

By: Hull

H.B. No. 3045

A BILL TO BE ENTITLED

AN ACT

relating to financial regulation of certain life, health, and  
accident insurers and health maintenance organizations.

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

SECTION 1. Sections 841.351(c) and (d), Insurance Code, are  
amended to read as follows:

(c) A domestic insurance company may, at its option,  
withdraw a deposit made under Subsection (a), or any portion of the  
deposit~~[, after substituting a deposit of securities of a like  
class and of an amount and value equal to the withdrawn deposit or  
portion of deposit]~~.

(d) The commissioner must first approve any securities  
deposited or withdrawn ~~[being substituted]~~ under this section.

SECTION 2. Section 843.082, Insurance Code, is amended to  
read as follows:

Sec. 843.082. REQUIREMENTS FOR APPROVAL OF APPLICATION.  
The commissioner shall issue a certificate of authority on payment  
of the application fee prescribed by Section 843.154(c) if the  
commissioner is satisfied that:

(1) with respect to health care services to be  
provided, the applicant:

(A) has demonstrated the willingness and  
potential ability to ensure that the health care services will be  
provided in a manner to:

1 (i) ensure both availability and  
2 accessibility of adequate personnel and facilities; and

3 (ii) enhance availability, accessibility,  
4 quality of care, and continuity of services;

5 (B) has arrangements, established in accordance  
6 with rules adopted by the commissioner, for a continuing quality of  
7 health care assurance program concerning health care processes and  
8 outcomes; and

9 (C) has a procedure, that is in accordance with  
10 rules adopted by the commissioner, to develop, compile, evaluate,  
11 and report statistics relating to the cost of operation, the  
12 pattern of utilization of services, and availability and  
13 accessibility of services;

14 (2) the person responsible for the conduct of the  
15 affairs of the applicant is competent, is trustworthy, and has a  
16 good reputation;

17 (3) the health care plan, limited health care service  
18 plan, or single health care service plan is an appropriate  
19 mechanism through which the health maintenance organization will  
20 effectively provide or arrange for the provision of basic health  
21 care services, limited health care services, or a single health  
22 care service on a prepaid basis, through insurance or otherwise,  
23 except to the extent of reasonable requirements for copayments;

24 (4) the health maintenance organization is fully  
25 responsible and may reasonably be expected to meet its obligations  
26 to enrollees and prospective enrollees, after considering:

27 (A) the financial soundness of the health care

1 plan's arrangement for health care services and the schedule of  
2 charges used in connection with the arrangement;

3 (B) the adequacy of working capital;

4 (C) any agreement with an insurer, a group  
5 hospital service corporation, a political subdivision of  
6 government, or any other organization for insuring the payment of  
7 the cost of health care services or providing for automatic  
8 applicability of an alternative coverage in the event the plan is  
9 discontinued; and

10 (D) any agreement that provides for the provision  
11 of health care services; and

12 [~~(E) any deposit of cash or securities submitted~~  
13 ~~in accordance with Section 843.405 as a guarantee that the~~  
14 ~~obligations will be performed; and]~~

15 (5) the proposed plan of operation, as shown by the  
16 information submitted under Section 843.078 and, if applicable,  
17 Section 843.079, or by independent investigation, does not violate  
18 state law.

19 SECTION 3. Subchapter L, Chapter 843, Insurance Code, is  
20 amended by adding Section 843.4055 to read as follows:

21 Sec. 843.4055. DEPOSIT WITH OR WITHDRAWAL FROM COMPTROLLER.

22 (a) A health maintenance organization may, at its option and after  
23 receiving commissioner approval, deposit with the comptroller  
24 cash, securities, or any combination of cash, securities, and other  
25 guarantees.

26 (b) A health maintenance organization may, at its option and  
27 after receiving commissioner approval, withdraw a deposit made

1 under Subsection (a) or any portion of the deposit.

2 SECTION 4. Section 534.153, Health and Safety Code, is  
3 amended to read as follows:

4 Sec. 534.153. APPLICATION OF LAWS AND RULES. A health  
5 maintenance organization created and operating under this  
6 subchapter is governed as, and is subject to the same laws and rules  
7 of the Texas Department of Insurance as, any other health  
8 maintenance organization of the same type. The commissioner of  
9 insurance may adopt rules as necessary to accept funding sources  
10 other than the sources specified by Section 843.4055 [~~843.405~~],  
11 Insurance Code, from a nonprofit health maintenance organization  
12 created and operating under this subchapter, to meet the minimum  
13 surplus requirements of that section.

14 SECTION 5. The following provisions of the Insurance Code  
15 are repealed:

- 16 (1) Section 841.355;
- 17 (2) Section 841.357;
- 18 (3) Sections 843.105(d), (e), (f), and (g);
- 19 (4) Section 843.402; and
- 20 (5) Section 843.405.

21 SECTION 6. On the effective date of this Act, the  
22 comptroller of public accounts of the State of Texas shall release,  
23 transfer, and deliver to the owner any deposits made by a health  
24 maintenance organization under former Sections 843.105(g),  
25 843.402, and 843.405, Insurance Code.

26 SECTION 7. This Act takes effect September 1, 2021.