

By: Shapleigh

S.B. No. 206

A BILL TO BE ENTITLED

AN ACT

relating to the reporting of information concerning the rescission of health benefit plans.

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

SECTION 1. Subtitle G, Title 8, Insurance Code, is amended by adding Chapter 1515 to read as follows:

CHAPTER 1515. INFORMATION CONCERNING RESCINDED HEALTH BENEFIT PLANS

Sec. 1515.001. DEFINITION. In this chapter, "coverage document" means a policy or certificate evidencing the coverage of an individual or group under a health benefit plan described by Section 1515.002.

Sec. 1515.002. APPLICABILITY. (a) This chapter applies only to a health benefit plan, including a small or large employer health benefit plan written under Chapter 1501, 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;

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

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

5 (5) a reciprocal exchange operating under Chapter 942;

6 (6) a Lloyd's plan operating under Chapter 941;

7 (7) a health maintenance organization operating under
8 Chapter 843;

9 (8) a multiple employer welfare arrangement that holds
10 a certificate of authority under Chapter 846; or

11 (9) an approved nonprofit health corporation that
12 holds a certificate of authority under Chapter 844.

13 (b) This chapter does not apply to:

14 (1) a health benefit plan that provides coverage only:

15 (A) for a specified disease or diseases or under
16 an individual limited benefit policy;

17 (B) for accidental death or dismemberment;

18 (C) as a supplement to a liability insurance
19 policy; or

20 (D) for dental or vision care;

21 (2) disability income insurance coverage or a
22 combination of accident only and disability income insurance
23 coverage;

24 (3) credit insurance coverage;

25 (4) a hospital confinement indemnity policy;

26 (5) a Medicare supplemental policy as defined by
27 Section 1882(g)(1), Social Security Act (42 U.S.C. Section 1395ss),

1 as amended;

2 (6) a workers' compensation insurance policy;

3 (7) medical payment insurance coverage provided under
4 a motor vehicle insurance policy; or

5 (8) a long-term care insurance policy, including a
6 nursing home fixed indemnity policy, unless the commissioner
7 determines that the policy provides benefits so comprehensive that
8 the policy is a health benefit plan described by Subsection (a) and
9 is not exempted from the application of this chapter.

10 Sec. 1515.003. REPORT. (a) Each health benefit plan
11 issuer authorized to issue coverage documents in this state shall
12 submit a report to the department containing the rescission rates
13 of coverage documents issued by the issuer.

14 (b) In addition to the rescission rates described by
15 Subsection (a), the report must contain:

16 (1) the number of individuals whose coverage document
17 was rescinded by the health benefit plan issuer during the
18 reporting period for each type of health benefit plan to which this
19 chapter applies;

20 (2) the total number of enrollees that were covered by
21 rescinded coverage documents before those documents were
22 rescinded; and

23 (3) the reasons for rescission of rescinded coverage
24 documents for each type of health benefit plan to which this chapter
25 applies.

26 (c) The commissioner shall adopt rules necessary to
27 implement this section, including rules concerning any applicable

1 reporting period and the form of the report required under
2 Subsection (a).

3 Sec. 1515.004. INTERNET POSTING; CONSUMER HOTLINE.

4 (a) The department shall post on the department's Internet
5 website:

6 (1) the information contained in the reports received
7 under Section 1515.003 that is not confidential or proprietary; and

8 (2) a form through which consumers may report
9 rescission of a health benefit plan and complaints or suspected
10 violations of the law governing the rescission of health benefit
11 plans.

12 (b) For purposes of Subsection (a), aggregated information
13 regarding a health benefit plan issuer's rescission rates is not
14 confidential or proprietary.

15 (c) The department shall operate a toll-free telephone
16 hotline to:

17 (1) respond to consumer inquiries concerning the
18 rescission of health benefit plans; and

19 (2) provide information to consumers concerning the
20 rescission of health benefit plans and technical assistance with
21 the completion of the form described by Subsection (a)(2).

22 SECTION 2. The commissioner of insurance shall adopt rules
23 under Subsection (c), Section 1515.003, Insurance Code, as added by
24 this Act, not later than January 1, 2010. The rules must require
25 health benefit plan issuers to submit the first report under
26 Section 1515.003, Insurance Code, as added by this Act, not later
27 than April 1, 2010.

1 SECTION 3. This Act takes effect immediately if it receives
2 a vote of two-thirds of all the members elected to each house, as
3 provided by Section 39, Article III, Texas Constitution. If this
4 Act does not receive the vote necessary for immediate effect, this
5 Act takes effect September 1, 2009.