

By: Coleman

H.B. No. 1437

A BILL TO BE ENTITLED

AN ACT

relating to health benefit plan coverage for acute or chronic medical conditions.

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

SECTION 1. Subtitle E, Title 8, Insurance Code, is amended by adding Chapter 1377 to read as follows:

CHAPTER 1377. MAXIMUM LIFETIME BENEFITS FOR ACUTE OR CHRONIC MEDICAL CONDITIONS

Sec. 1377.001. 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 company operating under Chapter 884;

(5) an exchange operating under Chapter 942;

(6) a health maintenance organization operating under

1 Chapter 843;

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

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

6 (b) This chapter applies to group health coverage made
7 available by a school district in accordance with Section 22.004,
8 Education Code.

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

13 (d) Notwithstanding any provision in Chapter 1551, 1575,
14 1579, or 1601 or any other law, this chapter applies to:

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

16 (2) a basic plan under Chapter 1575;

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

18 and

19 (4) basic coverage under Chapter 1601.

20 (e) Notwithstanding any other law, a standard health
21 benefit plan provided under Chapter 1507 must provide the coverage
22 required by this chapter.

23 (f) Notwithstanding Section 1501.251 or any other law, this
24 chapter applies to coverage under a small employer health benefit
25 plan subject to Chapter 1501.

26 Sec. 1377.002. EXCEPTION. This chapter does not apply to:

27 (1) a plan that provides coverage:

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

4 (B) as a supplement to a liability insurance
5 policy;

6 (C) for credit insurance;

7 (D) only for dental or vision care;

8 (E) only for hospital expenses; or

9 (F) only for indemnity for hospital confinement;

10 (2) a Medicare supplemental policy as defined by
11 Section 1882(g)(1), Social Security Act (42 U.S.C. Section 1395ss);

12 (3) a workers' compensation insurance policy;

13 (4) medical payment insurance coverage provided under
14 a motor vehicle insurance policy; or

15 (5) a long-term care policy, including a nursing home
16 fixed indemnity policy, unless the commissioner determines that the
17 policy provides benefit coverage so comprehensive that the policy
18 is a health benefit plan as described by Section 1377.001.

19 Sec. 1377.003. MAXIMUM LIFETIME BENEFIT. A health benefit
20 plan that limits the maximum lifetime benefit applicable to an
21 acute or chronic medical condition of an individual covered under
22 the plan to a specified dollar amount may not limit the benefit to
23 an amount less than \$5 million.

24 Sec. 1377.004. RULES. The commissioner may adopt rules in
25 accordance with Subchapter A, Chapter 36, as necessary to implement
26 this article. The rules may specify the types of acute or chronic
27 medical conditions to which the restriction of Section 1377.003

1 applies.

2 SECTION 2. Section 1506.151, Insurance Code, is amended by
3 adding Subsection (d) to read as follows:

4 (d) Coverage provided by the pool is subject to Chapter
5 1377.

6 SECTION 3. This Act takes effect September 1, 2007, and
7 applies only to a health benefit plan delivered, issued for
8 delivery, or renewed on or after January 1, 2008. A health benefit
9 plan delivered, issued for delivery, or renewed before January 1,
10 2008, is governed by the law as it existed immediately before the
11 effective date of this Act, and that law is continued in effect for
12 that purpose.