

BILL ANALYSIS

Senate Research Center
77R12555 AJA-D

H.B. 2430
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Business & Commerce
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Engrossed

DIGEST AND PURPOSE

The 76th Legislature established the consumer assistance program to assist consumers with concerns regarding health maintenance organizations (HMOs) regulated by the Texas Department of Insurance (department). However, many individuals are covered by insurance plans that are not regulated by the department and may not understand their options when choosing a health care plan, or be aware of their rights and responsibilities when insurance approvals or payments are delayed or denied. H.B. 2430 creates a consumer assistance program to provide information to all health insurance consumers who have questions about insurance options and to assist persons who are experiencing problems with their insurance coverage.

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 Chapter 21E, Insurance Code, by adding Article 21.53Z, as follows:

Art. 21.53Z. HEALTH BENEFIT PLAN CONSUMERS ASSISTANCE PROGRAM

Sec. 1. DEFINITION. Defines "consumer."

Sec. 2. HEALTH BENEFIT PLAN DEFINED. Defines "health benefit plan."

Sec. 3. HEALTH BENEFIT PLAN CONSUMERS ASSISTANCE PROGRAM. (a) Establishes the health benefit plan consumers assistance program (program) in the office of public insurance counsel (office). Authorizes the office to contract, through a request for proposals, with a nonprofit organization to operate the program. Requires the office, if it enters into a contract under this subsection, to monitor the performance of the nonprofit organization that operates the program.

(b) Sets forth program requirements.

(c) Sets forth program authority.

(d) Authorizes the office or an entity contracting with the office to implement this article to establish an advisory committee composed of consumers, health care providers, and representatives of health benefit plan issuers.

(e) Prohibits a nonprofit organization contracting with the office under Subsection (a) of this section from being involved in providing health care or issuing health benefit plans and requires it to demonstrate that the organization has expertise in providing direct assistance to consumers who have concerns or problems involving health benefit plans.

Sec. 4. SCOPE OF PROGRAM; REFERRAL. Requires the program to supplement and not duplicate services provided by existing public and private programs or state agencies, including the Texas Department of Insurance (department) and the office, and to refer consumers to other programs or agencies as appropriate.

Sec. 5. PROVISION OF CERTAIN INFORMATION BY ISSUER OF HEALTH BENEFIT PLAN REQUIRED. (a) Requires the issuer of a health benefit plan to include in the plan's enrollment information materials notice of the availability of the health benefit plan consumers assistance program and describe the services provided by the program. Requires the membership information materials to include the program's toll-free telephone number and state that a consumer can call the program for information or assistance in resolving a problem or filing a complaint involving the health benefit plan.

(b) Requires the issuer of a health benefit plan to provide the information required under Subsection (a) of this section in writing to any person who makes an oral or written complaint to the issuer involving the plan.

(c) Provides that this section does not apply to the medical assistance program, except that this section applies to a Medicaid managed care organization. Provides that this section does not apply to the federal Medicare program or to a self-insured employee benefit plan that is subject to the Employee Retirement Income Security Act of 1974 (29 U.S.C. Section 1001 et seq.), as amended, other than a multiple employer welfare arrangement that holds a certificate of authority under Article 3.95-2 of this code.

Sec. 6. REFERRAL BY DEPARTMENT. Requires the department, if it receives a complaint from a consumer involving a health benefit plan that is not subject to regulation by the department, to inform the consumer about the services provided by the program and provide the consumer with the program's toll-free telephone number.

Sec. 7. APPLICABILITY OF SUNSET ACT. Provides that, if the health benefit plan consumers assistance program is not continued in existence as provided by Chapter 325, Government Code (Texas Sunset Act), as that Act applies to the performance of the functions of the office of public insurance counsel under Section 7, Article 1.35A of this code, the program is abolished and this article expires September 1, 2005.

SECTION 2. Repealers: Sections 5 and 6, Chapter 1457, Acts of the 76th Legislature, Regular Session, 1999.

SECTION 3. Effective date: September 1, 2001.