

- SUBJECT:** Health benefit plan coverage of enrollees with a terminal illness
- COMMITTEE:** Insurance — committee substitute recommended
- VOTE:** 9 ayes — Frullo, Muñoz, G. Bonnen, Guerra, Meyer, Paul, Sheets, Vo, Workman
- 0 nays
- WITNESSES:** For — (*Registered, but did not testify:* Cam Scott, American Cancer Society Cancer Action Network; Dennis Borel, Coalition of Texans with Disabilities; Dianne Wheeler, League of Women Voters of Texas; Kirby Consier, Leukemia and Lymphoma Society; Patricia Cannon, Novartis Oncology; Patricia Kolodzey, Texas Medical Association; Michael Wright, Texas Pharmacy Business Council; Carlos Higgins, Texas Silver Haired Legislature)
- Against — None
- On — Doug Danzeiser, Texas Department of Insurance
- DIGEST:** CSHB 2541 would prohibit certain health benefit plans from denying coverage for treatment for a terminal illness based solely on an enrollee’s diagnosis with a terminal illness. The bill also would prohibit a health benefit plan issuer or third-party administrator from refusing to accept a physician’s recommendation of treatment or from reducing, prohibiting, or denying payment or other forms of reimbursement for treatment based solely on the enrollee’s diagnosis with a terminal illness.
- “Treatment” under the bill would include medically accepted treatment for a terminal illness or other illness or condition to which the enrollee or the enrollee’s representative consented that was prescribed by a physician to treat the terminal illness or other illness or condition. A “terminal illness” would mean an illness or physical condition, including a physical injury, that reasonably could be expected to result in death within two years.

The bill would specify that a violation of its provisions would be an unfair or deceptive act or practice in the business of insurance and an unfair claim settlement practice.

A health benefit plan issuer or third-party administrator that committed a violation under the bill also would be subject to administrative penalties.

The bill's provisions would not apply to a health benefit plan that provided coverage:

- only for a specified disease or for another limited benefit;
- only for accidental death or dismemberment;
- for wages and payments in lieu of wages for a period during which an employee was absent from work because of sickness or injury;
- as a supplement to a liability insurance policy;
- for credit insurance;
- only for dental or vision care;
- only for hospital expenses; or
- only for indemnity for hospital confinement.

The bill's provisions also would not apply to a Medicare supplemental policy, a workers' compensation insurance policy, medical payment insurance coverage provided under a motor vehicle insurance policy, or a long-term care insurance policy, including a nursing home fixed indemnity policy, unless the policy provided benefit coverage so comprehensive that the policy would be considered a health benefit plan covered by the bill.

The bill would take effect September 1, 2015, and would apply only to a health benefit plan delivered, issued for delivery, or renewed on or after that date.

**SUPPORTERS
SAY:**

CSHB 2541 would proactively protect a patient being treated for a terminal illness from having coverage terminated solely because of that illness. Another state recently enacted severe restrictions on access to cancer treatment for patients in later stages of a terminal illness. CSHB

2541 is necessary to ensure that patients in Texas do not face this same circumstance.

Patients and physicians should never have to worry about denial of care due to a terminal diagnosis. This bill would ensure that when doctor and patient agreed to treat a condition, the patient's existing health insurance plan could not deny coverage because of that decision. The bill would not expand a patient's existing health insurance coverage, nor would it change benefits in a patient's existing health insurance plan.

**OPPONENTS
SAY:**

CSHB 2541 is not necessary because health insurance carriers already are required to cover any medically necessary service, which would include treatment for a terminal illness.