

BILL ANALYSIS

Senate Research Center
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H.B. 1586
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Human Services
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Engrossed

DIGEST

Under Texas law, a long-term care insurance policy is defined as a policy issued by a health maintenance organization (HMO) that provides a daily benefit to cover the costs of long-term care for a person who needs medical or personal care services in a setting other than an acute care unit of a hospital, such as a nursing home or a patient's own home. Responsibility has been delegated to the State Board of Insurance to establish specific standards for provisions of long-term care insurance. Because long-term care coverage is relatively new, industry-wide standards regarding policy language have yet to materialize. Currently, there are no standards relating to the coverage by long-term care insurance policies of the parents of an insured or the parents of the spouse of an insured. H.B. 1586 includes coverage of the parents of an insured and the parents of the insured's spouse in the list of provisions required to be covered by standards established by the State Board of Insurance regarding long-term care insurance policies. This bill also requires the State Board of Insurance to establish these standards by March 1, 2000.

PURPOSE

As proposed, H.B. 1586 sets forth certain coverage by long-term care insurance policies for the parents of an insured or the parents of the spouse of an insured.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 3(b), Article 3.70-12, Insurance Code, to include coverage of parents of the insured and parents of the spouse of the insured in the list of provisions required to be covered by the standards established by the State Board of Insurance for provisions of long-term care insurance policies and for full and fair disclosure setting forth the manner, content, and required disclosures for the marketing and sale of long-term care insurance policies. Redesignates existing Subdivisions(5)-(14) to Subdivisions (6)-(15).

SECTION 2. (a) Effective date: September 1, 1999.

(b) Requires the commissioner of insurance to establish the standards required under Section 3, Article 3.70-12 (Minimum Standards for Long-Term Care Insurance Policies), Insurance Code, by March 1, 2000.

(c) Makes application of this Act prospective for a policy that is delivered, issued for delivery, or renewed on or after April 1, 2000.

SECTION 3. Emergency clause.