

BILL ANALYSIS

Senate Research Center

H.B. 3021
By: Smithee (Sibley)
Economic Development
5/14/1999
Engrossed

DIGEST

In 1975, The 64th Texas Legislature enacted the Texas Health Maintenance Organization Act (Article 20A, V.T.C.S.) to regulate the health maintenance organization (HMO) industry. H.B. 3021 establishes provisions regarding health maintenance organization's complaint and appeals procedures.

PURPOSE

As proposed, H.B. 3021 establishes provisions regarding a health maintenance organization's complaint and appeals procedures.

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 2(f), Article 20A.02, Insurance Code, (Texas Health Maintenance Organization Act), to redefine "complaint."

SECTION 2. Amends Section 12, Article 20A.02, Insurance Code, to require every health maintenance organization (HMO) to implement, rather than establish, and maintain a complaint system to provide reasonable procedures for the resolution of oral and written complaints initiated by enrollees or providers concerning health care services. Establishes requirements for a written request for appeal. Deletes text regarding an internal system for dispute resolution; and the implementation and maintenance of the dispute resolution system. Makes conforming changes.

SECTION 3. Amends Section 12A, Article 20A.12A, Insurance Code, as follows:

Sec. 12A. New heading: APPEAL OF ADVERSE DETERMINATIONS. Deletes text regarding inclusions in the required complaint system. Redefines "adverse determination." Sets forth requirements regarding the implementation and maintenance of an internal appeal system and the procedures for notification within that system. Authorizes the HMO to integrate its appeal procedures related to adverse determinations with the complaint and appeal procedures established, providing certain conditions.

SECTION 4. Amends Section 12A, Article 20A.12A, Insurance Code, to be redesignated as Section 12B.

SECTION 5. Amends Chapter 3G, Insurance Code, by adding Article 3.70-3D, as follows:

Art. 3.70-3D. INDEPENDENT CONSUMER ASSISTANCE PROGRAM FOR HEALTH MAINTENANCE ORGANIZATIONS. Establishes the independent consumer assistance program for HMOs. Requires the Office of Public Insurance Counsel to contract with a nonprofit organization to operate the program. Sets forth requirements for the nonprofit organization. Sets forth requirements for the program. Sets forth authorizations regarding the program.

SECTION 6. Effective date: September 1, 1999.
Makes application of this Act prospective.

SECTION 7. Emergency clause.

