

By: Shapleigh

S.B. No. 207

A BILL TO BE ENTITLED

AN ACT

relating to prohibition of certain compensation based on rescinding, canceling, or limiting coverage under health benefit plans.

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

SECTION 1. Subtitle C, Title 6, Insurance Code, is amended by adding Chapter 848 to read as follows:

CHAPTER 848. CERTAIN COMPENSATION PROHIBITED

Sec. 848.001. APPLICABILITY. This chapter applies to a health benefit plan that provides benefits in this state 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) a reciprocal 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 Sec. 848.002. PROHIBITED COMPENSATION. (a) The issuer of a
7 health benefit plan may not permit or provide compensation or
8 another thing of value to a person or entity who is employed by, or
9 who contracts with the issuer to provide services to, the issuer,
10 including an agent, based on, or related in any way to:

11 (1) the number of insurance policies, insurance
12 agreements, contracts, or evidences of coverage that the person or
13 entity has caused or recommended to be rescinded, canceled, or
14 limited; or

15 (2) any resulting savings accruing to the issuer
16 because of adverse determinations regarding claims for benefits,
17 reductions of or limitations on benefits, or other analogous
18 actions.

19 (b) A health benefit plan issuer may not set performance
20 goals or quotas, or provide compensation to any person or entity who
21 is employed by, or who contracts with the issuer to provide services
22 to the issuer, including an agent, based on:

23 (1) the number of persons whose health benefit plan
24 coverage is rescinded; or

25 (2) any financial savings to the issuer associated
26 with rescission of coverage.

27 SECTION 2. This Act takes effect September 1, 2009.