

By: Taylor

H.B. No. 1570

Substitute the following for H.B. No. 1570:

By: Keffer of Dallas

C.S.H.B. No. 1570

A BILL TO BE ENTITLED

AN ACT

relating to certain health benefit plans.

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

SECTION 1. Section 2, Article 3.80, Insurance Code, is amended by amending Subdivision (2) and adding Subdivision (3) to read as follows:

(2) "Standard health benefit plan" means an accident or sickness insurance policy that, in whole or in part, does not offer or provide state-mandated health benefits, but that provides creditable coverage as defined by Section 1205.004 [~~Article 26.035(a)~~] of this code [~~or Section 1(H)(4)(b), Chapter 397, Acts of the 54th Legislature, Regular Session, 1955 (Article 3.70-1, Vernon's Texas Insurance Code)~~].

(3) "Exclusive provider benefit plan" means a standard health benefit plan offered by a health carrier that:

(A) arranges for or provides benefits to covered persons through a network of exclusive providers; and

(B) limits or excludes, except in cases of emergency or approved referral, benefits to covered persons for services provided by a provider who is not part of the network of exclusive providers.

SECTION 2. Section 4, Article 3.80, Insurance Code, is amended by adding Subsection (c) to read as follows:

(c) A health carrier offering a standard health benefit plan

1 may offer an exclusive provider benefit plan. Except as provided by
2 this section, Chapter 1301 applies to an exclusive provider benefit
3 plan. The following sections of this code do not apply to an
4 exclusive provider benefit plan offered under this subsection:

5 (1) requirements of Chapter 1301 imposed under
6 Sections 1301.003 and 1301.005(a);

7 (2) Subchapter C, Chapter 1451; and

8 (3) Sections 1451.053 and 1451.054.

9 SECTION 3. Section 1271.151, Insurance Code, is amended to
10 read as follows:

11 Sec. 1271.151. PROVISION OF BASIC HEALTH CARE SERVICES.

12 (a) A health maintenance organization that offers a basic health
13 care plan shall provide or arrange for basic health care services to
14 its enrollees as needed and may impose limitations ~~[without~~
15 ~~limitation]~~ as to time and cost ~~[other than any limitation~~
16 ~~prescribed by rule of the commissioner].~~

17 (b) A health maintenance organization may:

18 (1) impose on enrollees copayment or coinsurance
19 charges for arranging to provide:

20 (A) any single care service to its enrollees; or

21 (B) in the aggregate, all basic health care
22 services to enrollees; or

23 (2) charge enrollees a deductible or coinsurance
24 requirement for a basic, limited, or single health care service.

25 (c) The commissioner may adopt reasonable copayment,
26 deductible, and coinsurance restrictions for health benefit plans
27 offered by a health maintenance organization in amounts or

1 percentages not to exceed similar restrictions adopted for
2 preferred provider benefit plans.

3 SECTION 4. Section 1501.108, Insurance Code, is amended by
4 adding Subsection (d) to read as follows:

5 (d) A small or large employer health benefit plan issuer may
6 modify a particular small or large employer health benefit plan at
7 the time of coverage renewal if the modification applies uniformly
8 to all small or large employers whose employees are covered by that
9 health benefit plan.

10 SECTION 5. Section 1501.153(a), Insurance Code, is amended
11 to read as follows:

12 (a) This chapter does not require a small employer to make
13 an employer contribution to the premium paid to a small employer
14 health benefit plan issuer, but the issuer may require an employer
15 contribution in accordance with the issuer's usual and customary
16 practices applicable to each of the issuer's small employer group
17 health benefit plans in this state. The issuer shall apply the
18 employer contribution level uniformly to each small employer
19 offered or issued coverage under a small employer health benefit
20 plan by the issuer in this state.

21 SECTION 6. Sections 1501.155(a) and (b), Insurance Code,
22 are amended to read as follows:

23 (a) A small employer health benefit plan issuer may offer a
24 small employer health benefit plan to a small employer with a
25 participation level of less than 75 percent of the employer's
26 eligible employees if the issuer permits the same qualifying
27 participation level for each of the small employer health benefit

1 plans [~~plan~~] offered by the issuer in this state.

2 (b) A small employer health benefit plan issuer may offer a
3 small employer health benefit plan to a small employer even if the
4 employer's participation level is less than the issuer's qualifying
5 participation level for a small employer health benefit plan
6 established in accordance with Subsection (a) if:

7 (1) the employer obtains a written waiver from each
8 eligible employee who declines coverage under a health benefit plan
9 offered to the employer stating that the employee was not induced or
10 pressured to decline coverage because of the employee's risk
11 characteristics; and

12 (2) the issuer accepts or rejects the entire group of
13 eligible employees who choose to participate and excludes only
14 those employees who have declined coverage.

15 SECTION 7. Section 1501.255, Insurance Code, is amended by
16 adding Subsections (d), (e), and (f) to read as follows:

17 (d) A health maintenance organization may:

18 (1) impose on enrollees of a health benefit plan
19 offered by a health maintenance organization under Subsection
20 (b)(1) copayment or coinsurance charges for arranging to provide:

21 (A) any single care service to enrollees of the
22 health benefit plan; or

23 (B) in the aggregate, all basic health care
24 services to enrollees of the health benefit plan; or

25 (2) charge enrollees of a health benefit plan offered
26 by a health maintenance organization under Subsection (b)(1) a
27 deductible or coinsurance requirement for a basic, limited, or

1 single health care service.

2 (e) A health benefit plan offered by a health maintenance
3 organization under Subsection (b)(1) is not subject to any
4 restrictions or limitations on cost sharing.

5 (f) The commissioner may adopt reasonable copayment,
6 deductible, and coinsurance restrictions for health benefit plans
7 offered by a health maintenance organization under Subsection
8 (b)(1) in amounts or percentages not to exceed similar restrictions
9 adopted for preferred provider benefit plans.

10 SECTION 8. Sections 1501.605(a) and (d), Insurance Code,
11 are amended to read as follows:

12 (a) A large employer health benefit plan issuer may require
13 a large employer to meet a minimum contribution or participation
14 requirement as a condition of issuance or renewal in accordance
15 with the issuer's usual and customary practices for each of ~~[all]~~
16 the issuer's large employer health benefit plans in this state.

17 (d) A participation requirement must be stated in the health
18 benefit plan contract and must be applied uniformly to each large
19 employer offered or issued coverage under a large employer health
20 benefit plan by a large employer health benefit plan issuer in this
21 state.

22 SECTION 9. The changes in law made by this Act in amending
23 Chapter 1501, Insurance Code, apply only to a health benefit plan
24 the contract or evidence of coverage for which is delivered, issued
25 for delivery, or renewed on or after the effective date of this Act.
26 A health benefit plan, the contract or evidence of coverage for
27 which is delivered, issued for delivery, or renewed before the

1 effective date of this Act, is covered by the law in effect at the
2 time the contract or evidence of coverage is delivered, issued for
3 delivery, or renewed, and that law is continued in effect for that
4 purpose.

5 SECTION 10. This Act takes effect immediately if it
6 receives a vote of two-thirds of all the members elected to each
7 house, as provided by Section 39, Article III, Texas Constitution.
8 If this Act does not receive the vote necessary for immediate
9 effect, this Act takes effect September 1, 2005.