

AN ACT

relating to administration of certain health benefit plans.

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

SECTION 1. Subchapter A, Chapter 1301, Insurance Code, is amended by adding Section 1301.0061 to read as follows:

Sec. 1301.0061. TERMS OF ENROLLEE ELIGIBILITY. A contract between an insurer and a group policyholder under a preferred provider benefit plan must provide that:

(1) in addition to any other premiums for which the group policyholder is liable, the group policyholder is liable for an individual insured's premiums from the time the individual is no longer part of the group eligible for coverage under the policy until the end of the month in which the policyholder notifies the insurer that the individual is no longer part of the group eligible for coverage under the policy; and

(2) the individual remains covered under the policy until the end of that period.

SECTION 2. Subchapter F, Chapter 843, Insurance Code, is amended by adding Section 843.210 to read as follows:

Sec. 843.210. TERMS OF ENROLLEE ELIGIBILITY. A contract between a health maintenance organization and a group contract holder must provide that:

(1) in addition to any other premiums for which the group contract holder is liable, the group contract holder is

1 liable for an enrollee's premiums from the time the enrollee is no
2 longer part of the group eligible for coverage under the contract
3 until the end of the month in which the contract holder notifies the
4 health maintenance organization that the enrollee is no longer part
5 of the group eligible for coverage by the contract; and

6 (2) the enrollee remains covered by the contract until
7 the end of that period.

8 SECTION 3. Section 843.347, Insurance Code, is amended by
9 adding Subsections (h) and (i) to read as follows:

10 (h) A health maintenance organization providing routine
11 vision services as a single health care service plan or providing
12 dental health care services as a single health care service plan is
13 not required to comply with Subsection (c) with respect to those
14 services. For purposes of this subsection, "routine vision
15 services" means a routine annual or biennial eye examination to
16 determine ocular health and refractive conditions that may include
17 provision of glasses or contact lenses.

18 (i) A health maintenance organization described by
19 Subsection (h) shall:

20 (1) have appropriate personnel reasonably available
21 at a toll-free telephone number to provide a verification under
22 this section between 8 a.m. and 5 p.m. central time Monday through
23 Friday on each day that is not a legal holiday;

24 (2) have a telephone system capable of accepting or
25 recording incoming phone calls for verifications after 5 p.m.
26 Monday through Friday and all day on Saturday, Sunday, and legal
27 holidays; and

1 (3) respond to calls accepted or recorded on the
2 telephone system described by Subdivision (2) not later than the
3 next business day after the date the call is received.

4 SECTION 4. Section 843.348, Insurance Code, is amended by
5 adding Subsections (i) and (j) to read as follows:

6 (i) A health maintenance organization providing routine
7 vision services as a single health care service plan or providing
8 dental health care services as a single health care service plan is
9 not required to comply with Subsection (f) with respect to those
10 services. For purposes of this subsection, "routine vision
11 services" means a routine annual or biennial eye examination to
12 determine ocular health and refractive conditions that may include
13 provision of glasses or contact lenses.

14 (j) A health maintenance organization described by
15 Subsection (i) shall:

16 (1) have appropriate personnel reasonably available
17 at a toll-free telephone number to respond to requests for
18 preauthorization under this section between 8 a.m. and 5 p.m.
19 central time Monday through Friday on each day that is not a legal
20 holiday;

21 (2) have a telephone system capable of accepting or
22 recording incoming phone calls for preauthorizations after 5 p.m.
23 Monday through Friday and all day on Saturday, Sunday, and legal
24 holidays; and

25 (3) respond to calls accepted or recorded on the
26 telephone system described by Subdivision (2) not later than the
27 next business day after the date the call is received.

1 SECTION 5. Sections 843.210 and 1301.0061, Insurance Code,
2 as added by this Act, apply only to a contract between an insurer or
3 health maintenance organization and a group policy or contract
4 holder that is entered into or renewed on or after January 1, 2006.
5 A contract entered into or renewed before January 1, 2006, is
6 governed by the law in effect immediately before the effective date
7 of this Act, and that law is continued in effect for that purpose.

8 SECTION 6. (a) With respect to a contract entered into
9 between an insurer or health maintenance organization and a
10 physician or health care provider, and payment for medical care or
11 health care services under the contract, Subsections (h) and (i),
12 Section 843.347, Insurance Code, and Subsections (i) and (j),
13 Section 843.348, Insurance Code, as added by this Act, apply only to
14 a contract entered into or renewed on or after the 60th day after
15 the effective date of this Act and payment for services under the
16 contract. Such a contract entered into before the 60th day after
17 the effective date of this Act and not renewed or that was last
18 renewed before the 60th day after the effective date of this Act,
19 and payment for medical care or health care services under the
20 contract, are governed by the law in effect immediately before the
21 effective date of this Act, and that law is continued in effect for
22 that purpose.

23 (b) With respect to the payment for medical care or health
24 care services provided, but not provided under a contract to which
25 Subsection (a) of this section applies, Subsections (h) and (i),
26 Section 843.347, Insurance Code, and Subsections (i) and (j),
27 Section 843.348, Insurance Code, as added by this Act, apply only to

1 the payment for those services provided on or after the 60th day
2 after the effective date of this Act. Payment for those services
3 provided before the 60th day after the effective date of this Act is
4 governed by the law in effect immediately before the effective date
5 of this Act, and that law is continued in effect for that purpose.

6 SECTION 7. This Act takes effect September 1, 2005.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 51 passed the Senate on April 14, 2005, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendment on May 27, 2005, by the following vote: Yeas 29, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 51 passed the House, with amendment, on May 25, 2005, by a non-record vote.

Chief Clerk of the House

Approved:

Date

Governor