

BILL ANALYSIS

C.S.H.B. 3560
By: Oliverson
Insurance
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties express concern regarding the nationwide obesity epidemic, which increases medical spending and causes numerous additional health risks, and contend that the legislature should have more information regarding health benefit coverage for obesity to more effectively help combat this epidemic. C.S.H.B. 3560 seeks to address this concern by providing for a joint interim study regarding health benefit coverage for obesity under certain health benefit plans.

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. 3560 creates a joint interim committee to study health benefit coverage for the diagnosis and treatment of obesity provided by group health benefit plans in the private market and plans and programs provided through government entities. The bill sets out the committee's composition, which includes two senators appointed by the lieutenant governor, two representatives appointed by the speaker of the house of representatives, and one member who serves as the committee's presiding officer and is appointed by the governor and requires the committee to convene at the call of the presiding officer. The bill sets out the committee's duties in conducting the study and grants the committee all other powers and duties provided to a special or select committee by the rules of the senate and house of representatives, by the Legislative Reorganization Act of 1961, and by policies of the senate and house committees on administration. The bill provides for the reimbursement of committee members for expenses incurred in carrying out the committee's purposes and requires the lieutenant governor, the speaker of the house of representatives, and the governor to appoint the committee members not later than the 60th day after the bill's effective date.

C.S.H.B. 3560 requires the committee, not later than January 15, 2019, to report the committee's findings and recommendations to the lieutenant governor, the speaker of the house of representatives, and the governor and to include in its recommendations specific statutory changes, including changes to Insurance Code provisions relating to benefits payable under health coverages, that may appear necessary or advisable from the committee's study.

C.S.H.B. 3560 expires September 1, 2019.

EFFECTIVE DATE

September 1, 2017.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3560 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

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Subtitle E, Title 8, Insurance Code, is amended by adding Chapter 1372 to read as follows:

No equivalent provision.

CHAPTER 1372. OBESITY

Sec. 1372.001. APPLICABILITY OF CHAPTER. (a) This chapter applies only to a group health benefit plan that provides benefits for medical or surgical expenses incurred as a result of a health condition, accident, or sickness, including a group insurance policy, group insurance agreement, group hospital service contract, or group evidence of coverage or similar coverage document that is offered by:

- (1) an insurance company;
- (2) a group hospital service corporation operating under Chapter 842;
- (3) a health maintenance organization operating under Chapter 843;
- (4) a multiple employer welfare arrangement that holds a certificate of authority under Chapter 846;
- (5) a stipulated premium company operating under Chapter 884; or
- (6) a fraternal benefit society operating under Chapter 885.

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

Sec. 1372.002. CONDITIONAL EXCEPTION. This chapter does not apply to a qualified health plan if a determination is made under 45 C.F.R. Section 155.170 that:

- (1) this chapter requires the plan to offer benefits in addition to the essential health benefits required under 42 U.S.C. Section 18022(b); and

(2) this state is required to defray the cost of the benefits mandated under this chapter.

Sec. 1372.003. REQUIRED COVERAGE FOR OBESITY. (a) A group health benefit plan must provide coverage, based on medical necessity, for the diagnosis and treatment of obesity.

(b) Coverage required under Subsection (a) is limited to a service, including bariatric surgery and nutritional counseling and therapy, or a medication, to the extent the group health benefit plan provides pharmacy benefits, ordered by a licensed physician, psychiatrist, psychologist, or therapist within the scope of the practitioner's license and in accordance with a treatment plan.

(c) On request from the group health benefit plan issuer, an obesity treatment plan must include all elements necessary for the issuer to pay a claim under the group health benefit plan, which may include a diagnosis, goals, and proposed treatment by type, frequency, and duration.

No equivalent provision.

SECTION 1. JOINT INTERIM COMMITTEE. (a) A joint interim committee is created to study health benefit coverage for the diagnosis and treatment of obesity provided by:

(1) group health benefit plans in the private market; and

(2) plans and programs provided through government entities.

(b) The committee shall be composed of:

(1) two senators appointed by the lieutenant governor;

(2) two representatives appointed by the speaker of the house of representatives; and

(3) one member appointed by the governor, who shall serve as the committee's presiding officer.

(c) The committee shall convene at the call of the presiding officer.

(d) The committee has all other powers and duties provided to a special or select committee by the rules of the senate and house of representatives, by Subchapter B, Chapter 301, Government Code, and by policies of the senate and house committees on administration.

(e) From the contingent expense fund of the senate and the contingent expense fund of the

house of representatives equally, the members of the committee are entitled to reimbursement for expenses incurred in carrying out the provisions of this section in accordance with the rules of the senate and house of representatives and the policies of the senate and house committees on administration.

(f) Not later than the 60th day after the effective date of this Act, the lieutenant governor, the speaker of the house of representatives, and the governor shall appoint the members of the interim committee created under this section.

No equivalent provision.

SECTION 2. STUDY. The committee created under Section 1 of this Act shall, with respect to coverage for the diagnosis and treatment of obesity provided by the plans and programs described by Section 1(a) of this Act:

(1) study:

(A) health benefits that are currently provided by those plans and programs; and

(B) exclusions from coverage under those plans and programs;

(2) identify the extent to which health benefit coverage provided is mandated or discretionary;

(3) identify diagnostic services and treatments for which coverage is not offered by those plans and programs;

(4) determine the justifications for offering, limiting, or excluding coverage and how decisions to offer, limit, or exclude coverage are made;

(5) calculate and compare the direct and indirect costs to an individual, the state, and the state economy associated with:

(A) the provision of mandated coverage;

(B) the provision of other various levels of coverage; and

(C) the exclusion of coverage; and

(6) identify the barriers that limit new or additional coverage.

No equivalent provision.

SECTION 3. FINDINGS AND RECOMMENDATIONS. Not later than January 15, 2019, the committee created under Section 1 of this Act shall report the committee's findings and recommendations to the lieutenant governor, the speaker of the house of representatives, and the governor. The committee shall include in its recommendations specific statutory changes, including changes to Subtitle E, Title 8,

Insurance Code, that may appear necessary or advisable from the committee's study under Section 2 of this Act.

SECTION 2. Not later than November 1 of each even-numbered year, the comptroller of public accounts shall prepare and submit to the legislature a biennial report on the human and financial cost of obesity in this state. This section expires December 1, 2020.

No equivalent provision.

SECTION 3. The changes in law made by this Act apply only to a group health benefit plan delivered, issued for delivery, or renewed on or after January 1, 2018.

No equivalent provision.

No equivalent provision.

SECTION 4. EXPIRATION. This Act expires September 1, 2019.

SECTION 4. This Act takes effect September 1, 2017.

SECTION 5. EFFECTIVE DATE. This Act takes effect September 1, 2017.