

BILL ANALYSIS

Senate Research Center
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S.B. 1063
By: Fraser
Economic Development
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As Filed

DIGEST

Currently, health care providers and physicians in rural areas may choose an alternative, the Rural Health Care System, from an urban-based management care organization or hospital network. An area may receive eligibility for the system if the area is considered rural as determined by its population (less than 50,000 persons), delineated by the U.S. Census Bureau, or declared by the commissioner of insurance. The criteria used by the commissioner may be amended to consider other factors when declaring a rural area. S.B. 1063 would require the commissioner to consider certain criteria in designating rural areas, amend language regarding prepaid health care services, and authorize the commissioner to provide, by rule, exceptions to the application of the Texas Health Maintenance Organization Act. S.B. 1063 also would amend regulations governing the board of directors of the statewide rural health care system and the advisory committee of the board of directors.

PURPOSE

As proposed, S.B. 1063 makes changes to the operation of a statewide rural health care system.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the commissioner of insurance under SECTION 3 (Article 20C.04(b), Insurance Code) of this bill.

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 areas regarding the designation of a rural area.

SECTION 2. Amends Article 20C.03, Insurance Code, to establish a statewide rural health care system to provide health care services, including services on a prepaid basis, to rural enrollees.

SECTION 3. Amends Article 20C.04, Insurance Code, to authorize the commissioner to provide exceptions, by rule, to the application of Chapter 20A, Insurance Code (Texas Health Maintenance Organization Act), to accommodate special circumstances surrounding rural service areas. Makes conforming changes.

SECTION 4. Amends Article 20C.07(a), Insurance Code, to provide that members of the board of the statewide rural health care system (board) serve staggered terms expiring December 1 of each even-number 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. Requires the advisory committee to meet at the will of the board and advise the board on any matters as directed by the board. Deletes composition requirements of the advisory committee.

SECTION 6. (a) Effective date: September 1, 1999.

(b) Makes application of this Act prospective for the expiration of a board members term to December 1 of the year before the year the term was to expire under Chapter 20C, Insurance Code.

SECTION 7. Emergency clause.