BILL ANALYSIS

H.B. 477
By: Collier
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Concerns have been raised over the fact that many individuals purchasing health insurance do not know or understand what is included in their health benefit plan. H.B. 477 seeks to address these concerns by requiring certain health benefit plan issuers to provide health coverage information to agents acting on behalf of the issuer with respect to the sale of an individual health benefit plan and by prohibiting agents from selling such a plan without first providing the information to the prospective purchaser.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the commissioner of insurance in SECTION 1 of this bill.

ANALYSIS

H.B. 477 amends the Insurance Code to require a health benefit plan issuer that offers an individual health benefit plan to provide health coverage information adopted by the commissioner of insurance to each agent who acts on behalf of the health benefit plan issuer with respect to the sale of the individual health benefit plan. The bill prohibits an agent who receives such health coverage information from selling or receiving an application for an individual health benefit plan issued by the health benefit plan issuer that provided the information until the agent provides the health coverage information to the prospective purchaser of the individual health benefit plan. The bill requires the commissioner by rule to adopt the form and content of the required health coverage information and requires the information to be designed to educate a prospective purchaser of an individual health benefit plan about policy and coverage provisions, including copayments, deductibles, and coinsurance, provider networks, and financial responsibilities for in-network and out-of-network services.

EFFECTIVE DATE

January 1, 2018.