

SUBJECT: Electronic transmission of health benefit information

COMMITTEE: Insurance — favorable, without amendment

VOTE: 5 ayes — Smithee, Seaman, Eiland, B. Keffer, Thompson
0 nays
1 present not voting — Taylor
3 absent — Isett, Oliveira, Van Arsdale

SENATE VOTE: On final passage, May 3 — 31-0, on Local and Uncontested Calendar

WITNESSES: For — David N. Henkes, Texas Medical Association
Against — Leah Rummel, Texas Association of Health Plans

DIGEST: SB 1149 would add ch. 1274 to Insurance Code, subtitle C, to require each health benefit plan to make available by telephone, electronic means, or Internet Website portal, to each participating provider, information maintained in the ordinary course of business. The information would have to be sufficient for the provider to determine at the time of the enrollee's visit the following:

- enrollee's identification number assigned by the health benefit plan;
- name of the enrollee and those of all covered dependents;
- birth date of the enrollee and those of all covered dependents;
- gender of enrollee and that of each covered dependent;
- current enrollment and eligibility status of enrollee under the health benefit plan;
- whether a specific type or category of service was a covered benefit for the enrollee;
- enrollee's excluded benefits or limitations, both group and individual;

- copayment requirements of enrollee, if any; and
- unmet amount of the enrollee's deductible or enrollee financial responsibility.

Under the bill, a health benefit plan issuer could not directly or indirectly charge or hold a physician, a health care provider, or enrollee responsible for a fee for making available or accessing information.

The commissioner of insurance would adopt rules to implement provisions of the bill but first would have to consult a technical advisory committee on claims processing established under current law (Insurance Code, art. 21.52Y).

If the insurance commissioner, in consulting with the commissioner of health and human services, determined that a provision related to the transmission of information would cause a negative fiscal impact on the state with respect to providing benefits or services to families with dependent children or the state's children's health plan under the Social Security Act, the commissioner by rule would waive the application of that provision to the providing of those benefits or services.

The commissioner would have to adopt rules necessary to implement the legislation no later than January 1, 2006. As soon as practicable, but not later than the 90th day after the effective date, the commissioner would have to adopt rules requiring a waiver of provisions related to the specified federal health benefit plans under the Social Security Act.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2005. The bill would apply only to a contract between a health benefit plan issuer and a physician or health care provider that was entered into or renewed on or after January 31, 2006.

**SUPPORTERS
SAY:**

SB 1149 would require health benefit plans to make available to participating providers by telephone, electronic means, or the Internet information relating to an enrollee's, and covered dependents', when applicable, identity, such as name, birth date, gender, and enrollment and eligibility status. The bill also would require health plans to offer each participating provider information about the enrollee's benefits including whether a specific type of benefit was covered or excluded and the

enrollee's financial information, including copayment requirements, if any, and the amount of unmet deductible.

Most health benefit plans issue enrollee identification cards that provide limited information that can change frequently. Under the bill, health plans would have to make information kept in the ordinary course of business about an enrollee's eligibility and payment status available to a provider in order for the provider to make certain determinations at the time of the enrollee's visit. By giving health care providers access to current enrollment information at the time of an enrollee's visit, the bill would cut down on misuse of identification cards and ultimately would lower administrative costs for both health plans and providers because they currently tend to access this data in slower, less efficient ways. While some health plans could encounter startup costs, over time the bill likely would reduce paperwork and eventually could lower the number of call centers providing this information. Because dental and vision companies have the same certificate of authority as basic HMOs, these companies already collect the data that would have to be made available.

SB 1149 would specify that a health benefit plan could not directly or indirectly charge or hold a physician, health care provider, or enrollee responsible for a cost for making this information available or for accessing it. The bill would allow the state to waive CHIP and Medicaid enrollees if the Texas Department of Insurance and the Health and Human Services Department determined that the legislation would result in a negative fiscal impact to the state.

**OPPONENTS
SAY:**

Although the concept of the bill would be worthwhile, SB 1149 as drafted raises technical concerns that could make it difficult to enforce. The bill is not clear about whether it would apply to indemnity companies that did not have networks. Also, some dental and vision companies do not produce the same kind of data as health benefit plans and might need to be exempted.