

15 (2) may issue an emergency cease and desist order
16 under Chapter 83.

17 SECTION 2. Section 1501.614, Insurance Code, as effective
18 April 1, 2005, is repealed.

19 SECTION 3. The change in law made by this Act applies only
20 to a report of claim information that is requested on or after the
21 effective date of this Act. A report of claim information that is
22 requested before the effective date of this Act is governed by the
23 law as it existed before the effective date of this Act, and that
24 law is continued in effect for that purpose.

25 SECTION 4. This Act takes effect September 1, 2005.