

## **BILL ANALYSIS**

Senate Research Center

H.B. 3024  
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Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Interested parties note that dentistry has seen a decrease in the number of private pay patients and an increase in the number of patients covered by dental insurance. Dental patients are often covered by two or more separate insurance policies that provide for dental expenses, creating conflict between the insurance policies and the dentist. H.B. 3024 seeks to provide for the coordination of benefits between the separate providers and to allow dental patients to fully benefit from coverage.

H.B. 3024 amends current law relating to coordination of dental benefits under certain insurance policies.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 1203, Insurance Code, by adding Subchapter B, as follows:

#### **SUBCHAPTER B. DENTAL INSURANCE**

Sec. 1203.051. **APPLICABILITY OF SUBCHAPTER; EXCEPTION.** (a) Provides that this subchapter applies only to an insurance policy that provides benefits for dental expenses, including, except as provided by Subsection (b) an individual, group, blanket, or franchise insurance policy or insurance agreement, or a group hospital service contract, that is offered by certain health care entities as set forth.

(b) Provides that this subchapter does not apply to a separate dental policy that exclusively provides a non-coordinated, fixed indemnity benefit, regardless of expenses incurred paid directly to the policyholder or to the provider under an assignment of benefits provision.

Sec. 1203.052. **COORDINATION OF BENEFITS BETWEEN PRIMARY AND SECONDARY INSURERS.** (a) Provides that this section applies if an insured is covered by at least two different insurance policies and each policy provides the insured dental benefits.

(b) Provides that the primary insurer, as determined under a coordination of benefits provision applicable to the policies, is responsible for dental expenses covered under the insurance policy issued by the primary insurer up to the full amount of any policy limit applicable to the covered dental expenses.

(c) Provides that, before the policy limit described by Subsection (b) is reached, the secondary insurer, as determined under a coordination of benefits provision applicable to the policies, is responsible only for dental expenses covered under the insurance policy issued by the secondary insurer that are not covered under the policy issued by the primary insurer.

(d) Provides that, after the policy limit described by Subsection (b) has been reached, the secondary insurer, in addition to the responsibility described by Subsection (c), is responsible for any dental expenses covered by both policies that exceed the policy limit described by Subsection (b), not to exceed the policy limit of the secondary policy.

Sec. 1203.053. CERTAIN COORDINATION OF BENEFITS PROVISIONS PROHIBITED. Prohibits an insurance policy subject to this subchapter from being delivered, issued for delivery, or renewed in this state if:

- (1) a provision of the policy excludes or reduces the payment of benefits for dental expenses to or on behalf of an insured;
- (2) the reason for the exclusion or reduction is that dental benefits are payable or have been paid to or on behalf of the insured under another insurance policy; and
- (3) the exclusion or reduction would apply before the full amount of the dental expenses incurred by the insured and covered by both policies have been paid or reimbursed or the full amount of the applicable policy limit of the policy containing the exclusion or reduction is reached.

Sec. 1203.054. CERTAIN COORDINATION OF BENEFITS PROVISIONS VOID. Provides that a provision of an insurance policy that violates Section 1203.053 is void.

SECTION 2. Amends Chapter 1203, Insurance Code, by designating Sections 1203.001 through 1203.003 as Subchapter A and adding a subchapter heading to read as follows:

#### SUBCHAPTER A. SUPPLEMENTAL INSURANCE POLICIES

SECTION 3. Amends Section 1203.001, Insurance Code, as follows:

Sec. 1203.001. New heading: APPLICABILITY OF SUBCHAPTER. (a) Provides that this subchapter, rather than this chapter, applies only to certain accident insurance policies as set forth or an evidence of coverage as defined by Section 843.002 (Definitions).

(b) Provides that this subchapter, rather than this chapter, does not apply to an individual accident and health insurance policy that is designed to fully integrate with other policies through a variable deductible.

SECTION 4. Makes application of this Act prospective to January 1, 2016.

SECTION 5. Effective date: September 1, 2015.