

1-1 By: Hull (Senate Sponsor - Paxton) H.B. No. 3045
 1-2 (In the Senate - Received from the House May 3, 2021;
 1-3 May 10, 2021, read first time and referred to Committee on Business
 1-4 & Commerce; May 20, 2021, reported favorably by the following vote:
 1-5 Yeas 9, Nays 0; May 20, 2021, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to financial regulation of certain life, health, and
 1-20 accident insurers and health maintenance organizations.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Sections 841.351(c) and (d), Insurance Code, are
 1-23 amended to read as follows:

1-24 (c) A domestic insurance company may, at its option,
 1-25 withdraw a deposit made under Subsection (a), or any portion of the
 1-26 deposit[, after substituting a deposit of securities of a like
 1-27 class and of an amount and value equal to the withdrawn deposit or
 1-28 portion of deposit].

1-29 (d) The commissioner must first approve any securities
 1-30 deposited or withdrawn [being substituted] under this section.

1-31 SECTION 2. Section 843.082, Insurance Code, is amended to
 1-32 read as follows:

1-33 Sec. 843.082. REQUIREMENTS FOR APPROVAL OF APPLICATION.
 1-34 The commissioner shall issue a certificate of authority on payment
 1-35 of the application fee prescribed by Section 843.154(c) if the
 1-36 commissioner is satisfied that:

1-37 (1) with respect to health care services to be
 1-38 provided, the applicant:

1-39 (A) has demonstrated the willingness and
 1-40 potential ability to ensure that the health care services will be
 1-41 provided in a manner to:

1-42 (i) ensure both availability and
 1-43 accessibility of adequate personnel and facilities; and

1-44 (ii) enhance availability, accessibility,
 1-45 quality of care, and continuity of services;

1-46 (B) has arrangements, established in accordance
 1-47 with rules adopted by the commissioner, for a continuing quality of
 1-48 health care assurance program concerning health care processes and
 1-49 outcomes; and

1-50 (C) has a procedure, that is in accordance with
 1-51 rules adopted by the commissioner, to develop, compile, evaluate,
 1-52 and report statistics relating to the cost of operation, the
 1-53 pattern of utilization of services, and availability and
 1-54 accessibility of services;

1-55 (2) the person responsible for the conduct of the
 1-56 affairs of the applicant is competent, is trustworthy, and has a
 1-57 good reputation;

1-58 (3) the health care plan, limited health care service
 1-59 plan, or single health care service plan is an appropriate
 1-60 mechanism through which the health maintenance organization will
 1-61 effectively provide or arrange for the provision of basic health

2-1 care services, limited health care services, or a single health
2-2 care service on a prepaid basis, through insurance or otherwise,
2-3 except to the extent of reasonable requirements for copayments;

2-4 (4) the health maintenance organization is fully
2-5 responsible and may reasonably be expected to meet its obligations
2-6 to enrollees and prospective enrollees, after considering:

2-7 (A) the financial soundness of the health care
2-8 plan's arrangement for health care services and the schedule of
2-9 charges used in connection with the arrangement;

2-10 (B) the adequacy of working capital;

2-11 (C) any agreement with an insurer, a group
2-12 hospital service corporation, a political subdivision of
2-13 government, or any other organization for insuring the payment of
2-14 the cost of health care services or providing for automatic
2-15 applicability of an alternative coverage in the event the plan is
2-16 discontinued; and

2-17 (D) any agreement that provides for the provision
2-18 of health care services; and

2-19 [~~(E) any deposit of cash or securities submitted~~
2-20 ~~in accordance with Section 843.405 as a guarantee that the~~
2-21 ~~obligations will be performed; and]~~

2-22 (5) the proposed plan of operation, as shown by the
2-23 information submitted under Section 843.078 and, if applicable,
2-24 Section 843.079, or by independent investigation, does not violate
2-25 state law.

2-26 SECTION 3. Subchapter L, Chapter 843, Insurance Code, is
2-27 amended by adding Section 843.4055 to read as follows:

2-28 Sec. 843.4055. DEPOSIT WITH OR WITHDRAWAL FROM COMPTROLLER.

2-29 (a) A health maintenance organization may, at its option and after
2-30 receiving commissioner approval, deposit with the comptroller
2-31 cash, securities, or any combination of cash, securities, and other
2-32 guarantees.

2-33 (b) A health maintenance organization may, at its option and
2-34 after receiving commissioner approval, withdraw a deposit made
2-35 under Subsection (a) or any portion of the deposit.

2-36 SECTION 4. Section 534.153, Health and Safety Code, is
2-37 amended to read as follows:

2-38 Sec. 534.153. APPLICATION OF LAWS AND RULES. A health
2-39 maintenance organization created and operating under this
2-40 subchapter is governed as, and is subject to the same laws and rules
2-41 of the Texas Department of Insurance as, any other health
2-42 maintenance organization of the same type. The commissioner of
2-43 insurance may adopt rules as necessary to accept funding sources
2-44 other than the sources specified by Section 843.4055 [~~843.405~~],
2-45 Insurance Code, from a nonprofit health maintenance organization
2-46 created and operating under this subchapter, to meet the minimum
2-47 surplus requirements of that section.

2-48 SECTION 5. The following provisions of the Insurance Code
2-49 are repealed:

- 2-50 (1) Section 841.355;
- 2-51 (2) Section 841.357;
- 2-52 (3) Sections 843.105(d), (e), (f), and (g);
- 2-53 (4) Section 843.402; and
- 2-54 (5) Section 843.405.

2-55 SECTION 6. On the effective date of this Act, the
2-56 comptroller of public accounts of the State of Texas shall release,
2-57 transfer, and deliver to the owner any deposits made by a health
2-58 maintenance organization under former Sections 843.105(g),
2-59 843.402, and 843.405, Insurance Code.

2-60 SECTION 7. This Act takes effect September 1, 2021.

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