

By: Sheffield

H.B. No. 4391

A BILL TO BE ENTITLED

1 AN ACT
2 relating to certain group and individual health benefit plans and
3 the provision of health care benefits under health care plans
4 through provider networks.

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

6 SECTION 1. Subtitle C, Title 6, Insurance Code, is amended
7 by adding Chapter 849 to read as follows:

8 CHAPTER 849. PROHIBITION OF PROVIDER NETWORKS

9 Sec. 849.0001. PURPOSE; CERTAIN PRACTICES PROHIBITED. The
10 purpose of this chapter is to prohibit the provision of health care
11 benefits by entities such as insurers and health maintenance
12 organizations through provider networks, preferred providers, or
13 similar arrangements.

14 Sec. 849.0002. DEFINITION. In this chapter, "health
15 benefit plan issuer" means:

16 (1) a health maintenance organization operating under
17 Chapter 843 or other person who arranges for or provides to
18 enrollees on a prepaid basis a health care plan, a limited health
19 care service plan, or a single health care service plan; and

20 (2) a life, health, and accident insurance company,
21 health and accident insurance company, health insurance company, or
22 other company operating under Chapter 841, 842, 884, 885, 982,
23 1301, or 1501, that is authorized to issue, deliver, or issue for
24 delivery in this state health insurance policies.

1 Sec. 849.0003. PROHIBITION OF NETWORKS. (a) A health
2 benefit plan issuer may not:

3 (1) arrange for or provide to covered persons health
4 care services using a delivery network that directly or indirectly
5 contracts or subcontracts with physicians and other health care
6 providers;

7 (2) provide, through a policy or plan, for the payment
8 of a level of coverage that is different from the basic level of
9 coverage provided by the policy or plan if the covered person uses a
10 physician or health care provider, or an organization of physicians
11 or health care providers, who contracts to provide medical or
12 health care services to persons covered by the policy or plan; or

13 (3) otherwise provide health care benefits or arrange
14 for health care benefits to be provided to a covered person by
15 contracting directly or indirectly with a physician or health care
16 provider, or an organization of physicians or health care
17 providers, to provide medical or health care services to a covered
18 person on a capitation basis or otherwise.

19 (b) This section applies without regard to whether the
20 physician or health care provider who is a party to a contract
21 described by Subsection (a) is designated as a network provider or a
22 preferred provider or uses another designation.

23 (c) Notwithstanding any other law, a health benefit plan
24 issuer may provide health care benefits only by indemnifying the
25 covered person for medical or health care expenses.

26 Sec. 849.0004. EXCEPTION. Notwithstanding Section
27 849.0003, health care benefits under the following programs may be

1 provided through health maintenance organizations, provider
2 networks, preferred providers, or similar arrangements:

3 (1) the child health plan program operated under
4 Chapter 62, Health and Safety Code;

5 (2) the state Medicaid program operated under Chapter
6 32, Human Resources Code;

7 (3) the Medicaid managed care program operated under
8 Chapter 533, Government Code;

9 (4) the group benefits program under Chapter 1551;

10 (5) the group program under Chapter 1575;

11 (6) the uniform group coverage program under Chapter
12 1579; and

13 (7) the uniform program under Chapter 1601.

14 SECTION 2. Subtitle B, Title 8, Insurance Code, is amended
15 by adding Chapter 1255 to read as follows:

16 CHAPTER 1255. RESTRICTION OF AVAILABILITY OF GROUP HEALTH COVERAGE
17 IN CERTAIN CIRCUMSTANCES

18 Sec. 1255.0001. APPLICABILITY OF CHAPTER. (a) This
19 chapter applies only to a health benefit plan that provides
20 benefits for medical or surgical expenses incurred as a result of a
21 health condition, accident, or sickness, including a group,
22 blanket, or franchise insurance policy or insurance agreement, a
23 group hospital service contract, or a group evidence of coverage or
24 similar coverage document that is issued by:

25 (1) an insurance company;

26 (2) a group hospital service corporation operating
27 under Chapter 842;

1 (3) a health maintenance organization operating under
2 Chapter 843;

3 (4) an approved nonprofit health corporation that
4 holds a certificate of authority under Chapter 844;

5 (5) a multiple employer welfare arrangement that holds
6 a certificate of authority under Chapter 846;

7 (6) a stipulated premium company operating under
8 Chapter 884;

9 (7) a fraternal benefit society operating under
10 Chapter 885;

11 (8) a Lloyd's plan operating under Chapter 941; or

12 (9) an exchange operating under Chapter 942.

13 (b) Notwithstanding any other law, this chapter applies to a
14 small employer health benefit plan subject to Chapter 1501,
15 including coverage provided through a health group cooperative
16 under Subchapter B of that chapter.

17 Sec. 1255.0002. RESTRICTION ON AVAILABILITY OF GROUP HEALTH
18 COVERAGE. (a) Notwithstanding Chapter 1251 or any other law, a
19 group health benefit policy that provides health benefits to an
20 employer group may not require that each employee eligible to
21 receive group health benefit coverage as a member of the employer
22 group be covered by the policy.

23 (b) An employee who is eligible to receive group health
24 benefit coverage as a member of an employer group may elect to
25 instead obtain health benefit coverage in the individual market or
26 from another source.

27 SECTION 3. The commissioner of insurance shall adopt rules

1 not later than January 1, 2020, to implement Chapters 849 and 1255,
2 Insurance Code, as added by this Act.

3 SECTION 4. The changes in law made by this Act apply only to
4 a health benefit plan that is delivered, issued for delivery, or
5 renewed on or after January 1, 2021. A health benefit plan
6 delivered, issued for delivery, or renewed before January 1, 2021,
7 is governed by the law as it existed immediately before the
8 effective date of this Act, and that law is continued in effect for
9 that purpose.

10 SECTION 5. This Act takes effect September 1, 2019.