

Saving Money on Your Insurance

BY JOSE MONTE MAYOR

TEXAS COMMISSIONER OF INSURANCE

1999 Legislature Added Consumer Protections

HEALTH BENEFIT PLAN members and people deprived of auto, home or other insurance gained new protections from the 1999 Texas Legislature.

Each year, the Texas Department of Insurance receives numerous consumer complaints about health plans dropping particular prescription drugs from their formularies. (A "formulary" is the list of drugs an HMO or other health plan will pay for.) The Legislature passed two bills, Senate Bill 1030 and House Bill 2061, to protect health plan members in this situation.

Senate Bill 1030, by Sen. Frank Madla of San Antonio and Rep. David Farabee of Wichita Falls, is designed to protect patients from the sudden removal of a drug that was available when their group health plans were started or renewed. It applies to plans that are issued or renewed starting January 1, 2000. There are some exceptions, such as small employer plans.

The bill says that if a health plan drops a drug from its formulary, it must continue to pay for the drug for patients already taking it until the plan's next renewal date. Of course, the patient's doctor has the right to prescribe a different but medically appropriate drug that is on the health plan's formulary.

In addition, a patient will have the right to seek binding independent review of a decision not to pay for a non-formulary drug that the patient's doctor has determined to be medically necessary.

House Bill 2061, by Rep. Kip Averitt and Sen. David Sibley, both of Waco, also applies to health plans issued or renewed starting January 1, 2000. It requires health

plans to pay for a non-formulary drug that a physician has prescribed to treat a plan member for a covered chronic, disabling or life threatening illness if certain requirements are met. Those requirements include U. S. Food and Drug Administration approval of the drug to treat at least one condition or diagnosis. They also include recognition of the drug in medical literature for treatment of the patient's condition or diagnosis.

House Bill 2748, by Rep. John Smithee of Amarillo and Sen. Sibley, requires HMOs to provide well-child care from birth. This care must include immunization against rotavirus, which causes stomach and intestinal infections in children. The bill also requires HMOs to cover any other childhood immunizations required by Texas law.

Denial, cancellation or refusal to renew auto, home or other insurance coverage is a hard experience. State law already requires insurance companies to provide reasons upon request. Senate Bill 984, by Sen. Madla and Rep. Leticia Van de Putte of San Antonio, entitles consumers to more detail when they ask for reasons. Starting with policy denials, cancellations or nonrenewals on January 1, 2000, an insurance company's written statement of its reasons must disclose:

- The exact incident, circumstance or risk factor that led the company to deny or stop coverage.
- The insurance company's source of information about that incident, circumstance or risk factor.

The Texas Department of Insurance may add to these disclosure requirements when we issue rules to carry out the bill. ★

Editors:

- If you need further information, call: **Texas Department of Insurance
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