By: Taylor H.B. No. 1570

A BILL TO BE ENTITLED

AN ACT

relating to time and cost limitations in certain contracts offered by a health maintenance organization.

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 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 may offer an exclusive provider benefit plan. The following sections of this code do not apply to an exclusive provider benefit plan offered under this subsection:

(1) Chapter 1301;

(2) Subchapter C, Chapter 1451; and

(3) Sections 1451.053 and 1451.054.

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

Sec. 1271.151. PROVISION OF BASIC HEALTH CARE SERVICES. (a) A health maintenance organization that offers a basic health care plan shall provide or arrange for basic health care services to its enrollees as needed and may impose limitations [~~without limitation~~] as to time and cost [~~other than any limitation prescribed by rule of the commissioner~~].

(b) A health maintenance organization may:

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

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

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

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

(c) The commissioner may adopt reasonable copayment, deductible, and coinsurance restrictions for health benefit plans offered by a health maintenance organization in amounts or percentages not to exceed similar restrictions adopted for

preferred provider benefit plans.

SECTION 4. Section 1501.255, Insurance Code, is amended by adding Subsections (d), (e), and (f) to read as follows:

(d) A health maintenance organization may:

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

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

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

(2) charge enrollees of a health benefit plan offered by a health maintenance organization under Subsection (b)(1) a deductible or coinsurance requirement for a basic, limited, or single health care service.

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

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

SECTION 5. The changes in law made by this Act in amending Section 1501.255, Insurance Code, apply only to a health benefit plan the contract or evidence of coverage for which is delivered, issued for delivery, or renewed on or after the effective date of

this Act. A health benefit plan, the contract or evidence of coverage for which is delivered, issued for delivery, or renewed before the effective date of this Act, is covered by the law in effect at the time the contract or evidence of coverage is delivered, issued for delivery, or renewed, and that law is continued in effect for that purpose.

SECTION 6. This Act takes effect April 1, 2005, if this Act receives a vote of two-thirds of all 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 effect on April 1, 2005, this Act takes effect September 1, 2005.