

By: Averitt

S.B. No. 469

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:

1       (c) A health carrier offering a standard health benefit plan  
2 may offer an exclusive provider benefit plan. The following  
3 sections of this code do not apply to an exclusive provider benefit  
4 plan offered under this subsection:

5               (1) Chapter 1301;

6               (2) Subchapter C, Chapter 1451; and

7               (3) Sections 1451.053 and 1451.054.

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

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

16       (b) A health maintenance organization may:

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

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

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

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

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

1 preferred provider benefit plans.

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

4 (d) A health maintenance organization may:

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

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

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

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

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

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

24 SECTION 5. The changes in law made by this Act in amending  
25 Section 1271.151, Insurance Code, apply only to a health  
26 maintenance organization authorized to engage in business in this  
27 state on or after the effective date of this Act. A health

1 maintenance organization authorized to engage in business in this  
2 state before the effective date of this Act is governed by the law  
3 in effect at the time the health maintenance organization is  
4 authorized to engage in business in this state, and that law is  
5 continued in effect for that purpose.

6 SECTION 6. The changes in law made by this Act in amending  
7 Section 1501.255, Insurance Code, apply only to a health benefit  
8 plan the contract or evidence of coverage for which is delivered,  
9 issued for delivery, or renewed on or after the effective date of  
10 this Act. A health benefit plan, the contract or evidence of  
11 coverage for which is delivered, issued for delivery, or renewed  
12 before the effective date of this Act, is covered by the law in  
13 effect at the time the contract or evidence of coverage is  
14 delivered, issued for delivery, or renewed, and that law is  
15 continued in effect for that purpose.

16 SECTION 7. This Act takes effect April 1, 2005, if this Act  
17 receives a vote of two-thirds of all the members elected to each  
18 house, as provided by Section 39, Article III, Texas Constitution.  
19 If this Act does not receive the vote necessary for effect on April  
20 1, 2005, this Act takes effect September 1, 2005.