

BILL ANALYSIS

C.S.H.B. 2668

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Insurance

Committee Report (Substituted)

BACKGROUND AND PURPOSE

The percentage of U.S. adults classified as obese doubled between 1980 and 2000, from 15% to 31% (approximately 60 million adults). Morbidly obese males between 25 and 35 have 12 times the chance of dying as normal weight men. While a morbidly obese adult has a 33% chance of living to age 65 as that of a normal weight person. \$200 million or 9.1% of national related costs are associated with obesity and obesity related co-morbid conditions. The need for coverage for bariatric surgery stems from 100% failure rate of non-surgical treatment for those suffering from morbid obesity.

Currently Medicare covers bariatric surgery (Gastric Bypass and Lap-Band). Most employers are investigating or are tentatively approving coverage for bariatric surgery.

C.S.H.B. 2668 relates to coverage for bariatric surgical procedures for certain state employers.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 2668 relates to coverage for bariatric surgical procedures for certain state employees.

SECTION 1 of the bill amends the Government Code by adding Chapter 672 entitled Bariatric Surgery Benefits for State Employees. This new chapter allows a state agency to provide this coverage within their own resources if the agency decides to do so but coverage may not be provided if that coverage is available to the employee under Chapter 1551 of the Insurance Code.

SECTION 2 of the bill amends Subchapter E, Chapter 1551, of the Insurance Code, by adding Section 1551.228. It states that a group health benefit plan offered under the group benefits program must provide an employee with at least five years of service coverage for bariatric surgical procedures that is at least as extensive as the benefit for bariatric surgery provided to Medicare beneficiaries under the National Coverage Determinations Manual published by the Centers for Medicare and Medicaid Services on February 15, 2006.

SECTION 3 of the bill creates an interim committee to study and evaluate the cost that the state can expect to incur as well as the benefits the state may realize by providing the coverage for bariatric surgical procedures for state employees required by Section 1551.228, Insurance Code, as added by this Act. Not later than January 15, 2009, the committee shall report the committee's findings and recommendations to the Lieutenant Governor, the Speaker of the House of Representatives, and the Governor.

SECTION 4 of the bill states that the change in law made by Section 1551.228, Insurance Code, as added by the Act, applies to health benefit plans provided under Chapter 1551, Insurance Code, beginning with the 2010-2011 plan year.

EFFECTIVE DATE

September 1, 2007.

C.S.H.B. 2668 80(R)

COMPARISON OF ORIGINAL TO SUBSTITUTE

The committee substitute amends the Government Code by adding Chapter 672 which authorizes a state agency to provide bariatric surgery coverage for their employees if that agency covers the costs of the surgery within that agency's own resources. The employee must have five years of state service in order to qualify and the coverage must not be provided if that coverage is available to the employee under Chapter 1551 of the Insurance Code. The original house bill did not amend Subtitle B, Title 6 of the Government Code by adding Chapter 672.

The original bill required a provision for bariatric surgical procedures that is at least as extensive as the benefit for bariatric surgery provided to Medicare beneficiaries under the National Coverage Determinations Manual published by the Centers for Medicare and Medicaid Services on February 15, 2006.

C.S.H.B. 2668 maintains the provision for bariatric surgical procedures that is at least as extensive as the benefit for bariatric surgery provided to Medicare beneficiaries under the National Coverage Determinations Manual published by the Centers for Medicare and Medicaid Services on February 15, 2006. However, the committee substitute also adds an additional requirement which states that an employee must have five years of service to this state in order to qualify for the benefit. This language was not found in the original house bill. The committee substitute changes the enactment date for this provision to begin with the 2010-2011 plan year, whereas the original bill stated 2008-2009 plan year.

The committee substitute, in SECTION 3, requires the creation of an interim committee to study the costs that the state can expect to incur as well as the benefits the state could realize in the provision of the coverage. The interim study committee must report its findings and recommendations to the Speaker of the House, the Lieutenant Governor and the Governor no later than January 15, 2009. This language was not found in the original house bill.