

By: Woolley

H.B. No. 522

A BILL TO BE ENTITLED

AN ACT

relating to health benefit plan identification cards.

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

SECTION 1. Subtitle A, Title 8, Insurance Code, is amended by adding Chapter 1215 to read as follows:

CHAPTER 1215. IDENTIFICATION CARD REQUIREMENTS FOR CERTAIN HEALTH
BENEFIT PLAN COVERAGE

Sec. 1215.001. DEFINITION. In this chapter, "enrollee" means an individual who is enrolled in a health benefit plan.

Sec. 1215.002. APPLICABILITY OF CHAPTER. (a) This chapter applies only to a health benefit plan that provides benefits for medical or surgical expenses incurred as a result of a health condition, accident, or sickness, including an individual, group, blanket, or franchise insurance policy or insurance agreement, a group hospital service contract, or an individual or group evidence of coverage or similar coverage document that is offered by:

(1) an insurance company;

(2) a group hospital service corporation operating under Chapter 842;

(3) a fraternal benefit society operating under Chapter 885;

(4) a stipulated premium insurance company operating under Chapter 884;

(5) a reciprocal exchange operating under Chapter 942;

1 (6) a health maintenance organization operating under
2 Chapter 843;

3 (7) a multiple employer welfare arrangement that holds
4 a certificate of authority under Chapter 846; or

5 (8) an approved nonprofit health corporation that
6 holds a certificate of authority under Chapter 844.

7 (b) Notwithstanding Section 172.014, Local Government Code,
8 or any other law, this chapter applies to health and accident
9 coverage provided by a risk pool created under Chapter 172, Local
10 Government Code.

11 (c) Notwithstanding any provision in Chapter 1551, 1575,
12 1579, or 1601 or any other law, this chapter applies to:

13 (1) a basic coverage plan under Chapter 1551;

14 (2) a basic plan under Chapter 1575;

15 (3) a primary care coverage plan under Chapter 1579;

16 and

17 (4) basic coverage under Chapter 1601.

18 (d) Notwithstanding any other law, this chapter applies to a
19 standard health benefit plan provided under Chapter 1507.

20 Sec. 1215.003. EXCEPTION. This chapter does not apply to:

21 (1) a plan that provides coverage:

22 (A) for wages or payments in lieu of wages for a
23 period during which an employee is absent from work because of
24 sickness or injury;

25 (B) as a supplement to a liability insurance
26 policy;

27 (C) for credit insurance; or

- 1 (D) only for indemnity for hospital confinement;
2 (2) a Medicare supplemental policy as defined by
3 Section 1882(g)(1), Social Security Act (42 U.S.C. Section 1395ss);
4 (3) a workers' compensation insurance policy;
5 (4) medical payment insurance coverage provided under
6 a motor vehicle insurance policy; or
7 (5) a long-term care policy, including a nursing home
8 fixed indemnity policy, unless the commissioner determines that the
9 policy provides benefit coverage so comprehensive that the policy
10 is a health benefit plan as described by Section 1215.002.

11 Sec. 1215.004. IDENTIFICATION CARD REQUIREMENTS. (a) The
12 issuer of a health benefit plan described by Section 1215.002,
13 including a dental benefits plan, vision benefits plan, or pharmacy
14 benefits plan, shall issue an identification card or similar
15 document to each enrollee. The card or document must include, at a
16 minimum:

- 17 (1) the name of the issuer of the health benefit plan;
18 (2) the name of the administrator of the health
19 benefit plan, if any;
20 (3) the name of the policyholder or group contract
21 holder;
22 (4) the number of the policy, contract, or evidence of
23 insurance; and
24 (5) a telephone number or electronic address for
25 authorizations.

26 (b) The information required under Subsection (a) is in
27 addition to any other information required under this title to be

1 included on an identification card or other document issued in
2 conjunction with a health benefit plan.

3 (c) The identification card must contain the required
4 information embedded in the card and accessible through magnetic
5 strip or smart card technology.

6 (d) The commissioner by rule may change the form of the
7 electronic technology required under Subsection (c) as necessary to
8 conform to changes in that technology.

9 Sec. 1215.005. IMPLEMENTATION PROGRAM. (a) Each issuer of
10 a health benefit plan shall comply with Section 1215.004 not later
11 than March 1, 2008.

12 (b) To ensure timely compliance with Section 1215.004, an
13 issuer of a health benefit plan shall submit its implementation
14 program to the department, in the form prescribed by the
15 commissioner, not later than January 1, 2008.

16 (c) This section expires August 31, 2008.

17 SECTION 2. Section 843.209, Insurance Code, is amended to
18 read as follows:

19 Sec. 843.209. IDENTIFICATION CARD. (a) An identification
20 card or other similar document issued by a health maintenance
21 organization to an enrollee must:

22 (1) indicate that the health maintenance organization
23 is regulated under this code and subject to the provisions of
24 Subchapter J; and

25 (2) display:

26 (A) the first date on which the enrollee became
27 enrolled; or

1 (B) a toll-free number a physician or provider
2 may use to obtain that date.

3 (b) The identification card or other similar document must
4 comply with the requirements adopted under Chapter 1215.

5 SECTION 3. Section 1301.162, Insurance Code, is amended to
6 read as follows:

7 Sec. 1301.162. IDENTIFICATION CARD. (a) An identification
8 card or other similar document issued by an insurer regulated by
9 this code and subject to this chapter to an individual insured must
10 display:

11 (1) the first date on which the individual became
12 insured under the plan; or

13 (2) a toll-free number a physician or health care
14 provider may use to obtain that date.

15 (b) The identification card or other similar document must
16 comply with the requirements adopted under Chapter 1215.

17 SECTION 4. Section 1369.153, Insurance Code, is amended by
18 adding Subsection (a-1) and amending Subsection (b) to read as
19 follows:

20 (a-1) The identification card must comply with the
21 requirements adopted under Chapter 1215.

22 (b) This section does not require a health benefit plan
23 issuer that administers its own pharmacy benefits to issue an
24 identification card separate from any identification card issued to
25 an enrollee to evidence coverage under the plan if the
26 identification card issued to evidence coverage contains the
27 information required by Subsection (a) and complies with the

1 requirements adopted under Chapter 1215.

2 SECTION 5. Section 1504.055(a), Insurance Code, is amended
3 to read as follows:

4 (a) A health benefit plan issuer that provides health
5 coverage to a child through a covered parent of the child shall:

6 (1) provide to each custodial parent of the child or to
7 an adult child documents and other information necessary for the
8 child to obtain benefits under the coverage, including:

9 (A) the name of the issuer;

10 (B) the number of the policy or evidence of
11 coverage;

12 (C) a copy of the policy or evidence of coverage
13 and schedule of benefits;

14 (D) an identification [~~a health coverage~~
15 ~~membership~~] card that complies with the requirements adopted under
16 Chapter 1215;

17 (E) claim forms; and

18 (F) any other document or information necessary
19 to submit a claim in accordance with the issuer's policies and
20 procedures;

21 (2) permit a custodial parent, health care provider,
22 state agency that has been assigned medical support rights, or
23 adult child to submit claims for covered services without the
24 approval of the covered parent; and

25 (3) make payments on covered claims submitted in
26 accordance with this subsection directly to a custodial parent,
27 health care provider, adult child, or state agency making a claim.

1 SECTION 6. Section 1551.060, Insurance Code, is amended by
2 adding Subsection (c) to read as follows:

3 (c) The card must comply with the requirements adopted under
4 Chapter 1215.

5 SECTION 7. Section 4151.152, Insurance Code, is amended by
6 adding Subsection (c) to read as follows:

7 (c) The identification card must comply with the
8 requirements adopted under Chapter 1215.

9 SECTION 8. This Act takes effect September 1, 2007.