

## **BILL ANALYSIS**

C.S.H.B. 3523  
By: Gervin-Hawkins  
Insurance  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Concerned parties note that certain cancer treatments can cause hair loss, and that, although patients may gain emotional wellbeing and dignity by using hair prostheses, such as wigs, these items are often not covered by insurance. C.S.H.B. 3523 seeks to address these concerns by requiring certain health benefit plans to provide coverage for an appropriate hair prosthesis.

### **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 this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 3523 amends the Insurance Code to require certain health benefit plans to provide coverage for a hair prosthesis for an enrollee who is undergoing or has undergone medical treatment for cancer and determined by the enrollee's treating physician to be appropriate for the enrollee in connection with the side effects of such treatment. The bill requires certain health benefit plans to provide coverage for repair or replacement of such a hair prosthesis unless the repair or replacement is necessitated by misuse or loss by the enrollee. The bill sets the minimum benefit amount for that coverage at \$100 for a hair prosthesis or the repair or replacement of a hair prosthesis and prohibits an additional premium from being charged for the coverage. The required coverage for a hair prosthesis or the repair or replacement of a hair prosthesis may be subject to the annual deductibles, copayments, and coinsurance that are consistent with annual deductibles, copayments, and coinsurance for other coverage under the health benefit plan. The bill establishes the applicability of its provisions and exempts a qualified health plan from the bill's coverage requirements if a determination is made under specified federal regulations that the bill's provisions require the plan to offer benefits in addition to the essential health benefits required under the federal Patient Protection and Affordable Care Act and that the state is required to defray the cost of the benefits mandated by the bill. The bill applies only to a health benefit plan that is delivered, issued for delivery, or renewed on or after January 1, 2018.

### **EFFECTIVE DATE**

September 1, 2017.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 3523 may differ from the original in minor or nonsubstantive ways, the

following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

#### INTRODUCED

SECTION 1. The heading to Chapter 1371, Insurance Code, is amended.

SECTION 2. Chapter 1371, Insurance Code, is amended.

SECTION 3. Chapter 1371, Insurance Code, is amended.

SECTION 4. Sections 1371.003(b), (c), and (e), Insurance Code, are amended.

SECTION 5. Section 1371.005, Insurance Code, is amended.

SECTION 6. Chapter 1371, Insurance Code, is amended by adding Subchapter C to read as follows:

#### SUBCHAPTER C. HAIR PROSTHESES

Sec. 1371.051. APPLICABILITY OF SUBCHAPTER. (a) In addition to a health benefit plan subject to this chapter under Section 1371.002, this subchapter applies 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 or group evidence of coverage or similar coverage document that is issued by an approved nonprofit health corporation that holds a certificate of authority under Chapter 844.

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

(1) a standard health benefit plan issued under Chapter 1507;

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

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

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

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

(6) a regional or local health care program operated under Section 75.104, Health and

#### HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Same as introduced version.

SECTION 2. Same as introduced version.

SECTION 3. Same as introduced version.

SECTION 4. Same as introduced version.

SECTION 5. Same as introduced version.

SECTION 6. Chapter 1371, Insurance Code, is amended by adding Subchapter C to read as follows:

#### SUBCHAPTER C. HAIR PROSTHESES FOR CANCER PATIENTS

Sec. 1371.051. APPLICABILITY OF SUBCHAPTER. (a) In addition to a health benefit plan subject to this chapter under Section 1371.002, this subchapter applies 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 or group evidence of coverage or similar coverage document that is issued by an approved nonprofit health corporation that holds a certificate of authority under Chapter 844.

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

(1) a standard health benefit plan issued under Chapter 1507;

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

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

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

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

(6) a regional or local health care program operated under Section 75.104, Health and

Safety Code;

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

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

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

(c) This subchapter applies to coverage under a group health benefit plan provided to a resident of this state regardless of whether the group policy, agreement, or contract is delivered, issued for delivery, or renewed in this state.

Sec. 1371.052. CONDITIONAL EXCEPTION.

Sec. 1371.053. REQUIRED COVERAGE FOR HAIR PROSTHESES.

(a) A health benefit plan must provide coverage for:

(1) a hair prosthesis determined to be appropriate in consultation with the enrollee's treating physician; and

(2) repair or replacement of a hair prosthesis described by Subdivision (1) unless the repair or replacement is necessitated by misuse or loss by the enrollee.

(b) The benefit amount for the coverage required under Subsection (a) must be not less than \$100 for a hair prosthesis or the repair or replacement of a hair prosthesis.

(c) An additional premium may not be charged for the coverage required by Subsection (a).

(d) Coverage required under Subsection (a) may be subject to the annual deductibles, copayments, and coinsurance that are consistent with annual deductibles, copayments, and coinsurance for other coverage under the health benefit plan.

SECTION 7. If before implementing any provision of this Act a state agency determines that a waiver or authorization

Safety Code; and

(7) a self-funded health benefit plan sponsored by a professional employer organization under Chapter 91, Labor Code.

(c) This subchapter applies to coverage under a group health benefit plan provided to a resident of this state regardless of whether the group policy, agreement, or contract is delivered, issued for delivery, or renewed in this state.

Sec. 1371.052. CONDITIONAL EXCEPTION.

Sec. 1371.053. REQUIRED COVERAGE FOR HAIR PROSTHESES FOR CERTAIN CANCER PATIENTS.

(a) A health benefit plan must provide coverage for:

(1) a hair prosthesis:

(A) for an enrollee who is undergoing or has undergone medical treatment for cancer; and

(B) determined by the enrollee's treating physician to be appropriate for the enrollee in connection with the side effects of the treatment described by Paragraph (A); and

(2) repair or replacement of a hair prosthesis described by Subdivision (1) unless the repair or replacement is necessitated by misuse or loss by the enrollee.

(b) The benefit amount for the coverage required under Subsection (a) must be not less than \$100 for a hair prosthesis or the repair or replacement of a hair prosthesis.

(c) An additional premium may not be charged for the coverage required by Subsection (a).

(d) Coverage required under Subsection (a) may be subject to the annual deductibles, copayments, and coinsurance that are consistent with annual deductibles, copayments, and coinsurance for other coverage under the health benefit plan.

SECTION 7. Same as introduced version.

from a federal agency is necessary for implementation of that provision, the agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted.

SECTION 8. Subchapter C, Chapter 1371, Insurance Code, as added by this Act, applies only to a health benefit plan that is delivered, issued for delivery, or renewed on or after January 1, 2018. A health benefit plan delivered, issued for delivery, or renewed before January 1, 2018, is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 9. This Act takes effect September 1, 2017.

SECTION 8. Same as introduced version.

SECTION 9. Same as introduced version.