

AN ACT

relating to certain requirements applicable to health maintenance organizations.

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

SECTION 1. Section 843.051, Insurance Code, is amended by adding Subsections (f) and (g) to read as follows:

(f) A health maintenance organization is subject to Chapter 823 as if the health maintenance organization were an insurer under that chapter.

(g) The merger of a health maintenance organization with another health maintenance organization is subject to Chapter 824 as if the health maintenance organizations were insurance corporations under that chapter. The commissioner may adopt rules as necessary to implement this subsection in a way that reflects the nature of health maintenance organizations, health care plans, or evidences of coverage.

SECTION 2. Subsection (a), Section 843.441, Insurance Code, is amended to read as follows:

(a) To provide funds for the administrative expenses of the commissioner regarding rehabilitation, liquidation, supervision, or conservation of an impaired health maintenance organization in this state, including expenses incurred by the commissioner acting as receiver or by a special deputy receiver, the committee, at the commissioner's direction, shall assess each health maintenance

1 organization in the proportion that the gross premiums of the
2 health maintenance organization that were written in this state
3 during the preceding calendar year bear to the aggregate gross
4 premiums that were written in this state by all health maintenance
5 organizations, as provided to the committee by the commissioner
6 after review of annual statements and other reports the
7 commissioner considers necessary.

8 SECTION 3. Subsection (b), Section 843.441, Insurance Code,
9 is repealed.

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

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1284 passed the Senate on May 3, 2005, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 1284 passed the House on May 25, 2005, by a non-record vote.

Chief Clerk of the House

Approved:

Date

Governor