

AN ACT

relating to health maintenance organizations.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 9(a), Texas Health Maintenance Organization Act (Article 20A.09, Vernon's Texas Insurance Code), is amended to read as follows:

(a) Every enrollee residing in this state is entitled to evidence of coverage under a health care plan. If the enrollee obtains coverage under a health care plan through an insurance policy or a contract issued by a group hospital service corporation, whether by option or otherwise, the insurer or the group hospital service corporation shall issue the evidence of coverage. Otherwise, the health maintenance organization shall issue the evidence of coverage. By agreement between the insurer, group hospital service corporation, or health maintenance organization and the subscriber, or the person entitled to receive the policy, contract, or evidence of coverage, the evidence of coverage required by this section may be delivered electronically.

SECTION 2. Section 843.201, Insurance Code, is amended to read as follows:

Sec. 843.201. DISCLOSURE OF INFORMATION ABOUT HEALTH CARE PLAN TERMS. (a) A health maintenance organization shall provide an accurate written or electronic description of health care plan terms, including restrictions or limitations related to a limited

1 provider network or delegated network within a health care plan, to
2 allow a current or prospective group contract holder or current or
3 prospective enrollee to make comparisons and informed decisions
4 before selecting among health care plans. The written or
5 electronic description must:

6 (1) be in readable and understandable format
7 prescribed by the commissioner; and

8 (2) include a current list of physicians and
9 providers, including a delineation of any limited provider network
10 or delegated network.

11 (b) A health maintenance organization may satisfy the
12 requirement imposed under Subsection (a) through the member
13 handbook provided under Section 843.205 if:

14 (1) the handbook's contents are substantially similar
15 to and provide the same level of disclosure as the written or
16 electronic description prescribed by the commissioner; and

17 (2) the current list of physicians and providers is
18 also provided.

19 SECTION 3. This Act takes effect September 1, 2003.

David Newhall

President of the Senate

Jim Caddick

Speaker of the House

I certify that H.B. No. 1800 was passed by the House on May 6, 2003, by a non-record vote.

Robert Haney
Chief Clerk of the House

I certify that H.B. No. 1800 was passed by the Senate on May 28, 2003, by the following vote: Yeas 31, Nays 0.

Dorey Spaw
Secretary of the Senate

APPROVED: 18 JUNE '03

Date

Rick Perry
Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
8:30pm O'CLOCK

JUN 18 2003
Ann Shea
Secretary of State