

1 AN ACT

2 relating to adoption and operation of requirements regarding health
3 benefit plan identification cards.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Title 8, Insurance Code, is amended by adding
6 Subtitle J to read as follows:

7 SUBTITLE J. HEALTH INFORMATION TECHNOLOGY

8 CHAPTER 1660. ELECTRONIC DATA EXCHANGE

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 1660.001. FINDINGS AND PURPOSE. (a) The legislature
11 finds that patients deserve accurate, instantaneous information
12 about coverage and financial responsibility to make well-informed
13 decisions about their treatment and spending.

14 (b) The legislature finds that the ability of health benefit
15 plan issuers and administrators to exchange eligibility and benefit
16 information with physicians, health care providers, hospitals, and
17 patients will ensure a more efficient and effective health care
18 delivery system.

19 (c) The legislature finds that electronic access to
20 eligibility information will reduce the amount of time and
21 resources spent on administrative functions, prevent abuse and
22 fraud, streamline and simplify processing of insurance claims, and
23 increase transparency in premium cost and health care cost.

24 (d) The legislature finds that patients often request

1 information about their health care coverage from their health care
2 providers and that health care providers therefore need access to
3 real-time information about their patients' eligibility to receive
4 health care under the health benefit plan, coverage of health care
5 under the health benefit plan, and the benefits associated with the
6 health benefit plan.

7 (e) The legislature finds that adoption of technology by
8 insurers, health maintenance organizations, and health care
9 providers to facilitate use of electronic data exchange standards
10 currently available will make coverage and health care electronic
11 transactions more predictable, reliable, and consistent.

12 Sec. 1660.002. DEFINITIONS. In this chapter:

13 (1) "Administrator" has the meaning assigned by
14 Section 4151.001.

15 (2) "Advisory committee" means the technical advisory
16 committee on electronic data exchange.

17 (3) "Enrollee" means an individual who is insured by
18 or enrolled in a health benefit plan.

19 (4) "Health benefit plan" means an individual, group,
20 blanket, or franchise insurance policy or insurance agreement, a
21 group hospital service contract, or an evidence of coverage that
22 provides health insurance or health care benefits.

23 (5) "Transaction standards" means the Health
24 Insurance Portability and Accountability Act of 1996 (Pub. L. No.
25 104-191) transaction standards of the Centers for Medicare and
26 Medicaid Services under 45 C.F.R. Part 162.

27 Sec. 1660.003. APPLICABILITY. (a) This chapter applies

1 only to a health benefit plan that provides benefits for medical or
2 surgical expenses incurred as a result of a health condition,
3 accident, or sickness, including an individual, group, blanket, or
4 franchise insurance policy or insurance agreement, a group hospital
5 service contract, or an individual or group evidence of coverage or
6 similar coverage document that is offered by:

7 (1) an insurance company;

8 (2) a group hospital service corporation operating
9 under Chapter 842;

10 (3) a fraternal benefit society operating under
11 Chapter 885;

12 (4) a stipulated premium insurance company operating
13 under Chapter 884;

14 (5) a reciprocal exchange operating under Chapter 942;

15 (6) a health maintenance organization operating under
16 Chapter 843;

17 (7) a multiple employer welfare arrangement that holds
18 a certificate of authority under Chapter 846; or

19 (8) an approved nonprofit health corporation that
20 holds a certificate of authority under Chapter 844.

21 (b) This chapter does not apply to:

22 (1) a Medicaid managed care program operated under
23 Chapter 533, Government Code;

24 (2) a Medicaid program operated under Chapter 32,
25 Human Resources Code;

26 (3) the state child health plan or any similar plan
27 operated under Chapter 62 or 63, Health and Safety Code; or

1 (4) a health benefit plan offered by an insurer or
2 health maintenance organization that provides coverage only for
3 dental services.

4 Sec. 1660.004. GENERAL RULEMAKING. The commissioner may
5 adopt rules as necessary to implement this chapter, including rules
6 requiring the implementation and provision of the technology
7 recommended by the advisory committee.

8 [Sections 1660.005-1660.050 reserved for expansion]

9 SUBCHAPTER B. ADVISORY COMMITTEE

10 Sec. 1660.051. ADVISORY COMMITTEE; COMPOSITION. (a) The
11 commissioner shall appoint a technical advisory committee on
12 electronic data exchange.

13 (b) The advisory committee is composed of:

14 (1) at least one representative from each of the
15 following groups or entities:

16 (A) health benefit coverage consumers;

17 (B) physicians;

18 (C) hospital trade associations;

19 (D) representatives of medical units of
20 institutions of higher education;

21 (E) representatives of health benefit plan
22 issuers;

23 (F) health care providers; and

24 (G) administrators; and

25 (2) representatives from:

26 (A) the office of public insurance counsel;

27 (B) the Texas Health Insurance Risk Pool; and

1 (C) the Department of Information Resources.

2 (c) Members of the advisory committee serve without
3 compensation.

4 Sec. 1660.052. APPLICABILITY OF CERTAIN LAWS. The
5 following laws do not apply to the advisory committee:

6 (1) Section 39.003(a); and

7 (2) Chapter 2110, Government Code.

8 Sec. 1660.053. ADVISORY COMMITTEE POWERS AND DUTIES. The
9 advisory committee shall advise the commissioner on technical
10 aspects of using the transaction standards and the rules of the
11 Council for Affordable Quality Healthcare Committee on Operating
12 Rules for Information Exchange to require health benefit plan
13 issuers and administrators to provide access to information
14 technology that will enable physicians and other health care
15 providers, at the point of service, to generate a request for
16 eligibility information that is compliant with the transaction
17 standards.

18 Sec. 1660.054. DATA ELEMENTS. (a) The advisory committee
19 shall advise the commissioner on data elements required to be made
20 available by health benefit plan issuers and administrators. To
21 the extent possible, the committee shall use the framework adopted
22 by the Council for Affordable Quality Healthcare Committee on
23 Operating Rules for Information Exchange.

24 (b) The advisory committee shall consider inclusion in the
25 required information of the following data elements:

26 (1) the name, date of birth, member identification
27 number, and coverage status of the patient;

1 (2) identification of the payor, insurer, issuer, and
2 administrator, as applicable;

3 (3) the name and telephone number of the payor's
4 contact person;

5 (4) the payor's address;

6 (5) the name and address of the subscriber;

7 (6) the patient's relationship to the subscriber;

8 (7) the type of service;

9 (8) the type of health benefit plan or product;

10 (9) the effective date of the coverage;

11 (10) for professional services:

12 (A) copayment amounts;

13 (B) individual deductible amounts;

14 (C) family deductible amounts; and

15 (D) benefit limitations and maximums;

16 (11) for facility services:

17 (A) copayment and coinsurance amounts;

18 (B) individual deductible amounts;

19 (C) family deductible amounts; and

20 (D) benefit limitations and maximums;

21 (12) precertification or prior authorization
22 requirements;

23 (13) policy maximum limits;

24 (14) patient liability for a proposed service; and

25 (15) the health benefit plan coverage amount for a
26 proposed service.

27 Sec. 1660.055. RECOMMENDATIONS REGARDING ADOPTION OF

1 CERTAIN TECHNOLOGIES; REPORT. (a) The advisory committee shall:

2 (1) make recommendations regarding the use by health
3 benefit plan issuers or administrators of Internet website
4 technologies, smart card technologies, magnetic strip
5 technologies, biometric technologies, or other information
6 technologies to facilitate the generation of a request for
7 eligibility information that is compliant with the transaction
8 standards and the rules of the Council for Affordable Quality
9 Healthcare Committee on Operating Rules for Information Exchange;

10 (2) ensure that a recommendation made under
11 Subdivision (1) does not endorse or otherwise confine health
12 benefit plan issuers and administrators to any single product or
13 vendor; and

14 (3) recommend time frames for implementation of the
15 recommendations.

16 (b) The advisory committee shall:

17 (1) recommend specific provisions that could be
18 included in a department-issued request for information relating to
19 electronic data exchange, including identification card programs;

20 (2) provide those recommendations to the commissioner
21 not later than four months after the date on which the committee is
22 appointed; and

23 (3) issue a final report to the commissioner
24 containing the committee's recommendations for implementation by
25 December 1, 2008.

26 [Sections 1660.056-1660.100 reserved for expansion]

1 SUBCHAPTER C. IDENTIFICATION CARD PILOT PROGRAM

2 Sec. 1660.101. PILOT PROGRAM. (a) The commissioner shall
3 designate a county or counties for initial participation in an
4 identification card pilot program to begin not later than May 1,
5 2008.

6 (b) The commissioner shall require the issuer of a health
7 benefit plan that is offered in the county or counties selected for
8 initial participation in the identification card pilot program to
9 issue identification cards that comply with commissioner rules to
10 each enrollee of the plan.

11 (c) The commissioner may implement the identification card
12 pilot program before, during, or simultaneously with the
13 appointment and formation of the advisory committee.

14 Sec. 1660.102. PILOT PROGRAM RULES. (a) The commissioner
15 shall adopt rules as necessary to implement the identification card
16 pilot program, including the coordination of a testing phase and
17 incorporation of changes identified in the testing phase.

18 (b) The commissioner may consider the recommendations of
19 the advisory committee or any information provided in response to a
20 department-issued request for information relating to electronic
21 data exchange, including identification card programs, before
22 adopting rules regarding:

23 (1) information to be included on the identification
24 cards;

25 (2) technology to be used to implement the
26 identification card pilot program; and

27 (3) confidentiality and accuracy of the information

1 required to be included on the identification cards.

2 (c) The commissioner shall consider the requirements of any
3 federal program requiring health benefit plan issuers and
4 administrators to provide point-of-service access to physicians
5 and other health care providers regarding eligibility information
6 before adopting rules to implement this section.

7 Sec. 1660.103. REQUESTS FOR INFORMATION. The commissioner
8 may issue requests for information as needed to implement the
9 identification card pilot program under this subchapter.

10 Sec. 1660.104. HEALTH BENEFIT PLAN ISSUER COMPLIANCE. (a)
11 Each issuer of a health benefit plan that offers a health benefit
12 plan in a county or counties designated by the commissioner under
13 Section 1660.101 for initial participation in the identification
14 card pilot program shall comply with this subchapter and rules
15 adopted under this subchapter.

16 (b) To ensure timely compliance with the requirements of
17 this subchapter, the commissioner may require the issuer of a
18 health benefit plan to submit its procedures for implementation of
19 the requirements to the department in the form prescribed by the
20 commissioner.

21 SECTION 2. This Act takes effect immediately if it receives
22 a vote of two-thirds of all the members elected to each house, as
23 provided by Section 39, Article III, Texas Constitution. If this
24 Act does not receive the vote necessary for immediate effect, this
25 Act takes effect September 1, 2007.

President of the Senate

Speaker of the House

I certify that H.B. No. 522 was passed by the House on April 25, 2007, by the following vote: Yeas 144, Nays 0, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 522 on May 14, 2007, by the following vote: Yeas 141, Nays 0, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 522 was passed by the Senate, with amendments, on May 11, 2007, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor