INSURANCE CODE

TITLE 8. HEALTH INSURANCE AND OTHER HEALTH COVERAGES

SUBTITLE N. RATES

CHAPTER 1698. RATES FOR CERTAIN COVERAGE

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1698.001. APPLICABILITY OF CHAPTER. This chapter applies only to rates for the following health benefit plans:

(1) an individual major medical expense insurance policy to which Chapter 1201 applies;

(2) individual health maintenance organization coverage; or

(3) a small employer health benefit plan provided under Chapter 1501.

Added by Acts 2021, 87th Leg., R.S., Ch. 877 (S.B. 1296), Sec. 1, eff. September 1, 2021.

Sec. 1698.002. APPLICABILITY OF OTHER LAWS GOVERNING RATES. The requirements of this chapter are in addition to any other provision of this code governing health benefit plan rates. Except as otherwise provided by this chapter, in the case of a conflict between this chapter and another provision of this code, this chapter controls.

Added by Acts 2021, 87th Leg., R.S., Ch. 877 (S.B. 1296), Sec. 1, eff. September 1, 2021.

SUBCHAPTER B. REVIEW OF RATES

Sec. 1698.051. REVIEW OF PREMIUM RATES. (a) In this section:

(1) "Individual health benefit plan" means:

(A) an individual accident and health insurance policy to which Chapter 1201 applies; or

(B) individual health maintenance organization coverage.

(2) "Small employer health benefit plan" has the

meaning assigned by Section 1501.002.

(b) The commissioner by rule shall establish a process under which the commissioner reviews health benefit plan rates and rate changes for compliance with this chapter and other applicable state and federal law, including 42 U.S.C. Sections 300gg, 300gg-94, and 18032(c) and those sections' implementing regulations, including rules establishing geographic rating areas.

Added by Acts 2021, 87th Leg., R.S., Ch. 877 (S.B. 1296), Sec. 1, eff. September 1, 2021.

Sec. 1698.052. ADDITIONAL RULES AND GUIDANCE RELATED TO INDIVIDUAL HEALTH PLAN RATES. (a) In this section, "qualified health plan" has the meaning assigned by Section 1301(a), Patient Protection and Affordable Care Act (42 U.S.C. Section 18021).

(b) The commissioner shall adopt rules and provide guidance regarding additional requirements related to individual health benefit plans, including qualified health plans, to address the following factors:

(1) whether the plan issuer has complied with all requirements for pooling risk and participating in risk adjustment programs in effect under state or federal law;

(2) the covered benefits or health benefit plan design or, for a rate change, any changes to the benefits or design;

(3) the allowable variations for case characteristics, risk classifications, and participation in programs promoting wellness; and

(4) any other factor listed in 45 C.F.R. Section 154.301(a)(4) to the extent applicable.

(c) In making a determination under this section regarding a proposed rate for a qualified health plan, the commissioner shall consider, in addition to the factors under Subsection (b), the following factors:

(1) the purchasing power of consumers who are eligible for a premium subsidy under the Patient Protection and Affordable Care Act (Pub. L. No. 111-148);

(2) if the plan is in the silver level, as described by 42 U.S.C. Section 18022(d), whether the rate is appropriate for the

plan in relation to the rates charged for qualified health plans offering different levels of coverage, taking into account any funding or lack of funding for cost-sharing reductions and the covered benefits for each level of coverage; and

(3) whether the plan issuer utilized the induced demand factors developed by the Centers for Medicare and Medicaid Services for the risk adjustment program established under 42 U.S.C. Section 18063 for the level of coverage offered by the plan or any state-specific induced demand factors established by department regulations.

(d) The commissioner may consider the following factors:

(1) if the commissioner determines appropriate for comparison purposes, medical claims trends reported by plan issuers in this state or in a region of this country or the country as a whole; and

(2) inflation indexes.

Added by Acts 2021, 87th Leg., R.S., Ch. 877 (S.B. 1296), Sec. 1, eff. September 1, 2021.

Sec. 1698.053. PLAN DESIGN FLEXIBILITY WITHIN RATING AREAS. Notwithstanding any other provision of this code, a health benefit plan issuer may:

(1) offer different plan designs by rating area to individuals and small employers; and

(2) provide network access beyond the geographic rating area.

Added by Acts 2021, 87th Leg., R.S., Ch. 877 (S.B. 1296), Sec. 1, eff. September 1, 2021.

Sec. 1698.054. FEDERAL ACTUARIAL LEVELS AND PLAN COST-SHARING. Notwithstanding any other provision of this code, a health benefit plan issuer may offer plan designs with deductibles, coinsurance, and other cost-sharing mechanisms necessary to comply with federal actuarial values in the individual and small group market in this state.

Added by Acts 2021, 87th Leg., R.S., Ch. 877 (S.B. 1296), Sec. 1, eff. September 1, 2021.

Sec. 1698.055. FEDERAL FUNDING. The commissioner shall seek all available federal funding to cover the cost to the department of reviewing rates under this subchapter.

Added by Acts 2021, 87th Leg., R.S., Ch. 877 (S.B. 1296), Sec. 1, eff. September 1, 2021.