

## **BILL ANALYSIS**

S.B. 1530  
By: Hancock  
Insurance  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

It has been suggested that certain plan sponsors of a managed care plan that is a self-funded or self-insured employee welfare benefit plan should be allowed to opt into the strong state protections related to mediation for out-of-network claims. S.B. 1530 seeks to address this issue by authorizing a plan sponsor of such plans to apply provisions relating to out-of-network claim dispute resolution to the plan.

### **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 rulemaking authority is expressly granted to the Texas Department of Insurance in SECTION 3 of this bill.

### **ANALYSIS**

S.B. 1530 amends the Insurance Code to authorize a plan sponsor of an eligible plan, as defined by the bill, to apply provisions relating to out-of-network claim dispute resolution to the plan. The bill requires a sponsor making such 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. The bill requires an administrator of the eligible plan for which the election is made to ensure that the plan and any evidence of coverage complies with those provisions. The bill requires TDI to adopt rules necessary to implement the bill's provisions relating to elective applicability not later than August 31, 2021. The bill applies only to a managed care plan that is delivered, issued for delivery, or renewed on or after September 1, 2021.

### **EFFECTIVE DATE**

January 1, 2020.