

By: Johnson of Dallas

H.B. No. 621

A BILL TO BE ENTITLED

AN ACT

relating to payment of health benefit claims in coordination with third-party liability insurance.

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

SECTION 1. Chapter 1203, Insurance Code, is amended by adding Subchapter C to read as follows:

SUBCHAPTER C. THIRD-PARTY LIABILITY INSURANCE

Sec. 1203.101. DEFINITIONS. In this subchapter:

(1) "Enrollee" means an individual who is eligible for coverage under a health benefit plan, including a covered dependent.

(2) "Health benefit plan" means a group, blanket, or franchise insurance policy, a group hospital service contract, or a group subscriber contract or evidence of coverage issued by a health maintenance organization, that provides benefits for health care services.

(3) "Health benefit plan issuer" means an entity authorized under this code or another insurance law of this state that provides health insurance or health benefits in this state.

Sec. 1203.102. APPLICABILITY OF SUBCHAPTER. (a) This subchapter applies only to a health benefit plan that provides benefits 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

1 agreement, a group hospital service contract, or an individual or
2 group evidence of coverage or similar coverage document that is
3 issued by:

4 (1) an insurance company;

5 (2) a group hospital service corporation operating
6 under Chapter 842;

7 (3) a health maintenance organization operating under
8 Chapter 843;

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

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

13 (6) a stipulated premium company operating under
14 Chapter 884;

15 (7) a fraternal benefit society operating under
16 Chapter 885;

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

18 (9) an exchange operating under Chapter 942.

19 (b) Notwithstanding any other law, this subchapter applies
20 to:

21 (1) a small employer health benefit plan subject to
22 Chapter 1501, including coverage provided through a health group
23 cooperative under Subchapter B of that chapter;

24 (2) a standard health benefit plan issued under
25 Chapter 1507;

26 (3) a basic coverage plan under Chapter 1551;

27 (4) a basic plan under Chapter 1575;

1 (5) a primary care coverage plan under Chapter 1579;

2 (6) a plan providing basic coverage under Chapter
3 1601;

4 (7) health benefits provided by or through a church
5 benefits board under Subchapter I, Chapter 22, Business
6 Organizations Code;

7 (8) group health coverage made available by a school
8 district in accordance with Section 22.004, Education Code;

9 (9) the state Medicaid program, including the Medicaid
10 managed care program operated under Chapter 533, Government Code;

11 (10) the child health plan program under Chapter 62,
12 Health and Safety Code;

13 (11) a regional or local health care program operated
14 under Section 75.104, Health and Safety Code;

15 (12) a self-funded health benefit plan sponsored by a
16 professional employer organization under Chapter 91, Labor Code;

17 (13) county employee group health benefits provided
18 under Chapter 157, Local Government Code; and

19 (14) health and accident coverage provided by a risk
20 pool created under Chapter 172, Local Government Code.

21 Sec. 1203.103. DELAY OF PAYMENT PROHIBITED. A health
22 benefit plan issuer may not delay payment of a claim or provision of
23 coverage for a benefit under the issuer's health benefit plan on the
24 basis that the enrollee may be eligible to recover under a third
25 party's liability insurance policy.

26 SECTION 2. Section 1203.103, Insurance Code, as added by
27 this Act, applies only to a health benefit plan delivered, issued

1 for delivery, or renewed on or after January 1, 2022. A health
2 benefit plan delivered, issued for delivery, or renewed before
3 January 1, 2022, is governed by the law as it existed immediately
4 before the effective date of this Act, and that law is continued in
5 effect for that purpose.

6 SECTION 3. This Act takes effect September 1, 2021.