

BILL ANALYSIS

Senate Research Center

C.S.S.B. 163
By: Zaffirini
Economic Development
4-3-97
Committee Report (Substituted)

DIGEST

Currently, health benefit plans are not required to cover preventive care costs associated with diabetes, a disease which ranks sixth among the 10 leading causes of death for Texans; affects almost seven percent of the adult population; and cost Texans roughly \$4 billion in direct medical costs and lost productivity in 1992. A major expense associated with diabetes occurs when the condition is left untreated. Some health benefit plans do not cover preventative care which may increase the overall medical cost. C.S.S.B. 163 requires health plans which provide benefits for the treatment of diabetes to cover diabetes equipment, supplies, and self-management training programs.

PURPOSE

As proposed, C.S.S.B. 163 provides coverage under health benefit plans for certain supplies and services associated with the treatment of diabetes.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the commissioner of insurance in SECTION 1 (Section 7, Article 21.53G, Insurance Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 21E, Insurance Code, by adding Article 21.53G, as follows:

Art. 21.53G. COVERAGE FOR SUPPLIES AND SERVICES ASSOCIATED WITH TREATMENT OF DIABETES

Sec. 1. DEFINITIONS. Defines "diabetes equipment," "diabetes supplies," "health benefit plan," and "qualified insured."

Sec. 2. SCOPE OF ARTICLE. Provides that this article applies to a health benefit plan that provides benefits for medical or surgical expenses incurred as a result of a health condition, accident, or sickness, including certain insurance policies, insurance agreements, service contracts, or evidence of coverage; or is offered by certain approved and certified nonprofit health corporations. Establishes the plans, policies, and coverage to which this section does not apply.

Sec. 3. REQUIRED BENEFIT FOR SUPPLIES AND SERVICES ASSOCIATED WITH TREATMENT OF DIABETES. Requires a health benefit plan that provides benefits for the treatment of diabetes and associated conditions to provide coverage to each qualified insured for diabetes equipment, diabetes supplies, and diabetes self-management training programs.

Sec. 4. DIABETES SELF-MANAGEMENT TRAINING. Requires diabetes self-management training to be provided by a health care practitioner who is licensed, registered, or certified in this state to provide appropriate health care services. Sets forth the types of training included as self-management training.

Sec. 5. EFFECT OF NEW TREATMENT MODALITIES. Requires each health benefit plan subject to this article to include coverage of new or improved equipment or supplies approved

by the United States Food and Drug Administration, including improved insulin or other prescription drugs, if medically necessary and appropriate as determined by a physician or other health care practitioner.

Sec. 6. LIMITATION. Authorizes benefits required under this article to be made subject to a deductible, copayment, or coinsurance requirement and prohibits the requirement from exceeding the deductible, copayment, or coinsurance required by the health benefit plan for treatment of other analogous chronic medical conditions.

Sec. 7. RULES. Requires the commissioner of insurance to adopt rules as necessary for the implementation of this article. Authorizes the commissioner to consult with the commissioner of health and other appropriate entities in adopting rules under this section.

SECTION 2. Effective date: September 1, 1997.

Makes application of this Act prospective to January 1, 1998.

SECTION 3. Emergency clause.

SUMMARY OF COMMITTEE CHANGES

SECTION 1.

Amends Section 1 to change the definitions for "diabetes supplies" and "health benefit plan."

Adds Section 2 to set forth the scope and application of this article.

Amends Section 3 to change the heading to read, "REQUIRED BENEFIT FOR SUPPLIES AND SERVICES ASSOCIATED WITH TREATMENT OF DIABETES."

Amends Section 4 to provide that self-management training includes additional training authorized on the diagnosis of a physician or other health care practitioner of a significant change in the qualified insured's symptoms or condition that requires changes in the person's regime, and episodic continuing education training.

Amends Section 5 to require each health benefit plan to include coverage of the new or improved equipment or supplies if medically necessary and appropriate as determined by a physician or other health care practitioner.