

By: Duncan

S.B. No. 1430

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of certain exclusive provider benefit plans.

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

SECTION 1. Section 1273.001(4), Insurance Code, is amended to read as follows:

(4) "Point-of-service plan" means an arrangement under which:

(A) an enrollee chooses to obtain benefits or services through:

(i) a health maintenance organization delivery network, including a limited provider network; or

(ii) a non-network delivery system outside the health maintenance organization delivery network, including an exclusive provider benefit plan under Chapter 1301 or a limited provider network, that is administered under an indemnity benefit arrangement for the cost of health care services; or

(B) indemnity benefits for the cost of health care services are provided by an insurer or group hospital service corporation in conjunction with network benefits arranged or provided by a health maintenance organization.

SECTION 2. Section 1301.001, Insurance Code, is amended by amending Subdivision (1) and adding Subdivision (1-a) to read as follows:

1 (1) "Exclusive provider benefit plan" means a benefit
2 plan in which an insurer excludes benefits to an insured for some or
3 all services, other than emergency care services required under
4 Section 1301.155, provided by a physician or health care provider
5 who is not a preferred provider.

6 (1-a) "Health care provider" means a practitioner,
7 institutional provider, or other person or organization that
8 furnishes health care services and that is licensed or otherwise
9 authorized to practice in this state. The term does not include a
10 physician.

11 SECTION 3. Section 1301.003, Insurance Code, is amended to
12 read as follows:

13 Sec. 1301.003. PREFERRED PROVIDER BENEFIT PLANS AND
14 EXCLUSIVE PROVIDER BENEFIT PLANS PERMITTED. A preferred provider
15 benefit plan or an exclusive provider benefit plan [~~health~~
16 ~~insurance policy that provides different benefits from the basic~~
17 ~~level of coverage for the use of preferred providers and]~~ that meets
18 the requirements of this chapter is not:

- 19 (1) unjust under Chapter 1701;
20 (2) unfair discrimination under Subchapter A or B,
21 Chapter 544; or
22 (3) a violation of Subchapter B or C, Chapter 1451.

23 SECTION 4. Section 1301.0041, Insurance Code, is amended to
24 read as follows:

25 Sec. 1301.0041. APPLICABILITY. (a) Except as otherwise
26 specifically provided by this chapter, this [~~This~~] chapter applies
27 to each [~~any~~] preferred provider benefit plan in which an insurer

1 provides, through the insurer's health insurance policy, for the
2 payment of a level of coverage that is different from the basic
3 level of coverage provided by the health insurance policy if the
4 insured uses a preferred provider.

5 (b) Unless otherwise specified, an exclusive provider
6 benefit plan is subject to this chapter in the same manner as a
7 preferred provider benefit plan.

8 SECTION 5. Subchapter A, Chapter 1301, Insurance Code, is
9 amended by adding Section 1301.0042 to read follows:

10 Sec. 1301.0042. APPLICABILITY OF INSURANCE LAW. A
11 provision of this code or another insurance law of this state that
12 applies to a preferred provider benefit plan applies to an
13 exclusive provider benefit plan to the extent that the commissioner
14 determines the provision to be consistent with the function and
15 purpose of an exclusive provider benefit plan.

16 SECTION 6. Section 1301.0045, Insurance Code, is amended to
17 read as follows:

18 Sec. 1301.0045. CONSTRUCTION OF CHAPTER. (a) Except as
19 provided by Section 1301.0046, this chapter may not be construed to
20 limit the level of reimbursement or the level of coverage,
21 including deductibles, copayments, coinsurance, or other
22 cost-sharing provisions, that are applicable to preferred
23 providers or, for plans other than exclusive provider benefit
24 plans, nonpreferred providers.

25 (b) Except as provided by Section 1301.155, this chapter may
26 not be construed to require an exclusive provider benefit plan to
27 compensate a nonpreferred provider for services provided to an

1 insured.

2 SECTION 7. Section 1301.0046, Insurance Code, is amended to
3 read as follows:

4 Sec. 1301.0046. COINSURANCE REQUIREMENTS FOR SERVICES OF
5 NONPREFERRED PROVIDERS. The insured's coinsurance applicable to
6 payment to nonpreferred providers may not exceed 50 percent of the
7 total covered amount applicable to the medical or health care
8 services. This section does not apply to an exclusive provider
9 benefit plan.

10 SECTION 8. Section 1301.005, Insurance Code, is amended by
11 adding Subsection (d) to read as follows:

12 (d) This section does not apply to an exclusive provider
13 benefit plan.

14 SECTION 9. The change in law made by this Act applies only
15 to an exclusive provider benefit plan that is delivered, issued for
16 delivery, or renewed on or after January 1, 2012. An exclusive
17 provider benefit plan that is delivered, issued for delivery, or
18 renewed before January 1, 2012, is governed by the law as it existed
19 immediately before the effective date of this Act, and that law is
20 continued in effect for that purpose.

21 SECTION 10. This Act takes effect September 1, 2011.