

## **BILL ANALYSIS**

Senate Research Center  
88R24284 CJD-D

H.B. 2002  
By: Oliverson; Price (Hancock)  
Health & Human Services  
5/12/2023  
Engrossed

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

Many health insurance plans have deductibles, which is the amount of money a person must pay out of pocket before their health plan's full coverage applies. Additionally, some health plans have a maximum out-of-pocket limit, which is the most a person will have to pay for covered medical expenses in a given year. Once the out-of-pocket limit is reached, the health plan pays 100 percent of covered medical expenses for the remainder of the plan year. In some circumstances, the cash price that a doctor or medical facility offers for a treatment, test, or procedure is less costly than a health plan's negotiated rate. However, patients are not currently incentivized to seek out these deals because their cash payments do not count toward their deductible or maximum out-of-pocket expenses.

H.B. 2002 will allow any out-of-pocket cash payment made by an individual for medically necessary services and supplies to be credited toward their deductible and maximum out-of-pocket expenses. Allowing out-of-pocket payments to be credited in this manner provides several benefits, including encouraging cost-saving behavior, increasing health care affordability and access, and improving patient satisfaction.

H.B. 2002 amends current law relating to preferred provider benefit plan out-of-pocket expense credits for payments made by an insured directly to a physician or health care provider.

### **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 Subchapter C-1, Chapter 1301, Insurance Code, by adding Section 1301.140, as follows:

Sec. 1301.140. OUT-OF-POCKET EXPENSE CREDIT. (a) Requires an insurer to credit toward an insured's deductible and annual maximum out-of-pocket expenses an amount the insured pays directly to any physician or health care provider for a medically necessary covered medical or health care service or supply if a claim for the service or supply is not submitted to the insurer and the amount paid by the insured to the physician or health care provider is less than the average discounted rate for the service or supply paid to an equivalently licensed or authorized preferred provider under the insured's preferred provider benefit plan.

(b) Requires an insurer to:

- (1) establish a procedure by which an insured is authorized to claim a credit under Subsection (a); and
- (2) identify documentation necessary to support a claim for a credit under Subsection (a).

(c) Requires that the information about the procedure and documentation described by Subsection (b) be readily accessible to an insured on the insurer's Internet website.

SECTION 2. Makes application of Section 1301.140, Insurance Code, as added by this Act, prospective to January 1, 2024.

SECTION 3. Effective date: September 1, 2023.