

BILL ANALYSIS

Senate Research Center

H.B. 1194
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Economic Development
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Engrossed

DIGEST

The 75th Texas Legislature enacted legislation creating the statewide rural health care system. This system provided rural communities an alternative to urban-based health maintenance organizations now operating in rural Texas. To improve the implementation of the system, changes could be made as to the designation of rural areas and the regulation of care on a prepaid basis. H.B. 1194 would amend regulation of a statewide rural health care system.

PURPOSE

As proposed, H.B. 1194 amends regulation of a statewide rural health care system.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article 20C.02, Insurance Code, to redefine "rural area." Requires the commissioner of insurance (commissioner) to consider certain criteria in designating rural areas.

SECTION 2. Amends Article 20C.03, Insurance Code, to provide that the statewide rural health care system (system) is established to provide health care services, rather than to provide health care services, on a prepaid basis, to enrollees who reside in rural areas.

SECTION 3. Amends Article 20C.04, Insurance Code, to require the system to obtain a certificate of authority, if the system arranges for or provides health care services to enrollees in exchange for a predetermined payment per enrollee on a prepaid basis. Deletes a requirement that makes a system eligible for designation. Authorizes the commissioner to provide, by rule, exceptions to the application of provisions of Chapter 20A, V.T.I.S. (Texas Health Maintenance Organization Act), relating to mileage, distance, and network adequacy and scope. Makes conforming changes.

SECTION 4. Amends Article 20C.07(a), Insurance Code, to provide that members of the statewide rural health care system (board) serve terms that expire December 1 of each even-numbered year, rather than February 1 of each odd-numbered year.

SECTION 5. Amends Article 20C.08(f), Insurance Code, to authorize, rather than require, the board to appoint an advisory committee to represent certain health care services. Sets forth meeting requirements for the board. Deletes composition requirements of the board.

SECTION 6. Amends Article 20C.14, Insurance Code, as follows:

Art. 20C.14. New heading: MANDATED PROVIDER. Provides that the system operates under certificate of authority of the Texas Health Maintenance Organization Act in regards to certain Medicaid reimbursements. Deletes provisions that make this article inapplicable to certain contracts. Makes conforming changes.

SECTION 7. Effective date: September 1, 1999.
Makes application of this Act prospective.

SECTION 8. Emergency clause.