

BILL ANALYSIS

Senate Research Center
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S.B. 26
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Insured families in need of prosthetic devices are facing benefit caps, lifetime caps, or worse, the complete elimination of prosthetic device coverage. A growing number of group and private insurance companies cap benefits for prosthetic devices so low that the average working family cannot afford to purchase a prosthetic limb. Lifetime caps particularly impact insured families with children who have suffered the loss of a limb because as a child grows, it is necessary to purchase replacement limbs in order to accommodate the child's growing body.

As proposed, S.B. 26 requires that prosthetic and orthotic devices be covered under health benefit plans.

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 Subtitle E, Title 8, Insurance Code, by adding Chapter 1371, as follows:

CHAPTER 1371. COVERAGE FOR CERTAIN PROSTHETIC DEVICES, ORTHOTIC DEVICES, AND RELATED SERVICES

Sec. 1371.001. DEFINITIONS. Defines "enrollee," "orthotic device," and "prosthetic device."

Sec. 1371.002. APPLICABILITY OF CHAPTER. (a) Provides that this chapter applies only to a health benefit plan, including a small employer health benefit plan written under Chapter 1501 (Health Insurance Portability and Availability Act) or coverage provided by a health group cooperative under Subchapter B (Coalitions and Cooperatives) of that chapter, that provides benefits for medical or surgical expenses incurred as a result of a health condition, accident, or sickness, including an individual, group, blanket, or franchise insurance policy or insurance agreement, a group hospital service contract, or an individual or group evidence of coverage or similar coverage document that is offered by certain entities.

(b) Provides that this chapter, notwithstanding Section 172.014, (Application of Certain Laws), Local Government Code, or any other law, applies to health and accident coverage provided by a risk pool created under Chapter 172, Local Government Code (Texas Political Subdivision Employees Uniform Group Benefits Act).

(c) Provides that this chapter, notwithstanding any provision in Chapter 1551 (Texas Employees Group Benefits Act), 1575 (Texas Public School Employees Group Benefits Program), 1579 (Texas School Employees Uniform Group Health Coverage), or 1601 (Uniform Insurance Benefits Act for Employees of the University of Texas System and the Texas A&M System) or any other law, applies to certain plans under Chapters 1551, 1575, 1579 and 1601.

(d) Requires a standard health benefit plan provided under Chapter 1507 (Consumer Choice of Benefits Plans), notwithstanding any other law, to provide the coverage required by this chapter.

Sec. 1371.003. **REQUIRED COVERAGE FOR PROSTHETIC DEVICES, ORTHOTIC DEVICES, AND RELATED SERVICES.** (a) Requires a health benefit plan to provide coverage for prosthetic devices, orthotic devices, and professional services related to the fitting and use of those devices that equals the coverage provided under federal laws for health insurance for the aged and disabled under Sections 1832, 1833, and 1834, Social Security Act (42 U.S.C. Sections 1395k, 1395l, and 1395m), and 42 C.F.R. Sections 410.100, 414.202, 414.210, and 414.228, as applicable.

(b) Provides that covered benefits under this chapter are limited to the most appropriate model of prosthetic device or orthotic device that adequately meets the medical needs of the enrollee as determined by the enrollee's treating physician and prosthetist or orthotist, as applicable.

(c) Provides that coverage required under this section must be provided in a manner determined to be appropriate in consultation with the treating physician and prosthetist or orthotist and the enrollee; may be subject to annual deductibles, copayments, and coinsurance required for other coverage under the health benefit plan; and may not be subject to annual dollar limits.

Sec. 1371.004. **PREAUTHORIZATION.** Authorizes a health benefit plan to require prior authorization for a prosthetic device or an orthotic device in the same manner that the health benefit plan requires prior authorization for any other covered benefit.

Sec. 1371.005. **MANAGED CARE PLAN.** Authorizes a health benefit plan provider to require that, if coverage is provided through a managed care plan, the benefits mandated under this chapter are covered benefits only if the prosthetic devices or orthotic devices are provided by a vendor, and related services rendered by a provider, that contracts with or is designated by the health benefit plan provider. Requires that the coverage for prosthetic devices or orthotic devices provided through out-of-network services be comparable to that provided through in-network services, if the health benefit plan provider provides both services.

SECTION 2. Makes application of Chapter 1371, Insurance Code, as added by this Act, prospective to January 1, 2010.

SECTION 3. Effective date: September 1, 2009.