

## **BILL ANALYSIS**

Senate Research Center  
77R7076 PB-F

S.B. 1606  
By: Staples  
Business & Commerce  
4/25/2001  
As Filed

### **DIGEST AND PURPOSE**

Currently, managed care plans often offer more than one kind of health care plan (product) and may require a health care provider to participate in all of the plan's products in order to participate in any of the products. This policy, sometimes called a "tied products" policy, requires providers to accept the contract provisions of one product in order to have access to patients covered by another product. If conditions under one product interfere with a provider's ability to care for patients, the plan will not allow the provider to stop participation in one product and still participate in other products. As proposed, S.B. 1606 amends the Insurance Code to prohibit a "tied products" policy by including such a practice in the definition of coercion.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 4, Article 21.21, Insurance Code, to define "coercion."

SECTION 2. Makes application of this Act prospective to January 1, 2002.

SECTION 3. Effective date: September 1, 2001.