

1-1 By: Shapleigh S.B. No. 206
1-2 (In the Senate - Filed November 10, 2008; February 11, 2009,
1-3 read first time and referred to Committee on State Affairs;
1-4 May 1, 2009, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 8, Nays 0; May 1, 2009, sent
1-6 to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 206 By: Deuell

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the reporting of information concerning the rescission
1-11 of health benefit plans.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Subtitle G, Title 8, Insurance Code, is amended
1-14 by adding Chapter 1515 to read as follows:

1-15 CHAPTER 1515. INFORMATION CONCERNING RESCINDED HEALTH BENEFIT
1-16 PLANS

1-17 Sec. 1515.001. DEFINITION. In this chapter, "coverage
1-18 document" means a policy or certificate evidencing the coverage of
1-19 an individual or group under a health benefit plan described by
1-20 Section 1515.002.

1-21 Sec. 1515.002. APPLICABILITY. (a) This chapter applies
1-22 only to a health benefit plan, including a small or large employer
1-23 health benefit plan written under Chapter 1501, that provides
1-24 benefits for medical or surgical expenses incurred as a result of a
1-25 health condition, accident, or sickness, including an individual,
1-26 group, blanket, or franchise insurance policy or insurance
1-27 agreement, a group hospital service contract, or an individual or
1-28 group evidence of coverage or similar coverage document that is
1-29 offered by:

1-30 (1) an insurance company;

1-31 (2) a group hospital service corporation operating
1-32 under Chapter 842;

1-33 (3) a fraternal benefit society operating under
1-34 Chapter 885;

1-35 (4) a stipulated premium company operating under
1-36 Chapter 884;

1-37 (5) a reciprocal exchange operating under Chapter 942;

1-38 (6) a Lloyd's plan operating under Chapter 941;

1-39 (7) a health maintenance organization operating under
1-40 Chapter 843;

1-41 (8) a multiple employer welfare arrangement that holds
1-42 a certificate of authority under Chapter 846; or

1-43 (9) an approved nonprofit health corporation that
1-44 holds a certificate of authority under Chapter 844.

1-45 (b) This chapter does not apply to:

1-46 (1) a health benefit plan that provides coverage only:

1-47 (A) for a specified disease or diseases or under
1-48 an individual limited benefit policy;

1-49 (B) for accidental death or dismemberment;

1-50 (C) as a supplement to a liability insurance
1-51 policy; or

1-52 (D) for dental or vision care;

1-53 (2) disability income insurance coverage or a
1-54 combination of accident only and disability income insurance
1-55 coverage;

1-56 (3) credit insurance coverage;

1-57 (4) a hospital confinement indemnity policy;

1-58 (5) a Medicare supplemental policy as defined by
1-59 Section 1882(g)(1), Social Security Act (42 U.S.C. Section 1395ss),
1-60 as amended;

1-61 (6) a workers' compensation insurance policy;

1-62 (7) medical payment insurance coverage provided under
1-63 a motor vehicle insurance policy; or

2-1 (8) a long-term care insurance policy, including a
2-2 nursing home fixed indemnity policy, unless the commissioner
2-3 determines that the policy provides benefits so comprehensive that
2-4 the policy is a health benefit plan described by Subsection (a) and
2-5 is not exempted from the application of this chapter.

2-6 Sec. 1515.003. REPORT. (a) Each health benefit plan
2-7 issuer authorized to issue coverage documents in this state shall
2-8 submit a report to the department containing the rescission rates
2-9 of coverage documents issued by the issuer.

2-10 (b) In addition to the rescission rates described by
2-11 Subsection (a), the report must contain:

2-12 (1) the number of individuals whose coverage document
2-13 was rescinded by the health benefit plan issuer during the
2-14 reporting period for each type of health benefit plan to which this
2-15 chapter applies;

2-16 (2) the total number of enrollees that were covered by
2-17 rescinded coverage documents before those documents were
2-18 rescinded; and

2-19 (3) the reasons for rescission of rescinded coverage
2-20 documents for each type of health benefit plan to which this chapter
2-21 applies.

2-22 (c) The commissioner shall adopt rules necessary to
2-23 implement this section, including rules concerning any applicable
2-24 reporting period and the form of the report required under
2-25 Subsection (a).

2-26 Sec. 1515.004. INTERNET POSTING; CONSUMER HOTLINE.
2-27 (a) The department shall post on the department's Internet
2-28 website:

2-29 (1) the information contained in the reports received
2-30 under Section 1515.003 that is not confidential or proprietary; and

2-31 (2) a form through which consumers may report
2-32 rescission of a health benefit plan and complaints or suspected
2-33 violations of the law governing the rescission of health benefit
2-34 plans.

2-35 (b) For purposes of Subsection (a), aggregated information
2-36 regarding a health benefit plan issuer's rescission rates is not
2-37 confidential or proprietary.

2-38 (c) The department shall operate a toll-free telephone
2-39 hotline to:

2-40 (1) respond to consumer inquiries concerning the
2-41 rescission of health benefit plans; and

2-42 (2) provide information to consumers concerning the
2-43 rescission of health benefit plans and technical assistance with
2-44 the completion of the form described by Subsection (a)(2).

2-45 SECTION 2. The commissioner of insurance shall adopt rules
2-46 under Subsection (c), Section 1515.003, Insurance Code, as added by
2-47 this Act, not later than January 1, 2010. The rules must require
2-48 health benefit plan issuers to submit the first report under
2-49 Section 1515.003, Insurance Code, as added by this Act, not later
2-50 than April 1, 2010.

2-51 SECTION 3. This Act takes effect immediately if it receives
2-52 a vote of two-thirds of all the members elected to each house, as
2-53 provided by Section 39, Article III, Texas Constitution. If this
2-54 Act does not receive the vote necessary for immediate effect, this
2-55 Act takes effect September 1, 2009.

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