

## **BILL ANALYSIS**

Senate Research Center  
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S.B. 1637  
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Business & Commerce  
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As Filed

### **DIGEST AND PURPOSE**

Currently, many citizens in Texas are without insurance. In some instances uninsured or underinsured Texans purchase “prescription health insurance” or “cash discount” cards that purport to be insurance or to offer discounts on health purchases, yet have no contractual obligation to do either. Such cards may look like prescription insurance cards, and may be sold for \$7-\$20 per month, but provide no benefits. As proposed, S.B. 1637 prohibits the selling or distributing of any card or other device that is not insurance yet purports to offer insurance coverage or discounts on health purchases.

### **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 17.46(b), Business & Commerce Code, to provide that except as provided in Subsection (d) of this section, the term “false, misleading, or deceptive acts or practices” includes, but is not limited to, selling, advertising, or distributing a card or other purchasing device that is not insurance or evidence of insurance coverage and that purports to provide a discount or access to a discount on the purchase of health care goods or services, or making a representation that such a card or purchasing device provides such a discount, unless: the discount is specifically and expressly authorized under a separate contract with a provider of health care goods or services; and the card or other purchasing device contains a notice expressly and conspicuously printed in boldface type that the discounts provided are not insurance. Makes conforming and nonsubstantive changes.

SECTION 2. Effective date: September 1, 2001.