

BILL ANALYSIS

Senate Research Center

H.B. 2498
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Engrossed

DIGEST AND PURPOSE

Millions of people living or working near the Texas-Mexico border are uninsured. One complicating factor is that border residents sometimes receive medical treatment in both the United States and Mexico. H.B. 2498 creates a cross-border health insurance arrangement that allows Texas-based employers to offer health insurance coverage for services in Mexico to Mexican nationals who work or reside within 62 miles of the Texas-Mexico border.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the commissioner of insurance in SECTION 1 (Article 20B.06, Insurance Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Title 1, Insurance Code, by adding Chapter 20B, as follows:

CHAPTER 20B. CROSS-BORDER HEALTH CARE PLAN

Art. 20B.01. SHORT TITLE. Authorizes this chapter to be cited as the Cross-Border Health Care Plan Act.

Art. 20B.02. DEFINITIONS. Defines “basic health care services,” “cross-border health care plan,” “emergency care,” “enrollee,” “health care plan,” “health care services,” “health maintenance organization,” and “health maintenance organization delivery network.”

Art. 20B.03. ELIGIBILITY FOR COVERAGE. Authorizes a cross-border health care plan (plan) only to be offered or made available to certain persons and their dependents.

Art. 20B.04. COVERAGE OFFERED. (a) Authorizes a health maintenance organization (HMO) licensed to provide basic health care services under the Texas Health Maintenance Organization Act (Chapter 20A, Insurance Code) to offer a plan to individuals or to small employers or large employers, as those terms are defined by Article 26.02 of this code. Provides that an HMO, in arranging for or providing a plan, has all of the powers and authority granted under Section 6, Texas Health Maintenance Organization Act.

(b) Authorizes a plan to limit its service area to a geographic region within the United Mexican States and to limit the coverage of out-of-area health care services delivered in this state to emergency care services. Provides that the delivery of emergency care services in this state under the plan is subject to the requirements of Section 4(a)(16), Texas Health Maintenance Organization Act.

(c) Requires the delivery of health care services through the HMO delivery network located in the United Mexican States to be based on and determined by the prevailing community standards in the United Mexican States, and provides that the licensing of

physicians and providers is governed by the applicable laws of the United Mexican States. Provides that a physician or provider providing health care services through the delivery network is not required to be licensed by this state. Provides that the credentialing, peer review, and quality of care standards used by an HMO offering a plan is governed by the standards that apply in the United Mexican States.

(d) Authorizes a plan to be made available to eligible employees of a small or large employer, and their dependents, only when chosen by the employer as an option among two or more health benefit plans, at least one of which provides coverage for health care services delivered in this state.

(e) Requires an HMO that offers a plan to contract with sufficient providers and physicians to assure that all health care services for which coverage is provided will be reasonably available and accessible.

Art. 20B.05. APPLICABILITY OF TEXAS HEALTH MAINTENANCE

ORGANIZATION ACT. (a) Requires a plan to satisfy the requirements of Section 9, Texas Health Maintenance Organization Act, with certain exceptions. Requires an HMO to file the form of its plan for information only with the commissioner of insurance (commissioner), accompanied by a certification on its behalf that on best knowledge, information, and belief, the filed form complies in all respects with the applicable provisions of certain laws, rules, and regulations.

(b) Provides that a plan and the HMO offering such a plan are exempt from the requirements of certain laws and any rules or regulations adopted under those laws. Provides that the commissioner is not required to examine an HMO with respect to the quality of health care services delivered under a plan by providers and physicians located in the United Mexican States.

(c) Sets forth the extent to which certain sections of the Texas Health Maintenance Organization Act apply to a plan.

(d) Provides that Section 26, Texas Health Maintenance Organization Act applies to a plan, except that Subsection (i)(3) of that section does not apply to a plan. Provides that Articles 21.07-6 and 21.58A, Insurance Code, do not apply to the activities of physicians, providers, and other persons doing business in the United Mexican States.

Art. 20B.06. RULES AND REGULATIONS. Authorizes the commissioner to adopt certain reasonable rules and regulations.

SECTION 2. Effective date: September 1, 2001.
Makes application of this Act prospective.