

## BILL ANALYSIS

Senate Research Center

S.B. 1614  
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### AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, there are no requirements that health plans use technology to increase the accuracy and timeliness of determining enrollee eligibility status. This lack of accurate information often leads to unexpected, out-of-pocket costs for patients. Health plans maintain and provide information regarding enrollee eligibility information. This information is available to participating providers and enrollees by telephone, electronically, or by an Internet website portal. Additionally, most health plans issue enrollee information cards that provide information regarding eligibility standards and coverage levels.

As proposed, S.B. 1614 sets forth legislative findings that recognize that increasing the availability and accuracy of health care information is in the best interest of health plans, providers, and enrollees. This bill requires the commissioner of insurance to appoint a technical advisory committee on electronic data exchange (committee) made up of all interested stakeholders. This bill requires the committee to establish the priorities and standards by which health plans and providers will expand their use of up-to-date electronic data systems to accurately determine the eligibility and coverage levels of enrollees.

### RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the commissioner of insurance in SECTION 1 (Section 1660.006, Insurance Code) of this bill.

### SECTION BY SECTION ANALYSIS

SECTION 1. Amends Title 8, Insurance Code, by adding Subtitle J, Chapter 1660, as follows:

#### SUBTITLE J. HEALTH INFORMATION TECHNOLOGY

#### CHAPTER 1660. ELECTRONIC DATA EXCHANGE

Sec. 1660.001. FINDINGS AND PURPOSE. (a) Sets forth the legislative finding that patients deserve accurate, instantaneous information about coverage and financial responsibility to make well-informed decisions about their treatment and spending.

(b) Sets forth the legislative finding that the ability of health plan issuers and administrators to exchange eligibility and benefit information with physicians, health care providers, hospitals, and patients will ensure a more efficient and effective health care delivery system.

(c) Sets forth the legislative finding that electronic access to eligibility information will reduce the amount of time and resources spent on administrative functions, prevent abuse and fraud, streamline and simplify processing of insurance claims, and increase transparency in premium costs and health care cost.

(d) Sets forth the legislative finding that patients often request information about their health care coverage from their health care providers and that health care providers therefore need access to real-time information about their patient's eligibility to receive health care under the health plan, coverage of health care under the health plan, and the benefits associated with the health plan.

(e) Sets forth the legislative finding that adoption of technology by insurers, health maintenance organizations, and health care providers to facilitate use of electronic data exchange standards currently available will make coverage and healthcare electronic transactions more predictable, reliable, and consistent.

Sec. 1660.002. APPOINTMENT OF COMMITTEE. Requires the commissioner of insurance (commissioner) to appoint a technical advisory committee on electronic data exchange (committee).

Sec. 1660.003. COMMITTEE POWERS AND DUTIES. (a) Requires the committee to advise the commissioner on technical aspects of utilizing the federal Health Insurance Portability and Accountability Act of 1996 (Pub. L. No. 104-191) transaction standards (standards), adopted by the Centers for Medicare and Medicaid Services and contained in 45 C.F.R. Part 162, and the Council for Affordable Quality Healthcare Committee on Operating Rules for Information Exchange (council) rules to require health plan insurers and administrators to provide access to information technology that will enable physicians and other health care providers at the point of service to generate a request for eligibility information that is compliant with the transactions standards.

(b) Requires the committee to advise the commissioner on data elements required to be made available by health plan insurers and administrators. Requires the committee, to the extent possible, to utilize the framework adopted under the council.

(c) Requires the committee to consider certain information.

(d) Requires the committee to make a recommendation regarding Internet website, smartcard, or other information technologies that health plan insurers or administrators could provide to facilitate the generation of a request for eligibility information that is compliant with the standards and council rules. Requires the committee to ensure that the recommendation does not endorse or otherwise confine health plan insurers and administrators to any single product or vendor. Requires the committee to recommend a timeframe or timeframes for implementation. Requires the committee to issue a report to the commissioner containing the committee's recommendations for implementation by January 1, 2008.

Sec. 1660.004. COMMITTEE MEMBER COMPENSATION. Provides that members of the committee serve without compensation.

Sec. 1660.005. APPLICABILITY OF CERTAIN LAWS. Provides that Section 39.003(a) (regarding public representation on advisory bodies appointed by the commissioner) and Chapter 2110 (State Agency Advisory Committees), Government Code, do not apply to the committee established under this chapter.

Sec. 1660.006. RULEMAKING. Requires the commissioner to adopt rules as necessary to require the implementation and provision of the technology recommended by the committee.

SECTION 2. Effective date: upon passage or September 1, 2007.