

By: Menendez

H.B. No. 2483

A BILL TO BE ENTITLED

AN ACT

relating to the operation and regulation of cross border health benefit plans.

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

ARTICLE 1. CROSS BORDER HEALTH BENEFIT PLANS

SECTION 1.001. Subtitle G, Title 8, Insurance Code, is amended by adding Chapter 1510 to read as follows:

CHAPTER 1510. CROSS BORDER HEALTH BENEFIT PLANS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1510.001. DEFINITIONS. In this chapter:

(1) "Basic health care services" means health care services that the commissioner determines an enrolled population might reasonably require in order to be maintained in good health, including any services required by the applicable laws of the United Mexican States.

(2) "Cross border health benefit plan" means a health benefit plan that is offered by a health benefit plan issuer that holds a special certificate of authority under Subchapter B or an insurance company based in the United Mexican States and authorized to offer the plan under Subchapter B-1 and that is:

(A) offered or made available to the categories of persons described by Section 1510.002; and

(B) provided in the service area designated under Section 1510.003 by physicians, other health care practitioners,

1 and health care facilities located in this state or the United
2 Mexican States.

3 (3) "Emergency care" means health care services
4 provided in a hospital emergency facility or comparable facility to
5 evaluate and stabilize medical conditions of a recent onset and
6 severity, including severe pain, that would lead a prudent
7 layperson, possessing an average knowledge of medicine and health,
8 to believe that the individual's condition, sickness, or injury is
9 of such a nature that failure to get immediate medical care could
10 result in:

11 (A) placing the patient's health in serious
12 jeopardy;

13 (B) serious impairment to bodily functions;

14 (C) serious dysfunction of any bodily organ or
15 part;

16 (D) serious disfigurement; or

17 (E) in the case of a pregnant woman, serious
18 jeopardy to the health of the fetus.

19 (4) "Enrollee" means an individual enrolled in a cross
20 border health benefit plan under this chapter. The term includes a
21 covered dependent.

22 (5) "Health benefit plan" means an individual, group,
23 blanket, or franchise insurance policy, a certificate issued under
24 a group policy, a group hospital service contract, or an individual
25 or group contract or evidence of coverage issued by a health
26 maintenance organization that provides benefits for health care
27 services. The term does not include:

1 (A) accident-only or disability income insurance
2 coverage or a combination of accident-only and disability income
3 insurance coverage;

4 (B) credit-only insurance coverage;

5 (C) disability insurance coverage;

6 (D) coverage for a specified disease or illness;

7 (E) Medicare services under a federal contract;

8 (F) Medicare supplement and Medicare Select
9 benefit plans regulated in accordance with federal law;

10 (G) long-term care coverage or benefits, nursing
11 home care coverage or benefits, home health care coverage or
12 benefits, community-based care coverage or benefits, or any
13 combination of those coverages or benefits;

14 (H) coverage that provides limited-scope dental
15 or vision benefits;

16 (I) coverage provided by a single service health
17 maintenance organization;

18 (J) workers' compensation insurance coverage or
19 similar insurance coverage;

20 (K) coverage provided through a jointly managed
21 trust authorized under 29 U.S.C. Section 141 et seq. that contains a
22 plan of benefits for employees that is negotiated in a collective
23 bargaining agreement governing wages, hours, and working
24 conditions of the employees that is authorized under 29 U.S.C.
25 Section 157;

26 (L) hospital indemnity or other fixed indemnity
27 insurance coverage;

1 (M) reinsurance contracts issued on a stop-loss,
2 quota-share, or similar basis;

3 (N) short-term major medical contracts;

4 (O) liability insurance coverage, including
5 general liability insurance coverage and automobile liability
6 insurance coverage, and coverage issued as a supplement to
7 liability insurance coverage, including automobile medical payment
8 insurance coverage;

9 (P) coverage for on-site medical clinics;

10 (Q) coverage that provides other limited
11 benefits specified by commissioner rule; or

12 (R) other coverage that:

13 (i) is similar to the coverage described by
14 this subdivision under which benefits for medical care are
15 secondary or incidental to other coverage benefits; and

16 (ii) is specified by commissioner rule.

17 (6) "Health benefit plan issuer" means an entity
18 authorized under this code or another insurance law of this state
19 that provides health insurance or health benefits in this state,
20 including:

21 (A) an insurance company;

22 (B) a group hospital service corporation
23 operating under Chapter 842; and

24 (C) a health maintenance organization operating
25 under Chapter 843.

26 (7) "Health care facility" means a hospital, emergency
27 clinic, outpatient clinic, or other facility providing health care

1 services.

2 (8) "Health care practitioner" means:

3 (A) an individual licensed by this state or by
4 the appropriate authority of the United Mexican States to provide
5 health care and who provides health care under the terms of that
6 license; or

7 (B) a nonlicensed individual who provides or
8 renders health care under the direction or supervision of a
9 physician licensed by:

10 (i) the Texas Medical Board; or

11 (ii) a medical licensing program operated
12 under the appropriate authority of the United Mexican States and
13 recognized by the Texas Medical Board.

14 (9) "Health care provider" means a health care
15 facility or health care practitioner.

16 (10) "Health care services" means services provided to
17 an individual to prevent, alleviate, cure, or heal human illness or
18 injury. For purposes of this chapter, the term means:

19 (A) basic health care services; and

20 (B) other services as specified by commissioner
21 rule, which may include:

22 (i) pharmaceutical services;

23 (ii) chiropractic or dental care;

24 (iii) hospitalization; and

25 (iv) care or services incidental to the
26 health care services described by Subparagraphs (i)-(iii).

27 (11) "Health maintenance organization" means an

1 organization regulated under Chapter 843.

2 Sec. 1510.002. ELIGIBLE ENROLLEES. An individual is
3 eligible to receive health care services as an enrollee in a cross
4 border health benefit plan if the individual is:

5 (1) a citizen of the United States of America;

6 (2) a citizen of the United Mexican States who is
7 legally residing or working in the United States of America; or

8 (3) a dependent of an individual described by
9 Subdivision (1) or (2).

10 Sec. 1510.003. SERVICE AREA. (a) A health benefit plan
11 issuer that holds a special certificate of authority under this
12 chapter may operate a cross border health benefit plan to provide
13 health care services to an eligible enrollee in the service area
14 designated by the issuer under Subsection (b).

15 (b) Except as provided by Subsection (c) and Section
16 1510.102(b), a cross border health benefit plan may offer and
17 provide health care services only in the geographic region composed
18 of this state and those United Mexican States that are located
19 within 75 miles of the border of this state and the United Mexican
20 States. The health benefit plan issuer shall designate the service
21 area for the plan, which may be composed of:

22 (1) this state and the United Mexican States of
23 Coahuila de Zaragoza, Nuevo Leon, Chihuahua, and Tamaulipas; or

24 (2) only the United Mexican States of Coahuila de
25 Zaragoza, Nuevo Leon, Chihuahua, and Tamaulipas.

26 (c) A cross border health benefit plan shall provide
27 emergency care in this state and in the service area designated

1 under Subsection (b) to an eligible enrollee.

2 Sec. 1510.004. GENERAL POWERS AND DUTIES OF COMMISSIONER.

3 (a) The commissioner shall implement and enforce this chapter.

4 (b) The commissioner shall adopt rules in accordance with
5 Subchapter A, Chapter 36, as necessary to implement this chapter.
6 In adopting those rules, the commissioner may consult with
7 appropriate authorities in California, other states, and the United
8 Mexican States.

9 (c) The commissioner by rule shall require compliance with
10 any applicable state and federal requirements regarding the use of
11 foreign currency in the payment of services provided by cross
12 border health benefit plans.

13 (d) The commissioner shall prescribe by rule specific
14 oversight requirements for health benefit plan issuers that operate
15 cross border health benefit plans.

16 (e) In cooperation with the Comisión Nacional de Seguros y
17 Fianzas of the United Mexican States and other appropriate
18 authorities of the United Mexican States, the commissioner may
19 adopt rules relating to regulation of agents who are citizens of the
20 United Mexican States and who market or sell cross border health
21 benefit plans to citizens of this state.

22 Sec. 1510.005. ADVISORY COMMITTEES. (a) The commissioner
23 may appoint advisory committees to make recommendations to the
24 commissioner and the department regarding the implementation of
25 this chapter.

26 (b) Members of an advisory committee appointed under this
27 section may include physicians and other health care practitioners,

1 including health care practitioners who are citizens of the United
2 Mexican States.

3 Sec. 1510.006. INTERNATIONAL AGREEMENTS. (a) The
4 commissioner may formulate and adopt agreements with the United
5 Mexican States regarding cross border health benefit plans and may
6 enter into memoranda of understanding with the appropriate
7 authorities of the states of Coahuila de Zaragoza, Nuevo Leon,
8 Chihuahua, and Tamaulipas regarding operation of cross border
9 health benefit plans in those states.

10 (b) The commissioner shall submit copies of any agreements
11 or memoranda entered into under this section to the office of the
12 governor.

13 (c) Any agreement entered into under this section must
14 comply with federal law.

15 Sec. 1510.007. PREVAILING COMMUNITY STANDARDS. (a) The
16 delivery of health care services in the United Mexican States
17 through a cross border health benefit plan must be based on and
18 determined by the prevailing community standards in the United
19 Mexican States, and the licensing of health care providers who
20 provide those services is governed by the applicable laws of the
21 United Mexican States.

22 (b) A health care practitioner providing health care
23 services in the United Mexican States through a cross border health
24 benefit plan is not required to be licensed in this state. The
25 credentialing, peer review, and quality of care standards used by a
26 health care practitioner providing services under a cross border
27 health benefit plan is governed by the standards that apply in the

1 United Mexican States and applicable commissioner rules relating to
2 quality of care.

3 (c) Chapter 1451 does not apply to a cross border health
4 benefit plan.

5 [Sections 1510.008-1510.050 reserved for expansion]

6 SUBCHAPTER B. SPECIAL CERTIFICATE OF AUTHORITY

7 Sec. 1510.051. ADOPTION OF CROSS BORDER HEALTH BENEFIT
8 PLANS; SPECIAL CERTIFICATE OF AUTHORITY REQUIRED. (a) A health
9 benefit plan issuer authorized under this code to engage in the
10 business of insurance in this state may offer cross border health
11 benefit plans to provide health care services to eligible enrollees
12 in the service area designated by the issuer under Section
13 1510.003.

14 (b) Except as provided by Subchapter B-1, to market, sell,
15 or operate a cross border health benefit plan, a health benefit plan
16 issuer must hold a special certificate of authority issued by the
17 department under this chapter.

18 Sec. 1510.052. INDIVIDUAL AND GROUP COVERAGE AUTHORIZED.
19 Cross border health benefit plans may be offered to individuals and
20 to employers.

21 Sec. 1510.053. COMPLIANCE WITH QUALITY OF CARE
22 REQUIREMENTS. A health benefit plan issuer that holds a special
23 certificate of authority under this chapter must comply with all
24 quality of care requirements for cross border health benefit plans
25 adopted by commissioner rule.

26 [Sections 1510.054-1510.080 reserved for expansion]

1 SUBCHAPTER B-1. PROVISION OF CROSS BORDER HEALTH BENEFIT PLAN BY
2 MEXICAN INSURANCE COMPANY

3 Sec. 1510.081. PROVISION BY MEXICAN INSURANCE COMPANY. (a)
4 Notwithstanding any other provision of this chapter or this code to
5 the contrary, the commissioner may authorize, as provided by this
6 subchapter, insurance companies based in the United Mexican States
7 to market, sell, and operate cross border health benefit plans.

8 (b) Subject to any additional restriction imposed by rule by
9 the commissioner, a cross border health benefit plan issued by an
10 insurance company under this subchapter may provide the same
11 coverage, and is subject to the same requirements and restrictions,
12 as a plan offered by a health benefit plan issuer that holds a
13 special certificate of authority under this chapter.

14 Sec. 1510.082. STANDARDS FOR PARTICIPATING MEXICAN
15 INSURANCE COMPANIES. (a) To be eligible for initial consideration
16 for participation in the cross border health benefit plan program
17 under this chapter, a Mexican insurance company must present
18 evidence satisfactory to the department that the insurance company
19 is in good standing with the Comisión Nacional de Seguros y Fianzas
20 of the United Mexican States.

21 (b) The commissioner may authorize an insurance company
22 that meets the requirement of Subsection (a) to market, sell, and
23 operate cross border health benefit plans if the insurance company
24 also meets, to the satisfaction of the department, quality of care
25 standards and financial qualifications, as set by the commissioner
26 by rule.

27 Sec. 1510.083. RULES. (a) The commissioner, by rules

1 adopted in the manner prescribed by Subchapter A, Chapter 36, shall
2 establish reasonable quality of care standards and minimum
3 financial requirements for a Mexican insurance company described by
4 Section 1510.082(b).

5 (b) In adopting rules under this section, the commissioner
6 may consult, as the commissioner deems appropriate, with
7 appropriate officials of the Comisión Nacional de Seguros y Fianzas
8 of the United Mexican States.

9 [Sections 1510.084-1510.100 reserved for expansion]

10 SUBCHAPTER C. OPERATION OF CROSS BORDER HEALTH

11 BENEFIT PLANS

12 Sec. 1510.101. MEDICAL DIRECTOR. (a) Each health benefit
13 plan issuer that offers a cross border health benefit plan under
14 this chapter must employ or designate a medical director who is
15 responsible for the provision of quality health care services under
16 the plan.

17 (b) A medical director under Subsection (a) must be licensed
18 to practice medicine in this state or, for health care services
19 provided only in the United Mexican States, must hold the
20 appropriate credentials under Mexican law to practice medicine in
21 the United Mexican States.

22 Sec. 1510.102. COVERAGE FOR CERTAIN MINIMUM HEALTH CARE
23 BENEFITS. (a) In this section, "minimum health care benefit"
24 means:

25 (1) a health care service or benefit listed under
26 Section 1507.003 or Section 1507.053 that may not be exempted from
27 coverage in a consumer choice of benefits plan under Chapter 1507

1 that is offered by a health carrier or a health maintenance
2 organization; and

3 (2) any other minimum benefit that must be offered by a
4 standard health benefit plan under Subchapter A or B, Chapter 1507,
5 as applicable.

6 (b) A health benefit plan issuer that holds a special
7 certificate of authority under this chapter must provide coverage
8 in this state in its cross border health benefit plan for a minimum
9 health care benefit if the plan's medical director determines that
10 it is not possible to provide coverage for that benefit in the
11 United Mexican States.

12 (c) The commissioner by rule may designate any other benefit
13 required by Subtitle E, Title 8, to be a minimum benefit required to
14 be provided by a cross border health benefit plan if the
15 commissioner determines that the cost of providing the benefit
16 under the plan is outweighed by need addressed by the benefit.

17 (d) Except as provided by this section, Subtitle E, Title 8,
18 does not apply to a cross border health benefit plan.

19 Sec. 1510.103. COVERAGE FOR PRESCRIPTION DRUGS. A cross
20 border health benefit plan shall cover prescription drugs if that
21 coverage is required by commissioner rule.

22 Sec. 1510.104. REPORTING REQUIREMENTS. (a) A health
23 benefit plan issuer that holds a special certificate of authority
24 under this chapter shall comply with the reporting requirements
25 adopted under Subchapter B, Chapter 38.

26 (b) The health benefit plan issuer shall submit an annual
27 report regarding the issuer's cross border health benefit plan to

1 the department. The annual report must be in the form prescribed by
2 the commissioner and must include:

3 (1) a financial statement of the health benefit plan
4 issuer, including its balance sheet and receipts and disbursements
5 in relation to the cross border health benefit plan for the
6 preceding calendar year reported in United States currency,
7 certified by an independent public accountant;

8 (2) the number of individuals enrolled in the issuer's
9 cross border benefit health plan during the preceding calendar
10 year, the number of enrollees as of the end of that year, and the
11 number of enrollments terminated during that year;

12 (3) updated financial projections for the next
13 calendar year; and

14 (4) other information relating to the performance of
15 the cross border health benefit plan as necessary to enable the
16 commissioner to perform the commissioner's duties under this
17 chapter.

18 (c) The commissioner by rule may adopt additional reporting
19 requirements for health benefit plan issuers that operate cross
20 border health benefit plans as necessary to implement this chapter
21 and protect the public welfare.

22 Sec. 1510.105. ADVERTISING RELATING TO CROSS BORDER HEALTH
23 BENEFIT PLAN; REQUIREMENTS; DEPARTMENT OVERSIGHT. (a) A health
24 benefit plan issuer that holds a special certificate of authority
25 under this chapter may advertise regarding the issuer's cross
26 border health benefit plan.

27 (b) The commissioner may adopt rules regarding advertising

1 for cross border health benefit plans only as necessary to prohibit
2 false, misleading, or deceptive practices.

3 (c) With respect to a cross border health benefit plan under
4 this chapter, the business of insurance in this state includes
5 using, creating, publishing, mailing, or disseminating in this
6 state an advertisement relating to any act that constitutes the
7 business of insurance under Section 101.051.

8 (d) A health benefit plan issuer that holds a special
9 certificate of authority under this chapter may use an
10 advertisement described by Subsection (a) only if the health
11 benefit plan issuer:

12 (1) has actual knowledge of the content of the
13 advertisement;

14 (2) has authorized the advertisement to be used,
15 created, published, mailed, or disseminated on that health benefit
16 plan issuer's behalf; and

17 (3) is clearly identified by name in the advertisement
18 in English and Spanish as the sponsor of the advertisement.

19 (e) A health benefit plan issuer may not:

20 (1) make, issue, or circulate or cause to be made,
21 issued, or circulated in an advertisement to a prospective enrollee
22 a misrepresentation that violates Chapter 541; or

23 (2) cause to be made to a prospective enrollee in any
24 form of media a misrepresentation in an announcement or statement
25 that violates Chapter 541.

26 (f) If the department has reason to believe that a health
27 benefit plan issuer has engaged in an act prohibited by Subsection

1 (e), the department shall:

2 (1) notify the health benefit plan issuer in writing;

3 and

4 (2) take action under Chapter 541 against a health
5 benefit plan issuer notified under Subdivision (1) if:

6 (A) after the 30th day following the date of
7 notice, the health benefit plan issuer has not stopped making,
8 issuing, or circulating or causing to be made, issued, or
9 circulated the misrepresentations; and

10 (B) the department has reason to believe that:

11 (i) the health benefit plan issuer is
12 issuing or delivering cross border health benefit plans in a
13 service area designated under Section 1510.003 or is collecting
14 premiums on those plans from eligible enrollees; and

15 (ii) a department proceeding regarding the
16 misrepresentations is in the public interest.

17 [Sections 1510.106-1510.150 reserved for expansion]

18 SUBCHAPTER D. DISCIPLINARY ACTIONS AND ENFORCEMENT

19 Sec. 1510.151. GENERAL PROVISIONS. (a) The commissioner may
20 revoke a special certificate of authority issued under this chapter
21 or otherwise discipline a health benefit plan issuer that holds a
22 special certificate of authority for a violation of this chapter or
23 another insurance law of this state.

24 (b) A disciplinary action under this section is subject to
25 Subtitle B, Title 2.

26 Sec. 1510.152. FRAUDULENT ACTIVITIES. (a) The insurance
27 fraud unit shall investigate any fraudulent insurance acts

1 regarding the marketing and operation of a cross border health
2 benefit plan in the manner prescribed by Chapter 701 for other
3 fraudulent insurance acts.

4 (b) If the commissioner has reason to believe a person has
5 engaged in, is engaging in, has committed, or is about to commit a
6 fraudulent insurance act regarding a cross border health benefit
7 plan, the commissioner may conduct any investigation necessary
8 inside or outside this state to determine whether the act or offense
9 occurred or aid in enforcing laws relating to fraudulent insurance
10 acts or insurance fraud. In conducting an investigation under this
11 subsection, the commissioner may investigate activities occurring
12 anywhere in a service area designated under Section 1510.003 to the
13 extent authorized by the appropriate authorities of the United
14 Mexican States.

15 ARTICLE 2. CONFORMING AMENDMENTS

16 SECTION 2.001. Subchapter F, Chapter 841, Insurance Code,
17 is amended by adding Section 841.2571 to read as follows:

18 Sec. 841.2571. CROSS BORDER HEALTH BENEFIT PLAN. An
19 insurance company authorized to engage in the business of insurance
20 under this chapter may offer and provide cross border health
21 benefit plans in the manner provided by Chapter 1510.

22 SECTION 2.002. Subchapter F, Chapter 842, Insurance Code,
23 is amended by adding Section 842.2571 to read as follows:

24 Sec. 842.2571. CROSS BORDER HEALTH BENEFIT PLAN. A group
25 hospital service corporation may offer and provide cross border
26 health benefit plans in the manner provided by Chapter 1510.

27 SECTION 2.003. Section 843.107, Insurance Code, is amended

1 to read as follows:

2 Sec. 843.107. INDEMNITY BENEFITS; POINT-OF-SERVICE
3 PROVISIONS. (a) A health maintenance organization may offer:

4 (1) indemnity benefits covering out-of-area emergency
5 care;

6 (2) indemnity benefits, in addition to those relating
7 to out-of-area and emergency care, provided through an insurer or
8 group hospital service corporation;

9 (3) a point-of-service plan under Subchapter A,
10 Chapter 1273 [~~Article 3.64~~]; or

11 (4) a point-of-service rider under Section 843.108.

12 (b) This section applies to a cross border health benefit
13 plan offered by a health maintenance organization only as provided
14 by commissioner rule.

15 SECTION 2.004. Subchapter D, Chapter 843, Insurance Code,
16 is amended by adding Section 843.114 to read as follows:

17 Sec. 843.114. CROSS BORDER HEALTH BENEFIT PLAN. (a) A
18 health maintenance organization licensed to provide basic health
19 care services under this chapter may offer and provide cross border
20 health benefit plans in the manner provided by Chapter 1510.

21 (b) In arranging for or providing a cross border health
22 benefit plan, a health maintenance organization has all of the
23 powers and authority granted under this subchapter.

24 (c) A health maintenance organization that offers a cross
25 border health benefit plan must contract with sufficient providers
26 and physicians to ensure that all health care services for which
27 coverage is provided will be reasonably available and accessible.

1 SECTION 2.005. Section 1201.003(d), Insurance Code, is
2 amended to read as follows:

3 (d) This chapter does not apply to:

4 (1) any society, company, or other insurer whose
5 activities are exempt by statute from the control of the department
6 and that is entitled by statute to a certificate from the department
7 that shows the entity's exempt status;

8 (2) a credit accident and health insurance policy
9 issued under Chapter 1153;

10 (3) a workers' compensation insurance policy;

11 (4) a liability insurance policy, with or without
12 supplementary expense coverage;

13 (5) a reinsurance policy or contract;

14 (6) a blanket or group insurance policy, except as
15 otherwise provided by this chapter; ~~or~~

16 (7) a life insurance endowment or annuity contract or
17 a contract supplemental to a life insurance endowment or annuity
18 contract if the contract or supplemental contract contains only
19 provisions relating to accident and health insurance that:

20 (A) provide additional benefits in case of
21 accidental death, accidental dismemberment, or accidental loss of
22 sight; or

23 (B) operate to:

24 (i) safeguard the contract or supplemental
25 contract against lapse; or

26 (ii) give a special surrender value, a
27 special benefit, or an annuity if the insured or annuitant becomes

1 totally and permanently disabled, as defined by the contract or
2 supplemental contract; or

3 (8) except as provided by commissioner rule, a cross
4 border health benefit plan subject to Chapter 1510.

5 SECTION 2.006. Section 1251.007, Insurance Code, is amended
6 to read as follows:

7 Sec. 1251.007. EXCEPTIONS. This subchapter and Subchapters
8 B-I do not apply to:

9 (1) a credit accident and health insurance policy
10 subject to Chapter 1153;

11 (2) any group specifically provided for or authorized
12 by law in existence and covered under a policy filed with the State
13 Board of Insurance before April 1, 1975;

14 (3) accident or health coverage that is incidental to
15 any form of a group automobile, casualty, property, workers'
16 compensation, or employers' liability policy approved by the
17 commissioner; ~~or~~

18 (4) any policy or contract of insurance with a state
19 agency, department, or board providing health services:

20 (A) to eligible individuals under Chapter 32,
21 Human Resources Code; or

22 (B) under a state plan adopted in accordance with
23 42 U.S.C. Sections 1396-1396g, as amended, or 42 U.S.C. Section
24 1397aa et seq., as amended; or

25 (5) except as provided by commissioner rule, a cross
26 border health benefit plan subject to Chapter 1510.

27 SECTION 2.007. Section 1271.005, Insurance Code, is amended

1 by adding Subsection (f) to read as follows:

2 (f) Chapter 1510 applies to a health maintenance
3 organization that issues a cross border health benefit plan.

4 SECTION 2.008. Subchapter A, Chapter 1273, Insurance Code,
5 is amended by adding Section 1273.006 to read as follows:

6 Sec. 1273.006. CROSS BORDER HEALTH BENEFIT PLAN. This
7 chapter applies to a cross border health benefit plan offered by an
8 insurer only as provided by commissioner rule.

9 SECTION 2.009. Subchapter A, Chapter 1301, Insurance Code,
10 is amended by adding Section 1301.009 to read as follows:

11 Sec. 1301.009. CROSS BORDER HEALTH BENEFIT PLAN. (a) An
12 insurer that offers a preferred provider benefit plan under this
13 chapter may offer and provide a cross border health benefit plan
14 through a preferred provider network. The insurer must comply with
15 requirements adopted by the commissioner under Chapter 1510.

16 (b) An insurer that offers a cross border health benefit
17 plan through a preferred provider plan must contract with
18 sufficient health care providers, institutional providers, and
19 physicians to ensure that all health care services for which
20 coverage is provided will be reasonably available and accessible.

21 SECTION 2.010. Section 1506.002, Insurance Code, is amended
22 by adding Subsection (c) to read as follows:

23 (c) In this chapter, "health benefit plan" includes a cross
24 border health benefit plan offered under Chapter 1510 only as
25 provided by commissioner rule.

26 SECTION 2.011. Subchapter A, Chapter 1506, Insurance Code,
27 is amended by adding Section 1506.008 to read as follows:

1 Sec. 1506.008. ELIGIBILITY OF CERTAIN INDIVIDUALS FOR
2 COVERAGE UNDER CROSS BORDER HEALTH BENEFIT PLAN. (a)

3 Notwithstanding Section 1506.152(a), an individual who is not a
4 legally domiciled resident of this state is eligible for coverage
5 from the pool if:

6 (1) the individual is eligible for coverage under
7 Section 1510.002 in a cross border health benefit plan; and

8 (2) the commissioner by rule determines that the
9 extension of coverage under this chapter to an individual described
10 by Subdivision (1) promotes the public health, safety, and welfare
11 through improving the quality, affordability, and effectiveness of
12 health care and access to health care for citizens of this state.

13 (b) The commissioner may not impose assessments as provided
14 by Subchapter F with respect to cross border health benefit plans
15 unless the commissioner determines under Subsection (a) to extend
16 eligibility under the pool to individuals who are not legally
17 domiciled residents of this state.

18 ARTICLE 3. TRANSITION; EFFECTIVE DATE

19 SECTION 3.001. (a) The Texas Department of Insurance shall
20 conduct a study to determine:

21 (1) to what extent cross border health benefit plans
22 authorized under Chapter 1510, Insurance Code, as added by this
23 Act, are being used by persons eligible to enroll in health benefit
24 plans to which that law applies; and

25 (2) the impact of cross border health benefit plans
26 on:

27 (A) the number of persons without health benefit

1 plan coverage in this state;

2 (B) public health care expenditures; and

3 (C) health care providers.

4 (b) On or before January 1, 2011, the commissioner of
5 insurance shall report the findings of the study conducted under
6 this section to the governor, the lieutenant governor, the speaker
7 of the house of representatives, and the Legislative Budget Board.

8 (c) The Health and Human Services Commission and any other
9 state agency shall cooperate with the Texas Department of Insurance
10 as necessary to implement this section.

11 (d) This section expires September 1, 2011.

12 SECTION 3.002. Except as provided by Section 3.003, the
13 commissioner of insurance shall adopt rules as necessary to
14 implement Chapter 1510, Insurance Code, as added by this Act, not
15 later than November 30, 2007.

16 SECTION 3.003. The commissioner of insurance shall adopt
17 rules under Subchapter B-1, Chapter 1510, Insurance Code, as added
18 by this Act, not later than December 31, 2007.

19 SECTION 3.004. (a) This Act applies only to a cross border
20 health benefit plan, as defined by Chapter 1510, Insurance Code, as
21 added by this Act, that is offered by a health benefit plan issuer
22 on or after January 1, 2008. A health benefit plan offered by a
23 health benefit plan issuer before January 1, 2008, is governed by
24 the law as it existed immediately before the effective date of this
25 Act, and that law is continued in effect for that purpose.

26 (b) A health benefit plan issuer may not offer a cross
27 border health benefit plan, as defined by Chapter 1510, Insurance

1 Code, as added by this Act, before January 1, 2008.

2 SECTION 3.005. To the extent of any conflict, this Act
3 prevails over the Act of the 80th Legislature, Regular Session,
4 2007, relating to nonsubstantive additions to and corrections in
5 enacted codes (the general code update bill), and over the Act of
6 the 80th Legislature, Regular Session, 2007, relating to
7 nonsubstantive additions to and corrections in the Insurance Code
8 (update of the Insurance Code).

9 SECTION 3.006. This Act takes effect September 1, 2007.