

## **BILL ANALYSIS**

Senate Research Center

C.S.S.B. 8  
By: Cain  
Health & Human Services  
4/8/2001  
Committee Report (Substituted)

### **DIGEST AND PURPOSE**

Currently, Texas Health Maintenance Organizations (HMOs) and insurance companies routinely reimburse doctors and hospitals far less for women-specific surgeries and procedures than for other equivalent procedures. As a result, women in Texas are finding it difficult to get needed medical care. C.S.S.B. 8 requires HMOs and insurance companies to pay doctors and hospitals equally for women-specific surgeries as well as for other equivalent procedures.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Board of Health, Texas Board of Human Services, and the Texas Department of Insurance in SECTION 4 of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. SHORT TITLE. Authorizes this Act to be called the Omnibus Women's Equal Health Care Act.

SECTION 2. PURPOSE. Sets forth the purpose of this Act.

SECTION 3. Amends Chapter 21, Insurance Code, by adding Article 21.53N, as follows:

#### **ARTICLE 21.53N. WOMEN'S EQUAL HEALTH CARE ACT**

Sec. 1. DEFINITIONS. Defines "physician" and "provider."

Sec. 2. APPLICABILITY OF ARTICLE. Provides that this article applies only to a health benefit plan, including an individual, group blanket, or franchise insurance policy or insurance agreement, a group hospital service contract, or an individual or group evidence of coverage or similar coverage document, that provides benefits for medical or surgical expenses incurred as a result of a health condition, accident, or sickness that is offered by certain entities.

Sec. 3. Requires a health benefit plan, when reimbursing a physician or provider for reproductive health and oncology services to women, to pay an amount not less than the average compensation per hour or unit as would be paid to a physician or provider for the same resources used for health services provided exclusively to men or to the general population.

Sec. 4. Defines "men and women of the same age group." Requires a health benefit plan, in calculating premium rates, to allocate evenly to men and women of the same age group those costs anticipated to be associated with women's reproductive services. Requires the Texas Department of Insurance (department) to establish standards for collecting and analyzing necessary information for the purpose of monitoring health plan compliance with this section.

Sec. 5. PENALTIES. Provides that a health benefit plan as defined under Section 2 that is found to be in violation of or failing to comply with this article is subject to the sanctions authorized by Chapter 82 of this code, including administrative penalties authorized under

Chapter 84 of this code. Authorized the commissioner of insurance to also use the cease and desist procedures authorized by Chapter 83 of this code.

Sec. 6. DAMAGES. (a) Authorizes a person, including a health care provider, who has sustained damages resulting from a violation of this act to bring an action in a district court in the state of Texas.

(b) Authorizes any plaintiff who prevails in a suit filed under this article to obtain certain items.

(c) Requires all actions under this article to be commenced with 12 months after the date on which the violation occurred.

(d) Requires the court, on the finding by the court that an action under this section was groundless and brought in bad faith or brought for the purpose of harassment, to award the defendant reasonable and necessary attorney's fees.

SECTION 4. EFFECTIVE DATE; TRANSITION. (a) Effective date: September 1, 2001.

(b) Makes application of this Act prospective to January 1, 2002.

(c) Requires the Texas Board of Health, the Texas Board of Human Services, and the Texas Department of Insurance, not later than 90 days after the effective date of this Act, to repeal any rules contrary to this Act and to adopt rules necessary to implement this Act. Requires the rules to require that providers justify any disparity in reimbursement rates for the provision of health care services and that the disparity accurately reflects the difference in time and resources expended to provide the health care services.

#### **SUMMARY OF COMMITTEE CHANGES**

SECTION 1. No change.

SECTION 2. Amends As Filed S.B. 8 to set forth the purpose of this Act.

SECTION 3. Amends As Filed S.B. 8 by adding Article 21.53N to the Insurance Code.

Removes proposed SECTIONS 4-7.

SECTION 4. Amends As Filed S.B. 8 by redesignating SECTION 8 as SECTION 4.