

By: Shapleigh

S.B. No. 206

A BILL TO BE ENTITLED

AN ACT

relating to the reporting of information concerning the
cancellation or 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 INFORMATION CONCERNING CANCELED OR RESCINDED HEALTH
BENEFIT PLANS

Sec. 1515.001. 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;

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

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

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

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

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

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

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

9 (b) This chapter does not apply to:

10 (1) a health benefit plan that provides coverage:

11 (A) only for a specified disease or for another
12 limited benefit other than an accident policy;

13 (B) only for accidental death or dismemberment;

14 (C) for wages or payments in lieu of wages for a
15 period during which an employee is absent from work because of
16 sickness or injury;

17 (D) as a supplement to a liability insurance
18 policy;

19 (E) for credit insurance;

20 (F) only for dental or vision care;

21 (G) only for hospital expenses; or

22 (H) only for indemnity for hospital confinement;

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

26 (3) a workers' compensation insurance policy;

27 (4) medical payment insurance coverage provided under

1 a motor vehicle insurance policy; or

2 (5) a long-term care insurance policy, including a
3 nursing home fixed indemnity policy, unless the commissioner
4 determines that the policy provides benefit coverage so
5 comprehensive that the policy is a health benefit plan described by
6 Subsection (a).

7 Sec. 1515.002. REPORT. (a) Each health benefit plan issuer
8 authorized to issue health benefit plans in this state shall submit
9 a report to the department containing the cancellation and
10 rescission rates of health benefit plans issued by the issuer.

11 (b) In addition to the cancellation and rescission rates
12 described by Subsection (a), the report must contain:

13 (1) the number of health benefit plans canceled or
14 rescinded by the health benefit plan issuer during the reporting
15 period, expressed both in the aggregate and individually for each
16 type of health benefit plan;

17 (2) the total number of enrollees that were covered by
18 canceled or rescinded health benefit plans before those plans were
19 canceled or rescinded;

20 (3) the reasons for cancellation or rescission of
21 canceled or rescinded health benefit plans, expressed both in the
22 aggregate and individually for each type of health benefit plan;
23 and

24 (4) if known by the health benefit plan issuer,
25 information concerning whether an enrollee covered by a health
26 benefit plan that was canceled or rescinded by the health benefit
27 plan issuer during the reporting period subsequently obtained

1 health benefit plan coverage under another health benefit plan,
2 including a health benefit plan issued by the Texas Health
3 Insurance Risk Pool under Chapter 1506.

4 (c) The commissioner shall adopt rules necessary to
5 implement this section, including rules concerning any applicable
6 reporting period and the form of the report required under
7 Subsection (a).

8 Sec. 1515.003. INTERNET POSTING; CONSUMER HOTLINE. (a) The
9 department shall post on the department's Internet website:

10 (1) the information contained in the reports received
11 under Section 1515.002; and

12 (2) a form through which consumers may report
13 cancellation or rescission of a health benefit plan and complaints
14 or suspected violations of the law governing the cancellation or
15 rescission of health benefit plans.

16 (b) The department shall operate a toll-free telephone
17 hotline to:

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

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

24 SECTION 2. The commissioner of insurance shall adopt rules
25 under Section 1515.002(c), Insurance Code, as added by this Act,
26 not later than January 1, 2010. The rules must require health
27 benefit plan issuers to submit the first report under Section

1 1515.002, Insurance Code, as added by this Act, not later than April
2 1, 2010.

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