

1-1 By: Armbrister S.B. No. 1284
1-2 (In the Senate - Filed March 9, 2005; March 21, 2005, read
1-3 first time and referred to Committee on State Affairs;
1-4 April 25, 2005, reported favorably by the following vote: Yeas 8,
1-5 Nays 0; April 25, 2005, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to certain requirements applicable to health maintenance
1-9 organizations.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Section 843.051, Insurance Code, is amended by
1-12 adding Subsections (f) and (g) to read as follows:

1-13 (f) A health maintenance organization is subject to Chapter
1-14 823 as if the health maintenance organization were an insurer under
1-15 that chapter.

1-16 (g) The merger of a health maintenance organization with
1-17 another health maintenance organization is subject to Chapter 824
1-18 as if the health maintenance organizations were insurance
1-19 corporations under that chapter. The commissioner may adopt rules
1-20 as necessary to implement this subsection in a way that reflects the
1-21 nature of health maintenance organizations, health care plans, or
1-22 evidences of coverage.

1-23 SECTION 2. Subsection (a), Section 843.441, Insurance Code,
1-24 is amended to read as follows:

1-25 (a) To provide funds for the administrative expenses of the
1-26 commissioner regarding rehabilitation, liquidation, supervision,
1-27 or conservation of an impaired health maintenance organization in
1-28 this state, including expenses incurred by the commissioner acting
1-29 as receiver or by a special deputy receiver, the committee, at the
1-30 commissioner's direction, shall assess each health maintenance
1-31 organization in the proportion that the gross premiums of the
1-32 health maintenance organization that were written in this state
1-33 during the preceding calendar year bear to the aggregate gross
1-34 premiums that were written in this state by all health maintenance
1-35 organizations, as provided to the committee by the commissioner
1-36 after review of annual statements and other reports the
1-37 commissioner considers necessary.

1-38 SECTION 3. Subsection (b), Section 843.441, Insurance Code,
1-39 is repealed.

1-40 SECTION 4. This Act takes effect September 1, 2005.

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