

BILL ANALYSIS

Senate Research Center
76R11922 DB-D

H.B. 3020
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Economic Development
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Engrossed

DIGEST

Currently, health maintenance organizations (HMOs) are not subject to an existing Texas law which requires insurance companies to file withdrawal plans with the Texas Department of Insurance before exiting the Texas market. The statute related to withdrawal plans helps to stabilize the Texas insurance industry by protecting against abrupt market disruptions which may result if insurers haphazardly leave the state. The exclusion of HMOs from the withdrawal plan statute is a concern because the Texas HMO industry has been suffering substantial financial losses. In addition, no protection currently exists to pay the claims of an HMO that goes into receivership. H.B. 3020 would set forth provisions regarding the withdrawal of a health maintenance organization from operations in this state.

PURPOSE

As proposed, H.B. 3020 sets forth provisions regarding the withdrawal of a health maintenance organization from operations.

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 Section 26(i), Article 20A.26, V.T.I.C. (Texas Health Maintenance Organization Act), to provide that a health maintenance organization authorized under this Act is subject to, rather than shall be subject to, Article 21.49-2C, Insurance Code, and is an authorized insurer for the purposes of that article. Makes conforming changes.

SECTION 2. Effective date: September 1, 1999.

SECTION 3. Emergency clause.