

BILL ANALYSIS

Senate Research Center

S.B. 1826
By: Lucio
Business & Commerce
4/30/2001
As Filed

DIGEST AND PURPOSE

Currently, the border region of our state has unique health care delivery problems. As proposed, S.B. 1826 allows people to purchase health plans that provide access to Mexican physicians.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the commissioner of insurance in SECTION 1 (Article 20B.05, Insurance Code), of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends the Texas Insurance Code, by adding Chapter 20B, as follows:

CHAPTER 20B. CROSS BORDER HEALTH CARE PLAN

ARTICLE 20B.01 Short Title. Authorizes this chapter to be cited as the Cross Border Health Care Plan Act.

ARTICLE 20B.02. Definitions. Defines “cross border health care plan,” “basic health care services,” “commissioner,” “emergency care,” “enrollee,” “health care plan,” “health care services,” “health maintenance organization,” and “health maintenance organization delivery network.”

ARTICLE 20B.03. Coverage Offered. (a) Authorizes a health maintenance organization (HMO) licensed to provide basic health care services under Chapter 20A, Insurance Code, to offer a cross border health care plan to individuals or to small employers or large employers, as such terms are defined in the Health Insurance Portability and Accountability Act (Chapter 26, V.T.I.C.). Requires an HMO, in arranging for or providing a cross border health care plan, to have all the powers and authority granted under Article 20A.06, Insurance Code.

(b) Authorizes a cross border health care plan to limit its service area to a geographic region within the United Mexican States and to limit the coverage of out-of-area health care services delivered in this state to emergency care services. Requires the delivery of emergency care services in this state under such a plan to be subject to the requirements of Article 20A.04(a)(16), Insurance Code.

(c) Requires the delivery of health care services through the HMO delivery network located in the United Mexican States to be based on and determined by the prevailing community standards in the United Mexican States, and provides that the licensing of physicians and providers is governed by the applicable laws of the United Mexican States. Provides that a physician or provider providing health care services through the delivery network is not required to be licensed in this state. Provides that the credentialing, peer review, and quality of care standards used by an HMO offering a cross border health care plan is governed by the standards that apply in the United

Mexican States.

(d) Authorizes a cross border health care plan to be made available to eligible employees of a small or large employer, and their dependents, only when chosen by the employer as an option among two or more health benefit plans, at least one of which provides coverage for health care services delivered in Texas.

(e) Requires an HMO which offers a cross border health care plan to contract with sufficient providers and physicians to assure that all health care services for which coverage is provided will be reasonably available and accessible.

ARTICLE 20B.04. Applicability of Texas Health Maintenance Organization Act. (a) Requires a cross border health care plan to satisfy the requirements of Article 20A.09, Insurance Code, provided, however, the provisions relating to state continuation of coverage and conversion shall not be applicable to such health care plan. Requires an HMO to file the form of its cross border health care plan for information only with the commissioner, accompanied by a certification on its behalf that upon best knowledge, information and belief, such filed form complies in all respects with the applicable provisions of this Code and the adopted rules and regulations that are applicable to such form being filed.

(b) Provides that a cross border health care plan and the HMO offering such a plan is exempt from the requirements of Articles 20A.09E, 20A.09F, 20A.11, 20A.11A, 20A.11B, 20A.18A, 20A.B, 20A.18C, 20A.29, 20A.37, 20A.38 and 26.09, Insurance Code, and any rules or regulations promulgated pursuant thereto. Requires the commissioner to not be charged with the responsibility of examining an HMO with respect to the quality of health care services delivered under a cross border health care plan by providers and physicians located in the United Mexican States.

(c) Requires Articles 20A.12, 20A.12A, 20A.12B, Insurance Code, to apply to a cross border health care plan only to the extent that an enrollee under such a plan receives health care services delivered by a physician or provider located in this state.

(d) Requires the provisions of Article 20A.26, Insurance Code, other than Subsection (i)(3), to apply to a cross border health care plan. Prohibits Articles 21.07-6 and 21.58A, Insurance Code from applying to the activities of physicians, providers, and other persons doing business in the United Mexican States.

ARTICLE 20B.05. Rules and Regulations. Authorizes the commissioner to promulgate such reasonable rules and regulations to prescribe the information to be provided to prospective and current group contract holders and enrollees; and communications with providers and physicians relating to the enrollee's medical conditions or treatment options.

ARTICLE 20B.06. Severability. Requires that if any provision of this Act or the application thereof to any person or circumstance is held invalid for any reason, the invalidity does not affect the other provisions or any other application of this Act which can be given effect without the invalid provisions or application. Provides that, to this end, all provisions of the Texas Cross Border Health Care Plan Act are declared to be severable.

SECTION 2. Effective date: September 1, 2001. Makes application of this Act prospective.