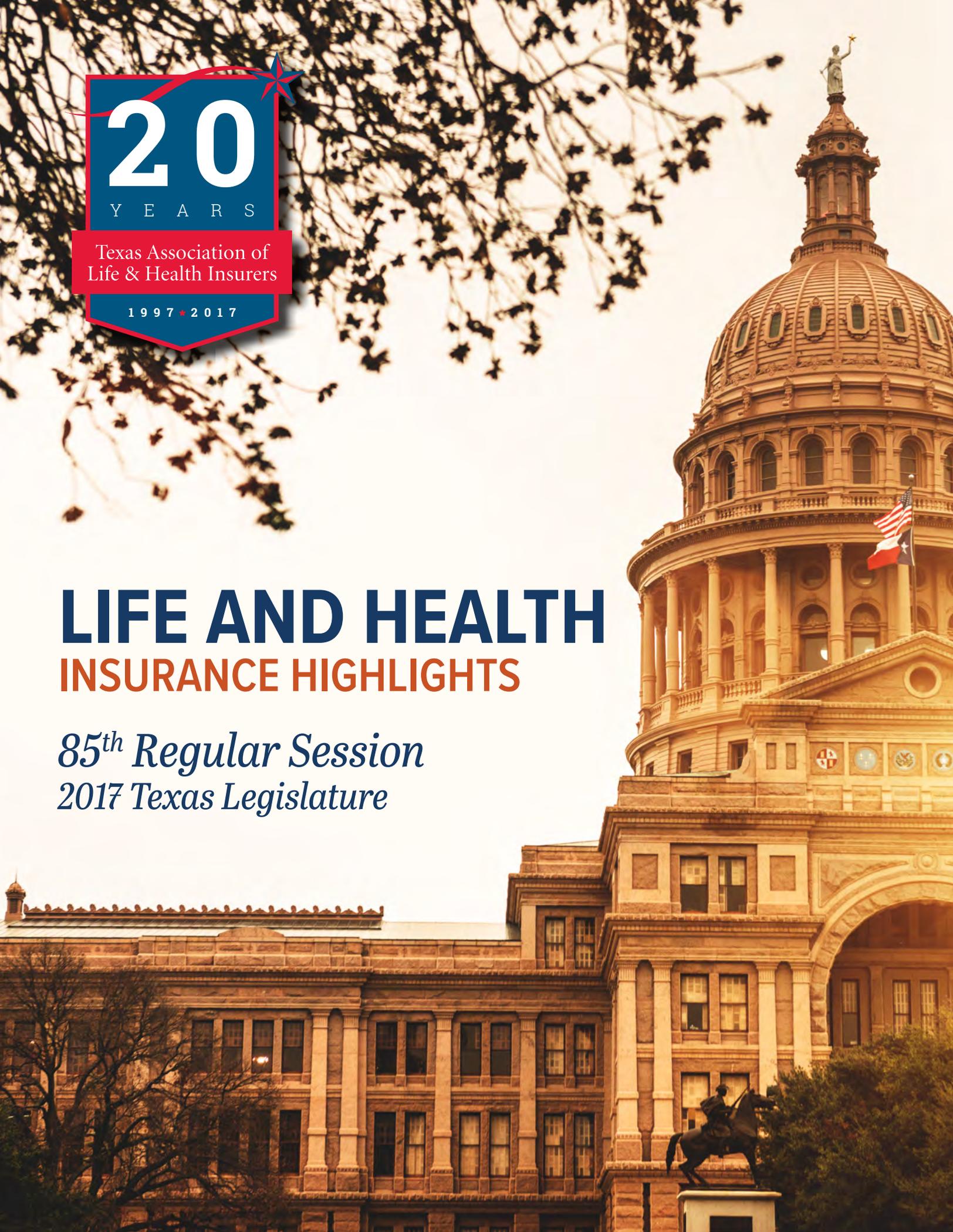


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Texas Association of
Life & Health Insurers

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LIFE AND HEALTH INSURANCE HIGHLIGHTS

*85th Regular Session
2017 Texas Legislature*

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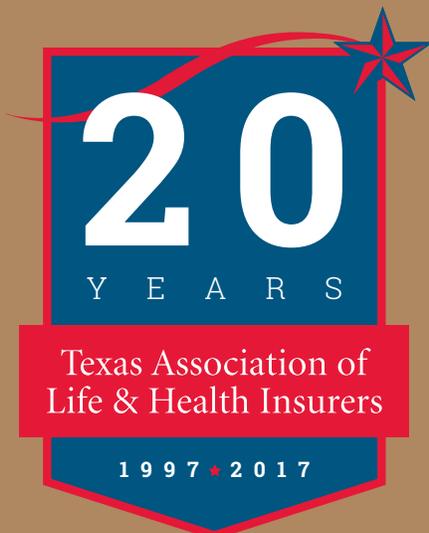
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The 85th Legislature: Getting Down to Business

Most Capitol observers agree that the 2017 legislative session was one of the most unique and challenging in recent memory. Social issues, politics, and disagreements between the House and Senate led to a session that left many business leaders bewildered. Some say that it was the most antibusiness legislative session since the Republican Party gained control of both chambers.

New faces in key positions complicated the session for TALHI. In the House, Speaker Joe Straus appointed a new Insurance Committee chair (the second in two sessions) and five new members to the committee that all insurance legislation must go through. In the Senate, a new chair and several new members of the Business and Commerce Committee added to the need to educate important decision makers on topics most had not worked on previously. And finally, the illness and passing of Insurance Commissioner David Mattax meant that the department's voice was muted during an important legislative session for the insurance industry.

Despite the heightened tensions and challenges, TALHI was able to have a highly successful session in both advancing and defeating legislation. With thanks to TALHI's members and its government relations team, the organization is pleased to report on its efforts that:

- ✓ successfully implemented the NCOIL Unclaimed Life Insurance Benefits Model with ACLI enhancements and prospective application of law;
- ✓ passed agent licensing provisional work permit cleanup;
- ✓ responded to legislation on disclosures on life insurance with nonguaranteed elements;
- ✓ defeated the life settlement industry's notice bill;
- ✓ expanded temporary agent license training time;
- ✓ assisted a coalition in finally passing the credit for the Reinsurance Model Act;
- ✓ made significant changes to an anti-NAIC bill; and
- ✓ successfully supported amendments to the attorney general's child support lien law.

In all, TALHI tracked more than 100 bills, and we're pleased to have built the needed support for our priorities while opposing measures that would have adversely affected the industry.

The session reinforced the uncertainty of the legislative process, but the results demonstrated how the organization's advocacy efforts can strengthen the state's insurance market, even in difficult times.

TALHI's work at the Texas Capitol is central to its mission of ensuring that a vibrant life and health insurance market exists in Texas. Thank you for your support of this goal. We could not achieve the results we do without your help.

The following pages include a general summary of the legislation that was the focus of the TALHI team's efforts. I hope you find the report useful.



Jennifer Ahrens Cawley
Executive Director



TALHI ACCOMPLISHMENTS

From The Session

Following are the brief summaries of several of the major issues debated during the 2017 Texas legislative session:

1. Successfully Implemented NCOIL Unclaimed Life Insurance Benefits Model With ACLI Enhancements and Prospective Application of Law

Despite several attempts by third-party audit vendor Verus to amend the legislation, Chairman Smithee and Chairman Hancock kept the bill language as intended throughout the legislative process, rebuffing efforts to make the bill retroactive, requiring look-backs to 1996. Verus also tried to amend the bill several times in an attempt to legitimize the practice of using the Social Security Death Master File (SSDMF) during audits even when the law did not require insurers to use the SSDMF for matches. TALHI was successful in educating the Legislature on why these amendments were not necessary or in the best interest of Texans.

2. Passed Provisional Work Permit Cleanup

TALHI successfully implemented the state's first Provisional Work Permit program for insurance agent applicants in 2015. This is only the second program of its kind in the United States. TALHI successfully added the life-only license type into the statute which was inadvertently left out last session.

3. Disclosures on Life Insurance With Non-Guaranteed Elements

This started out as a bill that would have capped life insurance premium increases at 10% every year. Former Speaker Craddick had a personal experience with a premium increase of over 100% on a Variable Universal Life policy. TALHI worked in good faith with the bill author and TDI to reach a compromise with disclosure language, but given the short time frame to work on the issue, concerns remained and the bill failed to pass.

4. Defeated the Life Settlement Industry's Notice Bill

Though touted as the same bill that passed in Georgia, as filed this bill would have interfered with an insurer's ability to contract with its agents. TALHI testified against the bill both in the House and the Senate, and despite being carried by two influential legislators, the bill failed to make it out of the Senate Business & Commerce Committee.

5. Expanded Temporary License Training Time

With the help of industry partners, TALHI successfully shepherded HB 1197 through the process which would allow temporary license holders to have 30 days to complete training versus the current 14 days.

6. Assisted Coalition in Finally Passing the Credit for Reinsurance Model Act

Despite much confusion about whether the bill referred to the "covered agreement" in the Senate, and perceived gaming by some members of the Legislature, TALHI helped get this accreditation standard finally passed in Texas.

7. Made Significant Changes to Anti-NAIC Bill

TALHI successfully educated the Legislature on concerns with SB 1449 which would have greatly impaired the TDI's ability to update technical rules such as the accounting procedures manual, the valuation manual, etc. The TALHI team and close partners worked long hours over the Memorial Day weekend to fix this problematic bill.

8. Successfully Supported Amendments to Child Support Lien Law

This bill excludes pre-need funeral, dental & vision, specified disease, and hospital indemnity or other fixed indemnity plans from the Child Support Lien Data Match Program. Though the bill made it through the House without a problem, it sat without a sponsor for more than a week. TALHI supported other industry partners' efforts to secure a Senate sponsor for the bill and encouraged a hearing in the Senate State Affairs Committee.

TDI RECOMMENDED LEGISLATION

PASSED

Confidentiality of reports and related information for a solvency examination of an insurance carrier

HB 2437 (Phillips/Hancock)

Amends Insurance Code to align it with other examination confidentiality provisions by clarifying that information received by TDI during financial examinations is privileged for all purposes and not subject to subpoena or discovery. The Commissioner may use information from an exam report in a legal or regulatory proceeding relating to the administration of the Code.

Effective Date: 05-26-17

Regulation of insurance holding company systems, including internationally active insurance groups

HB 3220 (Phillips/Hancock)

Modifies the materiality threshold for reporting certain transactions between insurers and their affiliates in order to simplify the calculation of materiality. Amends Holding Company Act to clarify and codify existing TDI authority and business practices related to holding company systems that include an insurer. Amends current law relating to the regulation of insurance holding company systems, including internationally active insurance groups, and authorizes a fee.

Effective Date: 05-19-17

Authorized reinsurance and financial statement credit and accounting for reinsurance

SB 1070 (Hancock/Frullo)

Repeals Insurance Code provisions relating to reinsurance for life, health, and accident insurance companies and related entities and expands the applicability of statutory provisions relating to reinsurance for property and casualty insurers.

Effective Date: 09-01-17

Registration statement and reporting requirements of insurers in an insurance holding company system

SB 1073 (Hancock/Smithee)

Changes the threshold amount of a single transaction or total amount of all transactions involving sales, purchases, exchanges, loans or other extensions of credit, or investments above which the transaction or transactions, respectively, are considered to be material for purposes of disclosure on a registration statement filed with TDI.

Effective Date: 05-22-17

Suspension and reactivation of the operation of the Texas Health Reinsurance System

SB 1171 (Estes/Paul)

This bill deactivates the Texas Health Reinsurance System unless the Commissioner, by order, reactivates the system. Sets procedure for reactivation of the reinsurance system.

Effective Date: 05-23-17

Rules adopted by the commissioner of insurance to stabilize long-term care premium rates

SB 1492 (Zaffirini/Smithee)

Repeals Section 1651.055(b), Insurance Code, which requires the commissioner of insurance to adopt rules that are consistent with nationally recognized models relating to the stabilization of long-term care premium rates that existed on 1/1/2001, authorizes the commissioner to adopt rules consistent with any of those models as they are amended after 1/1/2001, and requires the commissioner to adopt such rules that, to the extent possible, contribute to the uniformity of state laws and that protect consumers.

Effective Date: 09-01-17



2017 TALHI KEY BILLS

PASSED

Training period for a temporary insurance agent's license

HB 1197 (Paul/Creighton)

TALHI priority bill extends the training time for temporary licenses from 14 days to 30 days. Amends Section 4001.160(a), Insurance Code, to require an agent, insurer, or health maintenance organization that is considering appointing a certain agent to provide at least 40 hours of training to the applicant not later than the 30th, rather than 14th, day after the date certain materials are delivered or mailed to the Texas Department of Insurance.

Effective Date: 05-26-17

Notice of health benefit plan provider network status provided by certain freestanding emergency medical care facilities

HB 3276 (Oliverson/Taylor)

Takes important steps to require greater transparency at freestanding ERs and ensure consumers receive adequate information to make informed health care decisions for them and their families. Amends current law relating to notice of health benefit plan provider network status provided by certain freestanding emergency medical care facilities.

Effective Date: 09-01-17

Insurance reporting program operated by the Title IV-D agency to enforce certain child support obligations

HB 3845 (Raymond/Creighton)

Amends the Family Code regarding claims an insurer may not be required to report or identify under the insurance reporting program operated by the attorney general's office to enforce certain child support obligations. Pre-need funeral, dental & vision, and hospital indemnity policies are now exempted from the child support lien program.

Effective Date: 06-15-17

Financial exploitation of certain vulnerable adults

HB 3921 (Parker/Hancock)

Coalition bill based on interim report. Amends the Finance Code to require an employee of a financial institution who has cause to believe that financial exploitation of a vulnerable adult has occurred, is occurring, or has been attempted to notify the financial institution of the suspected financial exploitation. TALHI assisted agents and others in preparing amendments to assure broad indemnity for agents complying with requirements to suspend and report suspected financial exploitation.

Effective Date: 09-01-17

Mediation of the settlement of certain out-of-network health benefit claims involving balance billing

SB 507 (Hancock/Frullo)

This bill expands the out-of-network balance billing mediation law to emergency care, including care provided in freestanding emergency rooms, and provides notice requirements to enrollees.

Effective Date: 09-01-17

Identification and handling of unclaimed life insurance and annuity contract proceeds

SB 561 (Hancock/Smithee)

Implements the NCOIL Unclaimed Life Insurance Benefits Model Act on a prospective basis. Includes several provisions recommended by ACLI in addition to the NCOIL Model language.

Effective Date: 09-01-17

Rulemaking authority of the commissioner of insurance with respect to certain agreements and the effect of those agreements on this state's authority to regulate insurance

SB 1450 (Taylor/Bonnen)

Prohibits any rule set forth by the commissioner of insurance to implement an interstate, national, or international agreement that infringes on the authority of this state to regulate the business of insurance. Clarifies any such agreement would have no effect if not first approved by the state legislature. Contains language from SB 1449 as amended.

Effective Date: 09-01-17



2017 TALHI KEY BILLS

DID NOT PASS

Specialty certification for insurance agents who have completed certain training regarding self-insured health benefit plans

HB 1297 (Fruzzo)

Companion: SB 770 (Watson)

This bill would have established a voluntary specialty certification program for individuals who have completed training in accordance with the bill's provisions regarding self-insured health benefit plans. The bill conditions an individual's eligibility to receive a specialty certification on the individual holding a general life, accident, and health license, satisfying the requirements prescribed by the bill, and submitting evidence of training completion to TDI in the manner prescribed by the commissioner of insurance. The bill requires an individual to continue to hold a general life, accident, and health license in order to maintain a specialty certification.

Certain information or assistance provided by life insurance agents to owners of life insurance policies

HB 3008 (Thompson)

Companion: SB 1285 (Creighton)

This bill would have amended the Insurance Code to prohibit a life insurance company that issues or provides coverage under an individual life insurance policy from terminating, fining, or otherwise penalizing an insurance agent who is the agent of record for the policy or who has a business relationship with the policy owner for informing the policy owner or the policy owner's designee about options available under the policy terms with respect to the lapse or surrender of the policy or for assisting the policy owner with securing benefits under the terms of the policy.

Limiting increases in premiums for life insurance policies

HB 3370 (Craddick/Hancock)

This bill would have prohibited an insurer from increasing a premium, cost, charge, administrative expense, or fee associated with a life insurance policy by an amount that exceeds 10 percent of the premium, cost, charge, expense, or fee during any year. TALHI worked with the bill author and TDI on language that would have required disclosure instead of the annual rate cap, but the bill failed to make it through the process.

Unconscionable prices charged by certain health care facilities for medical care

HB 3867 (Smithee)

Companion: SB 2064 (Hancock)

This bill would have related to unconscionable prices charged by certain emergency health care facilities for medical care, including false, misleading, or deceptive acts or practices.

Insurer's compliance with National Association of Insurance Commissioners requirements

SB 1449 (Taylor/Bonnen)

Companion: 3733 (Bonnen)

Language included in SB 1450 as finally passed. This bill would have prohibited the TDI from requiring an insurer to comply with a rule, regulation, directive, or standard adopted by the NAIC, including certain policy reserves, unless application of the rule, regulation, directive, or standard is expressly authorized by statute. Authorizes the commissioner to adopt an interim rule in certain circumstances.



KEY LEGISLATION IMPACTING LIFE, A&H, RETIREMENT



PASSED

Certain authorized investments for domestic life, health, and accident insurers

HB 3803 (Faircloth/Zaffirini)

This bill amends current law to allow Texas insurers to make interest-only mortgage loans in certain instances, allow borrowers with substantial financial strength to self-insure certain property, and allow mortgage loans in certain leasehold estates sometimes referred to as “phantom” leasehold estates.

Effective Date: 09-01-17

Notification by an insurer of certain disciplinary actions imposed on the insurer for a violation of the insurance laws of another state

SB 1012 (Creighton/Paul)

Removes requirement that an insurer notify TDI about the imposition of a penalty, forfeiture, or sanction for a violation of the insurance laws of another state.

Effective Date: 09-01-17

The applicability of the sales and use tax to certain insurance services

SB 1083 (Perry/Frullo)

Amends the Tax Code to exempt from the sales and use tax a service performed by a certified public accountancy firm, if certain conditions are met.

Effective Date: 01-01-18

DID NOT PASS

Prohibition of certain insurance discrimination

HB 1018 (Alonzo)

This bill would have added sexual orientation or gender identity or expression to the list of characteristics for which a person may not refuse to insure or provide coverage to, refuse to continue to insure or provide coverage to, limit the amount, extent, or kind of coverage available for, or charge a rate that is different from the rate charged to other individuals for the same coverage.

The use by the comptroller of public accounts of certain forms in connection with administration and enforcement of certain insurance premium tax laws

HB 1940 (Turner)

Section 201.051, Insurance Code, would have been amended by adding Subsection (e) to read as follows: (e) Notwithstanding another provision of this section, the comptroller shall allocate premium or revenue with respect to premium tax imposed on an insurer or health maintenance organization under this title based solely on the premium or revenue allocation by state as reported by the insurer or health maintenance organization on the applicable form prescribed by the National Association of Insurance Commissioners and adopted by the commissioner by rule.

Single premium term life insurance offered in connection with certain consumer loans

HB 3448 (Longoria)

This bill would have amended the Finance Code to authorize a lender to offer a borrower on a consumer loan subject to statutory provisions governing interest charges on non-real property loans single premium term life insurance through a properly licensed insurance agent, to prohibit such a lender from requiring the borrower to accept the insurance, to require such a lender to provide the borrower with the option to pay the insurance premium from the borrower's own funds or to pay the premium with a portion of the loan proceeds, and to require such a lender to provide to and review with the borrower specified disclosures before completing the transaction. The bill requires the Finance Commission of Texas to prescribe by rule the form and the content of such disclosures.

The creation of a state-administered retirement plan

HB 3601 (Alonzo)

This bill is a unique version of the AARP/Public Labor plan called Secure Choice. It would have imposed an employer mandate that is phased in by employer size. The bill would have required employers to offer either an auto-enrollment ROTH IRA plan, or a fully ERISA governed Multiple Employer Plan (MEP). This bill did not receive a hearing.

Life insurance policy proceeds of an insured defendant indicted for certain offenses under the Penal Code

HB 4030 (Phillips)

The bill would have amended the Code of Criminal Procedure and the Insurance Code to require a court to determine whether certain felony defendants are covered by a life insurance policy and, if so, the court would be required to notify the insurer and the victim of the offense of the coverage and the criminal proceedings. If the defendant were to die before disposition of the charges, the bill would require the court to appoint a trustee to manage the insurance proceeds in a specific manner.

Disclosure of information regarding and conditions for payment of death benefits under certain policies, contracts, and group benefit plans

SB 1252 (West)

Similar bill requested by certain funeral home directors that TALHI has opposed in the past. Would have amended Chapter 1101, Insurance Code, by adding Subchapters E, Disclosures Regarding Death Benefits, and F, Payment of Death Benefit.

Authorizing certain municipalities to establish defined contribution plans to provide retirement benefits to certain employees

SB 1752 (Bettencourt)

The bill would have amended the Government Code by allowing certain home-rule municipalities to establish a defined contribution plan within a public retirement system. A defined contribution plan for newly hired municipal employees would be created on receipt of a petition requesting an election signed by a number of registered voters equal to at least 10 percent of the voters who voted in the most recent election of the municipality. If the petition has enough signatures the municipality must hold an election during the next regularly scheduled general election for municipal officials. The bill would require the municipality to make contributions to the defined contribution plan at the same rate that the participants contribute.

KEY LEGISLATION IMPACTING MAJOR MEDICAL HEALTH

PASSED

Access to and benefits for mental health conditions and substance use disorders

HB 10 (Price/Zaffirini)

This bill amends the Insurance Code to require a health benefit plan to provide benefits and coverage for mental health conditions and substance use disorders under the same terms and conditions applicable to the plan's medical and surgical benefits and coverage.

Effective Date: 09-01-17

Health benefit plan coverage of hearing aids and cochlear implants for certain individuals

HB 490 (Anderson/Kolkhorst)

This bill creates a new mandate in a new Subch. F, Ch. 1367 for hearing aids and cochlear implants. It applies to group health plans including school districts, counties, churches, local risk pools, and professional employer organizations.

Effective Date: 09-01-17

Coverage for certain breast cancer screening procedures under certain health benefit plans

HB 1036 (Thompson/Whitmire)

This bill amends the Insurance Code to include digital mammography and breast tomosynthesis as forms of low-dose mammography for which an applicable health benefit plan that provides coverage to a female who is 35 years of age or older must provide coverage in an annual screening for the presence of occult breast cancer.

Effective Date: 09-01-17

Transparency of certain information related to prescription drug coverage provided by certain health benefit plans

HB 1227 (Smithee/Seliger)

This bill amends the Insurance Code to make the requirement for a health benefit plan issuer to display drug formulary information on a public website maintained by the issuer, as required by the commissioner of insurance by rule, applicable to the display of that information for each of the issuer's individual health benefit plans that provide benefits for medical or surgical expenses incurred as a result of a health condition, accident, or sickness.

Effective Date: 09-01-17



Health benefit coverage for prescription drug synchronization

HB 1296 (Fruzzo/Buckingham)

Amends the Insurance Code to require a health benefit plan that provides benefits for prescription drugs to prorate any cost-sharing amount charged for a partial supply of a prescription drug in certain situations.

Effective Date: 09-01-17

Health maintenance organization contracts with certain entities to provide health care services

HB 3218 (Phillips/Schwertner)

Allows HMOs to provide health care services through providers under contract with an entity that is under contract with the HMO to provide a network of providers to provide health care services. Such contracts between the entity and the HMO organization must not limit the HMO's authority or responsibility, including financial responsibility, to comply with any regulatory requirement that applies to a function performed by the entity and must require the entity to comply with all regulatory requirements that apply to a function performed by the entity.

Effective Date: 09-01-17

Participation of an advanced practice registered nurse as a primary care or network provider for certain governmental and other health benefit plans

SB 654 (Seliger/Smithee)

Permits advanced practice registered nurses to be included as a primary care provider in a managed care organization's provider network regardless of whether the physician supervising the advanced practice registered nurse is in the provider network.

Effective Date: 09-01-17

Step therapy protocols required by a health benefit plan in connection with prescription drug coverage

SB 680 (Hancock/Bonnen)

Requires a health benefit plan issuer that requires a step therapy protocol requiring an enrollee to use a prescription drug or sequence of prescription drugs other than the drug that the enrollee's physician recommends for the enrollee's treatment before the health benefit plan issuer provides coverage for the recommended prescription drug to establish, implement, and administer the step therapy protocol in accordance with clinical review criteria readily available to the health care industry.

Effective Date: 09-01-17

Amounts charged to an enrollee in a health benefit plan for prescription drugs covered by the plan

SB 1076 (Schwertner/Bonnen)

Provides that a health benefit plan that covers prescription drugs may not include a provision that requires an enrollee to make a payment for a prescription drug at the point of sale in an amount greater than an amount that the pharmacist or pharmacy providing the prescription drug may retain from the issuer or the issuer's PBM. Passed the House with an amendment that provides that when setting terms for the maximum payment allowed, the amount an individual would pay for a drug without using a benefit plan or other discount is included. (The Senate-passed bill would have included the negotiated and allowable claim amount.) The Senate concurred in the House amendment and the bill was sent to the governor.

Effective Date: 09-01-17



Telemedicine and telehealth services

SB 1107 (Schwertner/Price)

Amends the Occupations Code to remove the authorization for the Texas Medical Board to adopt rules necessary to require a face-to-face consultation between a patient and a physician providing a telemedicine medical service within a certain number of days following an initial telemedicine medical service if the physician has never seen the patient. The bill subjects a health professional providing a health care service or procedure as a telemedicine medical service or a telehealth service to the standard of care that would apply to the provision of the same health care service or procedure in an in-person setting. The bill prohibits an agency with regulatory authority over a health professional from adopting rules pertaining to telemedicine medical services or telehealth services that would impose a higher standard of care than the standard described by the bill. The bill expressly excludes mental health services from statutory provisions governing telemedicine and telehealth.

Effective Dates: 05-27-17 & 01-01-18

Authority of the commissioner of insurance to request a state innovation waiver for certain small group health benefit plans of certain federal actuarial value and level of coverage requirements

SB 1406 (Creighton/Smithee)

Authorizes the commissioner of insurance to apply to and negotiate with the United States secretary of health and human services to obtain a state innovation waiver for small employer health benefit plans of the actuarial value requirements and related levels of health plan coverage requirements imposed under federal law.

Effective Date: 05-23-17

Provision of pharmacy services through a telepharmacy system

SB 1633 (Perry/Oliverson)

Provides standards for telepharmacy and defines “remote dispensing site” as a location licensed as a telepharmacy that is authorized by a provider pharmacy through a telepharmacy system to store and dispense prescription drugs and devices, including dangerous drugs and controlled substances. As passed, the bill includes a definition of “direct supervision,” meaning supervision by a pharmacist who directs the activities of a pharmacist-intern, pharmacy technician, or pharmacy technician trainee to a sufficient degree to ensure the activities are performed accurately, safely, and without risk of harm to patients, as specified by board rule.

Effective Date: 09-01-17

Creation of a temporary health insurance risk pool

SB 2087 (Hancock/Phillips)

Authorizes the commissioner of insurance, to the extent that federal funds become available under federal law, regulation, or executive action, to apply for such funds and use such funds to establish and administer a temporary health insurance risk pool.

Effective Date: 06-12-17

KEY LEGISLATION IMPACTING MAJOR MEDICAL HEALTH

DID NOT PASS

Coverage for treatment of craniofacial abnormalities under certain health benefit plans

HB 831 (Anderson)

This bill would have added new Sec. 1367.1535, Insurance Code, to create a new mandate for reconstructive surgery for craniofacial abnormalities.

Health benefit plan coverage of prescription contraceptive drugs

HB 1161 (Davis)

Companion: HB 940 (Howard)

This bill would have amended the Insurance Code to require certain health benefit plans that provide benefits for a prescription contraceptive drug to provide for an enrollee to obtain up to a three-month supply of the covered prescription contraceptive drug at one time the first time the enrollee obtains the drug and up to a 12-month supply of the covered prescription contraceptive drug at one time each subsequent time the enrollee obtains the same drug, regardless of whether the enrollee was enrolled in the health benefit plan the first time the enrollee obtained the drug.

Health benefit plan coverage of prescription drugs for stage-four advanced, metastatic cancer

HB 1539 (Thompson)

This bill would have amended Chapter 1369, Insurance Code, by adding Subchapter E-1, Coverage of Prescription Drugs for Stage-Four Advanced, Metastatic Cancer.

Premium and maintenance tax credits related to certain fees paid under the Patient Protection and Affordable Care Act

HB 2036 (King)

Companion: SB 1779 (Creighton)

Sought to preclude the need for a further increase in premiums to cover the cost of tax liability by providing a credit for premium taxes due in a taxable year to offset the tax liability attributable to the recoupment of federal provider fees.

Termination by an insurer of a contract with a preferred provider

HB 2397 (Munoz)

Companion: SB 1388 (Hinojosa)

This bill would have amended the Insurance Code to remove the exception for a case involving fraud or malfeasance to the requirement that an insurer provide, on request and before terminating a contract with a preferred provider, a reasonable review mechanism to the affected provider who is a practitioner.

Award of damages in a private action involving health benefits for certain prohibited acts or practices by an insurer

HB 2620 (Munoz)

This bill would have amended Section 541.152(a), Insurance Code, as follows: (a) A plaintiff who prevails in an action under this subchapter may obtain...(2) in an action authorized by Section 541.151 that relates to health benefits, the greater of: (A) the amount provided by Subdivision (1); or (B) \$10,000, plus court costs and reasonable and necessary attorney's fees.

Health benefit plan provider networks

HB 2760 (Bonnen)

This bill would have amended the Insurance Code to include among the information required to be maintained in a physician and health care provider directory by certain health benefit plan issuers the specialty, if any, of each physician and health care provider in the directory and to require the directory to be electronically searchable by specialty. The bill changes from at least once every month to at least once every five business days the frequency with which a health benefit plan issuer is required to correct and update the directory, as applicable.

Release of certain physician-specific comparison data to physicians participating in health benefit plan networks

HB 3124 (Gooden/Creighton)

This bill would have authorized a health benefit plan issuer to provide cost comparison data compiled by the plan issuer to show the health care costs associated with a physician or other health care provider relative to another physician or provider to a physician participating in an accountable care organization. Requires a health benefit plan issuer to give a physician a fair opportunity to dispute the cost comparison data.

To health benefit plan coverage for ovarian cancer testing and screening

HB 3304 (King)

This bill would have amended the Insurance Code to include in the minimum required coverage for an annual medically recognized diagnostic examination for the early detection of ovarian cancer and cervical cancer provided by a health benefit plan to each woman 18 years of age or older enrolled in the plan any test or screening approved by the U.S. FDA for the detection of ovarian cancer.

Certain information reported to the Texas Department of Insurance by insurers, other entities, and individuals in connection with employee benefit plans

HB 4105 (Munoz)

The bill would have amended the Insurance Code relating to certain information reported to the Texas Department of Insurance by insurers, other entities, and individuals in connection with employee benefit plans; creating an offense.

Health plan and health benefit plan coverage for abortions

SB 20 (Taylor/Smithee)

Companion: HB 1113 (Smithee)

This bill would have amended the Insurance Code to prohibit a qualified health plan offered through a health benefit exchange administered by the federal government or created under the federal Patient Protection and Affordable Care Act from providing coverage for an abortion other than coverage for an abortion performed due to a medical emergency. That prohibition expressly does not prevent a person from purchasing optional or supplemental coverage for abortions under a health benefit plan other than a qualified health plan offered through a health benefit exchange. Will be revisited in the July 18 special session.

Disclosure of state agency contract information regarding administrator services for group health benefit plans

SB 1346 (Watson)

This bill would have required state agencies to share contract and pricing information about group health benefit plans, as they already do for pharmacy benefit manager services.

2017 OTHER BILLS

PASSED

Authority of a captive insurance company to provide reinsurance

HB 1187 (Capriglione/Nelson)

This bill amends the Insurance Code to include credit life insurance and credit disability insurance offered as a part of, or directly relating to, the operational risks of a captive insurance company's affiliate among the types of insurance for which a captive insurance company may provide reinsurance. Filed specifically for Kabota, who is relocating HQ to Frisco area.

Effective Date: 09-01-17

Captive insurance companies

HB 1944 (Murphy/Hughes)

Amends the Insurance Code to provide for the formation of a captive exchange as a reciprocal or interinsurance exchange, to require a captive exchange to operate as a captive insurance company, and to specify that a captive exchange is considered a captive insurance company for purposes of statutory provisions governing such companies.

Effective Date: 06-15-17

Durable powers of attorney

HB 1974 (Wray/Rodriguez)

H.B. 1974 makes changes to the statute by: a) providing for reasonable acceptance of DPOAs in a timely fashion so that guardianship can be avoided; b) eliminating risk to persons who accept DPOAs by allowing them to rely on an agent's certification that the DPOA is valid for the purpose it is being presented or an opinion of the agent's counsel who is hired at the principal's expense; c) giving the person who is asked to accept the DPOA numerous valid reasons to reject, some of which cannot be challenged by the principal or agent; and d) providing a mechanism to have a court decide any disputes. The Texas Banker's Association opposed the bill because of the required acceptance provision in Section 751.201, though the Business Law Foundation did sign off on the bill.

Effective Date: 09-01-17

Privacy of certain structured settlement information

HB 3356 (King/Creighton)

Makes a specified rule of the Texas Rules of Civil Procedures relating to sealing court records applicable to all court proceedings and filings under the Structured Settlement Protection Act, but exempts a party from that rule in order to redact the payee's personally identifiable information. The bill was amended to allow an unredacted order to be made part of the public record six months after the order is issued.

Effective Date: 06-15-17

Prohibiting governmental contracts with a company doing business with Iran, Sudan, or a foreign terrorist organization

SB 252 (Taylor/Davis)

Prohibits government contracts with companies engaged in business with Iran, Sudan, or foreign terrorist organizations. The comptroller will maintain a list of companies that have contracts or provide supplies or services to such organizations, including a foreign terrorist organization.

Effective Date: 09-01-17

Sale or assignment of tax credits for the certified rehabilitation of certified historic structures

SB 550 (Campbell/Rodriguez)

Authorizes an entity to which a franchise tax credit for the certified rehabilitation of certified historic structures is sold or assigned and that is subject to a premium tax for property and casualty insurance, life, health, and accident insurance, title insurance, or a reciprocal and interinsurance exchange to claim all or part of the credit against the premium tax.

Effective Date: 05-04-17

Certain account disclosures provided by a financial institution to a customer

SB 714 (Seliger/Geren)

Amends the Estates Code to add an acknowledgment provision and a signature line to the uniform account form a financial institution may use to establish the type of account selected by the signer.

Effective Date: 09-01-17

Adoption of the Texas Revised Uniform Fiduciary Access to Digital Assets Act

SB 1193 (Taylor/Parker)

Amends the Estates Code to set out provisions relating to fiduciary access to digital assets, applicable to a custodian if the user resides in Texas or resided in Texas at the time of the user's death, but not to a digital asset of an employer used by an employee in the ordinary course of the employer's business.

Effective Date: 09-01-17



2017 OTHER BILLS

DID NOT PASS

Exception from disclosure under the public information law for information related to competition or bidding

SB 407 (Watson)

Companion: HB 792 (Capriglione)

This bill would have amended the Open Records Act, Sec. 551.104, Govt Code, by effectively repealing the Boeing decision that held that information that would give an advantage to a competitor is exempt from disclosure. This bill changes the standard to a governmental body demonstrating that release of the information would harm its interests in a particular competitive situation.

Definition of a governmental body for the purposes of the public information law

SB 408 (Watson)

Companion: HB 793 (Capriglione)

This bill would have expanded the definition of “governmental entity” to any entity that receives funds from a government agency. TALHI was successful in amending the bill to not include insurers that receive premium or consideration for insurance or benefits provided to political subdivisions.

Phaseout and repeal of the franchise tax

HB 388 (Murphy)

This bill would have reduced the franchise tax through 2021 and then repealed such taxes in 2022.

Certain persons' entitlement to public information

HB 526 (Schofield)

Under the bill, a governmental entity would have no longer been required to accept or comply with a request for public information from a person whose primary residence was not in Texas.

Breach of system security of a business that exposes consumer credit card or debit card information

HB 2333 (Elkins)

Companion: SB 1409 (Menendez)

The bill would have amended the Business and Commerce Code to require that a business that accepts a credit card or debit card for payment and retains any data related to the card, other than a confirmation number, shall secure the retained information from a breach of a security system. In the event of a security breach, the bill provides direction for the reporting of the security breach to the Attorney General and to each financial institution that issued a credit or debit card affected by the breach. This bill would have broadly applied to insurers. TALHI contacted the bill authors with concerns. The bill did not receive a hearing.

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