

BILL ANALYSIS

Senate Research Center
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S.B. 1530
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Self-funded plans are estimated to comprise at least forty percent of the commercial health insurance market in Texas. Self-funded plans are used by employers, which are usually larger, in order to operate their own health plan instead of purchasing a fully-insured plan from a health insurance carrier. Currently, self-funded plans are not permitted to take advantage of the surprise medical bill mediation process operated by the Texas Department of Insurance (TDI) because they are regulated by Employee Retirement Income Security Act (ERISA), a federal law. Texas currently has a mediation process through TDI that allows for enrollees with a commercial insurance plan, TRS, TRS ActiveCare, or ERS to contact TDI if they receive a surprise balance bill for over five hundred dollars for emergency care or for an out-of-network provider at an in-network facility. Federal law does not have a dispute resolution process for enrollees of self-funded plans to resolve surprise medical bill disputes.

S.B. 1530 allows for self-funded health insurance plans to opt-into the surprise medical bill mediation process at TDI.

As proposed, S.B. 1530 amends current law relating to the applicability of mediation requirements for balance billing to certain health benefit plans.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Department of Insurance in SECTION 4 of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 1467.001, Insurance Code, by amending Subdivisions (1), (2-a), (2-b), and (3) and adding Subdivision (2-c), as follows:

(1) Redefines "administrator" to mean:

(A)-(B) makes nonsubstantive changes to these paragraphs; and

(C) if applicable, an administrating firm for an eligible plan for which an election is made under Section 1467.0021.

(2-a) Defines "eligible plan."

(2-b) Creates this subdivision from existing text defining "emergency care" and makes no further changes.

(2-c) Redesignates existing Subdivision (2-b) defining "emergency care provider" as this subdivision and makes no further changes.

(3) Redefines "enrollee" as an individual who is eligible to receive benefits through a health benefit plan subject to this chapter (Out-of-Network Claim Dispute Resolution), rather than through a preferred provider benefit plan or a health benefit plan under Chapters 1551 (Texas Employees Group Benefits Act),

1575 (Texas Public School Employees Group Benefits Program), or 1579 (Texas School Employees Uniform Group Health Coverage).

SECTION 2. Amends Section 1467.002, Insurance Code, as follows:

Sec. 1467.002. APPLICABILITY OF CHAPTER. Provides that this chapter applies to:

(1)–(2) makes nonsubstantive changes to these subdivisions; and

(3) an eligible plan for which the plan sponsor makes an election under Section 1467.0021.

SECTION 3. Amends Subchapter A, Chapter 1467, Insurance Code, by adding Section 1467.0021, as follows:

Sec. 1467.0021. ELECTIVE APPLICABILITY. (a) Authorizes a plan sponsor of an eligible plan to elect on an annual basis for this chapter to apply to the plan. Requires a sponsor making an election to provide written notice of the election to the Texas Department of Insurance (TDI) in the form and manner required by TDI rule.

(b) Requires an administrator of an eligible plan for which an election is made under Subsection (a) to ensure that the plan and any evidence of coverage complies with this chapter.

SECTION 4. Requires TDI to adopt rules necessary to implement Section 1467.0021, Insurance Code, as added by this Act, not later than December 31, 2019.

SECTION 5. Makes application of this Act prospective to January 1, 2020.

SECTION 6. Effective date: September 1, 2019.