

CHAPTER 1091

S.B. No. 1371

AN ACT

relating to minimum standards for coverage under certain accident and sickness insurance policies and certificates of insurance and for licensing of certain health agencies.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Subsection (F), Section 1, Chapter 397, Acts of the 54th Legislature, 1955, as amended (Article 3.70-1, Vernon's Texas Insurance Code), is amended by adding Subdivision (5) to read as follows:

(5) The Board shall adopt rules and regulations establishing minimum standards for benefits for long-term care coverage under individual and group policies and certificates of accident and sickness insurance delivered or issued for delivery in this state including group coverages delivered or issued for delivery by companies subject to Chapter 20 of this code and under policies and evidences of coverages delivered or issued for delivery in this state by health maintenance organizations under the Texas Health Maintenance Organization Act (Chapter 20A, Vernon's Texas Insurance Code).

SECTION 2. Section 8, Chapter 397, Acts of the 54th Legislature, 1955, as amended (Article 3.70-8, Vernon's Texas Insurance Code), is amended to read as follows:

Sec. 8. NON-APPLICATION TO CERTAIN POLICIES. Nothing in this Act shall apply to or affect (1) any policy of workmen's compensation insurance or any policy of liability insurance with or without supplementary expense coverage therein; or (2) any policy or contract of reinsurance; or (3) any blanket or group policy of insurance except as provided in [~~Section 2,~~] Subsections (B) and (C) of *Section 2 and Subdivision (5) of Subsection (F) of Section 1*; or (4) life insurance endowment or annuity contracts or contracts supplemental thereto which contain only such provisions relating to accident and sickness insurance as (a) provide additional benefits in case of death or dismemberment or loss of sight by accident, or as (b) operate to safeguard such contracts against lapse, or to give a special surrender value, special benefit, or an annuity in the event that the insured or annuitant shall become totally and permanently disabled, as defined by the contract or supplemental contract, or (5) any policy written under the provisions of Senate Bill No. 208, Acts of the 51st Legislature, 1949.

SECTION 3. Section 9, Texas Health Maintenance Organization Act, as amended (Article 20A.09, Vernon's Texas Insurance Code), is amended by adding Subsection (h) to read as follows:

(h) Article 3.70-1(F)(5) of the Insurance Code applies to health maintenance organizations other than those health maintenance organizations offering only a single health care service plan.

SECTION 4. Section 7, Chapter 642, Acts of the 66th Legislature, 1979, as amended (Article 4447u, Vernon's Texas Civil Statutes), is amended by adding Subsection (d) to read as follows:

(d) Department rules must require, at a minimum, that before the department may approve an application for a license, other than a renewal or branch office license, the applicant must provide the following information to the department:

(1) documentation establishing that, at a minimum, the applicant has sufficient financial resources to provide the services required by this Act and by the department during the term of the license;

(2) a list of the management personnel for the proposed home health agency, a description of their qualifications, and a plan to provide continuing training and education for the personnel during the term of the license;

(3) documentation establishing that the applicant is capable of meeting the minimum standards relating to quality of care established by the department; and

(4) a plan that provides for the orderly transfer of care of the applicant's clients if the applicant is unable to maintain or deliver home health services under the license.

SECTION 5. Chapter 642, Acts of the 66th Legislature, 1979, as amended (Article 4447u, Vernon's Texas Civil Statutes), is amended by adding Section 7A to read as follows:

Sec. 7A. CORPORATE APPLICANTS. (a) If an applicant for a license, other than a renewal or branch office license, proposes to operate a home health agency through a partnership, corporation, or other business entity that includes members that are not individuals or through a corporation in which any of the stock is owned by another corporation, the applicant must:

(1) establish a corporation under Texas law if the applicant is not a Texas corporation;

(2) allow the department to review the competence and financial resources of any stockholder who holds at least 10 percent of the stock of the Texas corporation;

(3) allow the department to review the history and financial resources of each parent or health-related subsidiary of the Texas corporation;

(4) grant the Texas corporation full authority to operate the home health agency and any subsequent home health agencies for which the applicant may seek licensure under this Act;

(5) disclose to the department any information the department needs to conduct the reviews required by this subsection; and

(6) establish a registered agent as required by Article 2.09, Texas Business Corporation Act, to receive service of process in this state.

(b) The department may not approve the application unless the department is satisfied that approval is justified based on the competence, history, and financial resources of the Texas corporation, each parent or health-related subsidiary of the proposed Texas corporation, and the directors, officers, controlling persons, and principal stockholders of the Texas corporation and any parent or health-related subsidiary of the Texas corporation.

(c) The department may adopt rules implementing this section.

(d) Information received by the department that relates to the competence and financial resources of the applicant is confidential and may not be disclosed to the public.

SECTION 6. Section 8, Chapter 642, Acts of the 66th Legislature, 1979, as amended (Article 4447u, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 8. LICENSE FEES. (a) Within the limits prescribed by Subsections (b) and (c) of this section, the [The] board shall set the home health service license fee in an amount that is reasonable to meet the costs of administering this Act.

(b) The board shall set the fee for an initial Class A or Class B license at not less than \$600 nor more than \$1,200.

(c) The board shall set the fee for renewal of a branch office license at not less than \$200 nor more than \$300.

(d) [~~but the fee may not be less than \$300 nor more than \$750 for a Class A or Class B license, nor less than \$100 nor more than \$300 for a branch office license.~~] A fee charged under this section is nonrefundable [~~except as provided by Subsection (b) of this section~~].

SECTION 7. Section 2, Chapter 397, Acts of the 54th Legislature, 1955, as amended (Article 3.70-2, Vernon's Texas Insurance Code), is amended by adding Subsection (H) to read as follows:

(H) In this section, "low-dose mammography" means the X-ray examination of the breast using equipment dedicated specifically for mammography, including the X-ray tube, filter, compression device, screens, films, and cassettes, with an average radiation exposure delivery of less than one rad mid-breast, with two views for each breast. Each individual policy or group policy of accident and sickness insurance that covers a female 35 years old or older and that is delivered, issued for delivery, or renewed in this state, except for policies that provide coverage for specified disease or other limited benefit coverage but including policies issued by companies subject to Chapter 20, Insurance Code, must include coverage for an annual screening by low-dose mammography for the presence of occult breast cancer within the provisions of the policy that is not less favorable than for other radiological examinations and subject to the same dollar limits, deductibles, and co-insurance factors.

SECTION 8. Article 3.74, Insurance Code, is amended by adding Section 3A to read as follows:

Sec. 3A. COVERAGE FOR MAMMOGRAPHY. (a) In this section, "low-dose mammography" means the X-ray examination of the breast using equipment dedicated specifically for mammography, including the X-ray tube, filter, compression device, screens, films, and cassettes, with an average radiation exposure delivery of less than one rad mid-breast, with two views for each breast.

(b) Each Medicare supplement policy delivered, issued for delivery, or renewed in this state must include coverage for an annual screening by low-dose mammography for the presence of occult breast cancer within the provisions of the policy that is not less favorable than for other radiological examinations and subject to the same dollar limits, deductibles, and co-insurance factors.

SECTION 9. This Act takes effect September 1, 1987, and applies to all policies and certificates delivered, issued for delivery, or renewed in this state on or after January 1, 1988. Policies and certificates delivered, issued for delivery, or renewed in this state before September 1, 1987, are governed by the law as it existed at the time the policies and certificates were delivered, issued for delivery, or renewed, and those delivered, issued for delivery, or renewed in this state after August 31, 1987, and before January 1, 1988, are governed by the law in effect immediately before this Act took effect and those laws are continued in effect for those purposes.

SECTION 10. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

Passed the Senate on May 11, 1987, by a viva-voce vote; May 31, 1987, Senate refused to concur in House amendments and requested appointment of Conference Committee; May 31, 1987, House granted request of the Senate; June 1, 1987, Senate adopted Conference Committee Report by a viva-voce vote. Passed the House, with amendments, on May 30, 1987, by a non-record vote; May 31, 1987, House granted request of the Senate for appointment of Conference Committee; June 1, 1987, House adopted Conference Committee Report by a non-record vote.

Approved June 1, 1987.

Effective Sept. 1, 1987.