

## **BILL ANALYSIS**

Senate Research Center  
78R5071 AKH-D

S.B. 879  
By: Whitmire  
State Affairs  
3/31/2003  
As Filed

### **DIGEST AND PURPOSE**

Currently, an enrollee in a health maintenance organization (HMO) may appeal an adverse determination made by the HMO in accordance with the provisions of Chapter 843G (Dispute Resolution), Insurance Code. However, there is no provision that requires an HMO to abide by an appeal decision that favors the enrollee. As proposed, S.B. 879 amends Chapter 843G to provide that if an adverse determination is appealed and a decision is rendered in favor of the enrollee, the decision is binding on the HMO.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 843, Subchapter G, Insurance Code, as effective June 1, 2003, by adding Section 843.262 as follows:

Sec. 843.262. CERTAIN DECISIONS BINDING. Provides that if an enrollee, a person acting on behalf of an enrollee, or an enrollee's provider of record appeals an adverse determination as provided under Section 843.261 and the health maintenance organization or utilization review agent, as applicable, resolves the claim in favor of the enrollee, the decision is binding on the health maintenance organization.

SECTION 2. Effective date: September 1, 2003.

Makes application of this Act prospective to January 1, 2004.