

BILL ANALYSIS

Senate Research Center
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S.B. 377
By: Nelson
Health Services
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As Filed

DIGEST

Currently, Texas, which has over 60 mandates, leads the nation in the total number of health insurance mandates. Health insurance mandates are laws which require insurers and managed care plans to provide specific benefits, treatments, or reimbursement to certain health care providers. These mandates drive up health insurance costs, and for every one percent increase in premiums, 16,000 Texans lose health insurance coverage. S.B. 377 requires the comptroller to perform cost-benefit studies of health care benefit mandates, and requires the Commissioner of Insurance to adopt rules to implement a health care benefit mandate.

PURPOSE

As proposed, S.B. 377 creates review requirements for health care benefit mandates, and authorizes the Commissioner of Insurance to adopt rules to implement a health care benefit mandate.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the Commissioner of Insurance in SECTION 1 (Article 3.97-5. (a), Insurance Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 3, Insurance Code, by adding Subchapter K, as follows:

SUBCHAPTER K. REVIEW AND IMPLEMENTATION OF HEALTH CARE BENEFIT MANDATES

Art. 3.97-1. DEFINITIONS. Defines "health benefit plan," "health care benefit mandate," (HC mandate) and "offer of coverage mandate."

Art. 3.97-2. ANALYSIS BY COMPTROLLER. Requires the comptroller to provide a written analysis of an existing or proposed HC mandate, upon request by certain authorities. Requires the comptroller to analyze the existing or proposed HC mandate, and sets forth required considerations of the analysis.

Art. 3.97-3. REPORT ON EXISTING HEALTH CARE BENEFIT MANDATES. Requires the comptroller to review and analyze HC mandates by their effective date of January 1, 2001. Requires the comptroller to issue a written report of the comptroller's findings and distribute the report to certain authorities, and requires the publication of the report on the Internet. Provides that this article expires December 31, 2001.

Art. 3.97-4. ASSESSMENTS. Authorizes the comptroller to assess expenses for services rendered in the process of analyzing and preparing written reports on HC mandates. Requires the comptroller to determine expenses resulting from the preceding year's analysis and preparation of required reports, after the end of each fiscal year. Authorizes the comptroller to annually assess all health benefit plan sellers, and sets forth the determining factors of the assessment amount. Provides for the expiration of this article September 1, 2003.

Art. 3.97-5. IMPLEMENTATION BY COMMISSIONER. Requires the Commissioner of Insurance to strictly construe an HC mandate, and to adopt rules to implement an HC mandate in strict compliance with Texas and federal law. Requires the Commissioner of Insurance to consider

the comptroller's analysis in adopting rules, and to prepare an HC mandate prior to publishing rules which implement the mandate.

SECTION 2. Effective date: September 1, 1999.

SECTION 3. Emergency clause.