

**SUBJECT:** Interim committee on mandated health care benefits.

**COMMITTEE:** Insurance — committee substitute recommended

**VOTE:** 8 ayes — Smithee, Burnam, G. Lewis, J. Moreno, Olivo, Seaman, Thompson, Wise  
0 nays  
1 absent — Eiland

**WITNESSES:** For — Judy Richardson; Kay Simonton, Blue Cross/Blue Shield of Texas  
Against — None

**BACKGROUND:** Mandated benefits are federal and state laws requirements for health insurance coverage for certain treatments that control the way that a plan can reimburse some health care providers.

**DIGEST:** CSHB 1919 would require the lieutenant governor and the speaker to appoint a joint interim committee to study mandated benefits for health care plans. With the assistance of the Texas Department of Insurance, the interim committee would study and make recommendations on:

- ! the effect of mandated benefits on the cost and accessibility of health benefit coverage;
- ! the effect of mandated benefits on improving and maintaining the health of Texans;
- ! the number and percentage of residents making claims for the mandated benefits; and
- ! the impact and feasibility of eliminating, revising, or providing alternatives to mandated benefits.

The committee would submit its report and recommendations to the Legislature not later than January 1, 2001. CSHB 1919 would expire and the committee would be abolished on June 1, 2001.

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SUPPORTERS  
SAY:

The joint interim study that CSHB 1919 would authorize is needed to provide important data on mandated health benefits to help determine state policy. There is disagreement over the impact of mandated benefits on the cost and accessibility of health benefit plans. For example, critics of mandated benefits say these laws result in higher premiums, making health insurance too expensive for some consumers. Meanwhile, supporters say these laws are intended to set basic standards for health plans to help consumers who cannot predict their health needs at the time they enroll in a plan and while they do not increase costs, health plans use mandated benefits as an excuse to raise their premiums. There have been conflicting studies that support both sides of the debate. CSHB 1919 would help answer these important questions and lay the foundation for the 77th Legislature to examine this issue in detail.

OPPONENTS  
SAY:

No apparent opposition.

NOTES:

The original bill would have amended the Insurance Code to require the Texas Health Care Information Council to complete the study and would have established different goals and standards for the review on mandated benefits.