

BILL ANALYSIS

Senate Research Center

S.B. 387
By: Harris
Economic Development
2-14-97
As Filed

DIGEST

Currently, there is no statewide standardized system of rating health maintenance organizations (HMOs). Increasingly, consumers and employers in Texas are desiring reliable and comparable information to select among several health care plans. This bill directs the Office of Public Insurance Counsel to establish and implement a standardized rating system and annual consumer report cards to compare HMOs.

PURPOSE

As proposed, S.B. 387 creates a rating system and a consumer report card for the comparison of health care plans.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 1, insurance Code, by adding Article 1.35A-1, as follows:

ARTICLE. 1.35A-1. HEALTH CARE PLAN REPORT CARDS

Sec. 1. RATING SYSTEM. Requires the office of public insurance counsel (office) to establish a rating system to compare and evaluate the quality of health maintenance organizations (HMOs). Sets forth which information will be solicited by the rating system. Authorizes the office to enter into contracts as necessary to implement this section. Requires the office to have access to data collected by the Texas Health Care Information Council and from HMOs, except certain confidential documents under the Government and Insurance Codes.

Sec. 2. CONSUMER REPORT CARDS. Requires the office to develop consumer report cards on HMOs licensed under this state, which include certain information. Sets forth required information and explanations to be included in consumer report cards.

Sec. 3. CONFIDENTIALITY OF DATA AND INFORMATION. Requires the information collected by the office to be used for the benefit of the public. Provides that the office is subject to the open records law. Requires the office to make determinations on requests for information in favor of access. Prohibits the office from releasing, and a person or entity from gaining access to certain data. Provides that information collected by the office is subject to confidentiality provisions and criminal penalties. Provides that records on patients, physicians, and compilations, reports, or analyses produced from the data collected or received are not subject to legal compulsion or admissible in any civil, administrative or criminal proceeding. Authorizes the office to use zip code information to analyze data on a geographic basis.

Sec. 4. ADVISORY COMMITTEE. Requires the public counsel to appoint an advisory committee (committee) to assist the office. Provides the constituency of the committee. Requires the deliberations of the committee to be subject to the open meetings law. Prohibits

members of the committee to from receiving compensation or reimbursement for serving on the committee.

Sec. 5. **AUTHORITY.** Requires the public counsel to have certain duties and powers under Article 1.35A, Insurance Code.

Sec. 6. **REPORT TO LEGISLATURE.** Requires the public counsel to provide a report to the governor and legislature by January 1, 1999, on the effectiveness of the office in carrying out this article.

SECTION 2. Effective date: September 1, 1997.

SECTION 3. Emergency clause.