

## **BILL ANALYSIS**

Senate Research Center  
79R9760 AJA-F

H.B. 2678  
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State Affairs  
5/14/2005  
Engrossed

### **AUTHOR'S/SPONSOR'S STATEMENT OF INTENT**

Under current law, insurance companies selling professional liability insurance for physicians or healthcare providers are not prohibited from considering whether or not, or to the extent to which, the provider offers services to recipients of Medicaid or the children's health insurance program (CHIP). An insurer may refuse coverage, refuse to renew coverage, or limit the type or amount of coverage available to a physician or healthcare provider based on the number of Medicaid or CHIP patients to whom the healthcare provider provides treatment.

H.B. 2678 prohibits an insurer selling healthcare professional liability insurance from considering whether, or to the extent to which, a physician or healthcare provider provides services to Medicaid or CHIP recipients when making a decision regarding coverage.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted in to the commissioner of insurance in SECTION 1 (Section 12, Article 5.15-1, Insurance Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Article 5.15-1, Insurance Code, by adding Section 12, as follows:

Sec. 12. PROHIBITION OF USE OF CERTAIN INFORMATION FOR PHYSICIAN OR HEALTH CARE PROVIDER. (a) Prohibits an insurer, for the purposes of writing professional liability insurance for physicians and health care providers, from considering whether, or the extent to which, a physician or health care provider provides services in this state to individuals who are recipients of Medicaid or covered by the state child health plan program established by Chapter 62 (Child Health Plan for Certain Low-Income Children), Health and Safety Code, including any consideration resulting in certain types of medical coverage.

(b) Authorizes the commissioner of insurance to adopt rules as necessary to implement this section.

SECTION 2. Makes application of this Act prospective to January 1, 2006.

SECTION 3. Effective date: September 1, 2005.