

SUBJECT: Health-care plan payments to public facilities

COMMITTEE: Insurance: favorable, without amendment

VOTE: 5 ayes--Gavin, S. Hudson, Cavazos, Taylor, S. Thompson
0 nays
4 absent--Criss, Patrick, Price, Shea

WITNESSES: For--King Hillier, Harris County Hospital District;
Kay Simonton, State Board of insurance
Against--None

BACKGROUND: When an employer chooses to provide health care benefits to employees without recourse to an insurance company, it is usually called a self-insurance plan or program. The employer retains the risk to settle liability claims.

Self-insurance health care plans and programs are regulated only under federal law by the Employee Retirement Income Security Act (ERISA).

DIGEST: HB 2029 would amend the Insurance Code so that health care plans and programs could not include provisions in their coverage barring payment to state hospitals, hospital districts, hospital authorities or units of local government. As long as the hospital charged the customary amount for services, a health care plan or program would be required to pay expenses incurred by their beneficiaries.

The provisions in HB 2029 would not apply to chronic disease care in charitable institutions, mental facilities, tuberculosis or cancer treatment facilities.

NOTES: A related bill, HB 2028 by Colbert, on today's calendar, would make school district health care plans subject to the provisions of HB 2029.