

## BILL ANALYSIS

Senate Research Center  
80R6618 PB-F

S.B. 728  
By: Van de Putte  
State Affairs  
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As Filed

### AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law allows group health insurance plans to offer financial incentives, such as premium discounts or rebates, to encourage or reward behavior under health promotion programs. However, current statute does not include these incentives for health insurance plans.

As proposed, S.B. 728 allows individual health insurance benefit plans to offer financial incentives, such as premium discounts, premium rebates, or a reduction in cost-sharing amounts to encourage participation in wellness and disease prevention programs. S.B. 728 also modifies the current group health insurance statute to expand on examples of member cost-sharing provisions and includes language consistent with current industry terminology.

### RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter A, Chapter 1201, Insurance Code, by adding Section 1201.013, as follows:

Sec. 1201.013. PROGRAMS PROMOTING DISEASE PREVENTION, WELLNESS, AND HEALTH. (a) Authorizes an insurer issuing an accident and health insurance policy to establish premium discounts, rebates, or a reduction in otherwise applicable co-payments, coinsurance, or deductibles, or any combination of these incentives, for an insured person who participates in programs promoting disease prevention, wellness, and health.

(b) Provides that a discount, rebate, or reduction established under this section does not violate Section 541.056(a).

SECTION 2. Amends Section 1501.107(a), Insurance Code, as follows:

(a) Authorizes a small or large employer health benefit plan issuer to establish premium discounts, rebates, or a reduction in otherwise applicable co-payments, coinsurance, or deductibles, or any combination of these incentives, in return for participation in programs promoting disease prevention, wellness, and health. Deletes existing text requiring adherence to programs of health promotion and disease prevention for a small or large employer health benefit plan issuer to establish premium discounts, rebates, or a reduction.

SECTION 3. Effective date: upon passage or September 1, 2007.