

BILL ANALYSIS

Senate Research Center
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H.B. 1628
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Economic Development
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Engrossed

DIGEST

Governmental entities (entities) must make competitive bids for health insurance each year. In order to have a fair and efficient bid process, bidders need claims experience data from the entities. In the past, entities' current insurers have withheld the needed claims experience and consequently have hampered the bidding process. H.B. 1628 requires insurers to provide the entities with reports that include claims experience for the previous year and the dollar amount of each large claim paid by the insurer in the previous year.

PURPOSE

As proposed, H.B. 1628 requires insurers to provide the entities with reports that include claims experience for the previous year and the dollar amount of each large claim paid by the insurer in the previous year.

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 Subchapter E, Chapter 21, Insurance Code, by adding Article 21.49-15, as follows:

Art. 21.49-15. INFORMATION REQUIRED TO BE PROVIDED BY INSURER TO GOVERNMENTAL ENTITY WITH WHICH INSURER CONTRACTS

Sec. 1. DEFINITIONS. Defines "governmental entity," "insurer," and "political subdivision" for this article.

Sec. 2. REQUIRED INFORMATION. (a) Requires each insurer that enters into a contract with a governmental entity (entity) that is subject to competitive bidding requirements to provide to the entity a detailed report that includes certain information. Provides that claim information provided by an insurer to the entity under this section: is required to be provided in the aggregate, without information through which a specific individual covered by the health insurance or evidence of coverage may be identified; is authorized to be viewed or used only for contract bidding purposes; and is confidential for purposes of Chapter 552 (Public Information), Government Code.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 1999.

SECTION 4. Emergency clause.