

BILL ANALYSIS

Senate Research Center

C.S.S.B. 1084
By: Harris
Health Services
5/12/1999
Committee Report (Substituted)

DIGEST

Currently, Article 3.51-6, Insurance Code, applies to group health insurance policies, and is the only statute that addresses assignment of benefits. This statute applies to medical services and not dental services. This creates a problem for the insured, because there are cases when an insurance plan allows a patient to go outside the network but does not assign the benefits to the patient's doctor. As a result, a patient must pay out-of-pocket and then be reimbursed by the insurance company. C.S.S.B. 1084 would assign benefits to the insured, and would make this statute clearly apply to dental services.

PURPOSE

As proposed, C.S.S.B. 1084 shifts the option to assign benefits to the insured, and makes this statute clearly apply to dental services.

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 1, Article 21.53, Insurance Code, to redefine "health insurance policy" and "employee benefit plan."

SECTION 2. Amends Section 3, Article 21.53, Insurance Code, and by adding Subsection (c), as follows:

Sec. 3. MANDATORY PROVISIONS. Requires any health insurance policy or employee benefit plan, to the extent that it provides benefits for dental care services, to provide that the party to or beneficiary of the health insurance policy or employee benefit plan may assign the right to benefits to the dentist who provides the dental care services, in which case, benefits shall be paid directly to the dentist designated. Provides that a payment made pursuant to this subsection discharges the payor's obligation to pay those benefits. Makes a conforming change.

SECTION 3. Amends Section 3, Article 3.51-6, Insurance Code, to require all benefits under any group or blanket accident and sickness policy to be payable to the person insured, or to the designated beneficiary or beneficiaries, or estate, except as otherwise provided in this section. Requires the policy to provide that all or a portion of any benefits provided by any such policy for dental care services may, at the option of the insured, be assigned to the dentist providing such services. Requires the payment to be made directly to the dentist designated, in the case of such assignment. Requires a payment made pursuant to such assignment to discharge the obligation of the insurer with respect to the amount of insurance so paid. Prohibits the policy from requiring that a covered service be rendered by a particular hospital or person. Deletes text prohibiting the policy from requiring that the service be rendered by a particular hospital or person. Makes a conforming change.

SECTION 4. Emergency clause.
Effective date: upon passage.