

SUBJECT: Health plan enrollee's consent to receive certain information electronically

COMMITTEE: Insurance — favorable, without amendment

VOTE: 7 ayes — Oliverson, Vo, Hull, Israel, Middleton, Paul, Romero

0 nays

2 absent — J. González, Sanford

SENATE VOTE: On final passage, April 29 — 30-1 (Hall), on Local and Uncontested Calendar

WITNESSES: No public hearing.

BACKGROUND: Insurance Code ch. 35 authorizes entities regulated by the Texas Department of Insurance, including certain insurers, to conduct business electronically.

Under sec. 35.004(c), regulated entities may deliver information electronically if relevant parties are notified and give consent. Sec. 35.001 defines "party" as a recipient, including an applicant, insured, policyholder, enrollee, or annuity contract holder, of certain required information that is part of an insurance transaction.

DIGEST: SB 2124 would allow the sponsor of a health benefit plan, including a vision or dental benefit plan, to consent to the electronic delivery of information on behalf of a party enrolled in the plan. Before consenting on behalf of a party, a plan sponsor would have to:

- provide the party with statements required under current law;
- confirm that the party routinely used electronic communications during the normal course of employment; and
- provide the party an opportunity to opt out of electronic delivery.

"Plan sponsor" would be defined as a person, other than a regulated entity,

who established, adopted, or maintained a health plan, including an employer-sponsored plan, that covered residents of the state.

The bill would take effect September 1, 2021, and would apply to a health benefit plan issued or renewed on or after January 1, 2022.

**SUPPORTERS
SAY:**

SB 2124 would ensure more enrollees in health benefit plans could opt in to receive certain information electronically. Currently, many enrollees are unaware of this option, even though electronic communication is more convenient and secure for insurers and some enrollees. The bill would allow a sponsor of a health plan to opt in an enrollee to receive information electronically after sufficient notice and consent were given, which also would help reduce paper waste and insurers' administrative burden. Only after all three criteria in the bill were met could a health plan sponsor opt in an enrollee to receive information electronically.

**CRITICS
SAY:**

SB 2124 should allow an individual to consent to the electronic delivery of information, rather than granting that authority to the sponsor of the health plan.

NOTES:

The House companion bill, HB 2276 by Lucio, was considered by the House Insurance Committee in a public hearing on April 6, reported favorably on April 27, and sent to the Calendars Committee.