INSURANCE CODE

TITLE 8. HEALTH INSURANCE AND OTHER HEALTH COVERAGES

SUBTITLE A. HEALTH COVERAGE IN GENERAL

CHAPTER 1203. COORDINATION OF BENEFITS PROVISIONS

SUBCHAPTER A. SUPPLEMENTAL INSURANCE POLICIES

Sec. 1203.001.  APPLICABILITY OF SUBCHAPTER. (a) This subchapter applies only to:

(1)  a policy of group accident and health insurance as described by Chapter 1251;

(2)  a policy of blanket accident and health insurance as described by Chapter 1251;

(3)  a policy of individual accident and health insurance as defined by Section 1201.001; or

(4)  an evidence of coverage as defined by Section 843.002.

(b)  This subchapter does not apply to an individual accident and health insurance policy that is designed to fully integrate with other policies through a variable deductible.

Added by Acts 2003, 78th Leg., ch. 1274, Sec. 3, eff. April 1, 2005.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 572 (H.B. [3024](http://www.legis.state.tx.us/tlodocs/84R/billtext/html/HB03024F.HTM)), Sec. 3, eff. September 1, 2015.

Sec. 1203.002.  CERTAIN COORDINATION OF BENEFITS PROVISIONS PROHIBITED. (a) An accident and health insurance policy or evidence of coverage may not be delivered, issued for delivery, or renewed in this state if:

(1)  a provision of the policy or evidence of coverage excludes or reduces the payment of benefits to or on behalf of an insured or enrollee;

(2)  the reason for the exclusion or reduction is that benefits are also payable or have been paid to or on behalf of the insured or enrollee under a supplemental policy of accident and health insurance; and

(3)  the supplemental policy is individually underwritten and individually issued as a plan of coverage for:

(A)  hospital confinement indemnity;

(B)  a specified disease; or

(C)  a limited benefit.

(b)  Application of Subsection (a) to a provision of an accident and health insurance policy or evidence of coverage is not affected by:

(1)  the mode or channel by which the premium for a supplemental policy of accident and health insurance is paid to the insurer; or

(2)  a reduction in the premium for a supplemental policy of accident and health insurance because of the insured's membership in an organization or status as an employee.

Added by Acts 2003, 78th Leg., ch. 1274, Sec. 3, eff. April 1, 2005.

Sec. 1203.003.  CERTAIN COORDINATION OF BENEFITS PROVISIONS VOID. A provision of an accident and health insurance policy or evidence of coverage that violates Section 1203.002 is void.

Added by Acts 2003, 78th Leg., ch. 1274, Sec. 3, eff. April 1, 2005.

SUBCHAPTER B. DENTAL INSURANCE

Sec. 1203.051.  APPLICABILITY OF SUBCHAPTER; EXCEPTION. (a)  This subchapter applies only to an insurance policy that provides benefits for dental expenses, including, except as provided by Subsection (b), an individual, group, blanket, or franchise insurance policy or insurance agreement, or a group hospital service contract, that is offered by:

(1)  an insurance company;

(2)  a group hospital service corporation operating under Chapter 842;

(3)  a fraternal benefit society operating under Chapter 885;

(4)  a stipulated premium company operating under Chapter 884;

(5)  a reciprocal exchange operating under Chapter 942; or

(6)  a Lloyd's plan operating under Chapter 941.

(b)  This subchapter does not apply to a separate dental policy that exclusively provides a non-coordinated, fixed indemnity benefit, regardless of expenses incurred paid directly to the policyholder or to the provider under an assignment of benefits provision.

Added by Acts 2015, 84th Leg., R.S., Ch. 572 (H.B. [3024](http://www.legis.state.tx.us/tlodocs/84R/billtext/html/HB03024F.HTM)), Sec. 1, eff. September 1, 2015.

Sec. 1203.052.  COORDINATION OF BENEFITS BETWEEN PRIMARY AND SECONDARY INSURERS. (a)  This section applies if:

(1)  an insured is covered by at least two different insurance policies; and

(2)  each policy provides the insured dental benefits.

(b)  The primary insurer, as determined under a coordination of benefits provision applicable to the policies, is responsible for dental expenses covered under the insurance policy issued by the primary insurer up to the full amount of any policy limit applicable to the covered dental expenses.

(c)  Before the policy limit described by Subsection (b) is reached, the secondary insurer, as determined under a coordination of benefits provision applicable to the policies, is responsible only for dental expenses covered under the insurance policy issued by the secondary insurer that are not covered under the policy issued by the primary insurer.

(d)  After the policy limit described by Subsection (b) has been reached, the secondary insurer, in addition to the responsibility described by Subsection (c), is responsible for any dental expenses covered by both policies that exceed the policy limit described by Subsection (b), not to exceed the policy limit of the secondary policy.

Added by Acts 2015, 84th Leg., R.S., Ch. 572 (H.B. [3024](http://www.legis.state.tx.us/tlodocs/84R/billtext/html/HB03024F.HTM)), Sec. 1, eff. September 1, 2015.

Sec. 1203.053.  CERTAIN COORDINATION OF BENEFITS PROVISIONS PROHIBITED.  An insurance policy subject to this subchapter may not be delivered, issued for delivery, or renewed in this state if:

(1)  a provision of the policy excludes or reduces the payment of benefits for dental expenses to or on behalf of an insured;

(2)  the reason for the exclusion or reduction is that dental benefits are payable or have been paid to or on behalf of the insured under another insurance policy; and

(3)  the exclusion or reduction would apply before the full amount of the dental expenses incurred by the insured and covered by both policies have been paid or reimbursed or the full amount of the applicable policy limit of the policy containing the exclusion or reduction is reached.

Added by Acts 2015, 84th Leg., R.S., Ch. 572 (H.B. [3024](http://www.legis.state.tx.us/tlodocs/84R/billtext/html/HB03024F.HTM)), Sec. 1, eff. September 1, 2015.

Sec. 1203.054.  CERTAIN COORDINATION OF BENEFITS PROVISIONS VOID.  A provision of an insurance policy that violates Section 1203.053 is void.

Added by Acts 2015, 84th Leg., R.S., Ch. 572 (H.B. [3024](http://www.legis.state.tx.us/tlodocs/84R/billtext/html/HB03024F.HTM)), Sec. 1, eff. September 1, 2015.

SUBCHAPTER C. VISION AND EYE CARE BENEFITS

Sec. 1203.101.  DEFINITIONS.  In this subchapter:

(1)  "Eye care expenses" means expenses related to vision or medical eye care services, procedures, or products.

(2)  "Health benefit plan" means a policy, agreement, contract, or evidence of coverage that provides comprehensive medical coverage.

(3)  "Vision benefit plan" means a limited-scope policy, agreement, contract, or evidence of coverage that provides coverage for eye care expenses but does not provide comprehensive medical coverage.

Added by Acts 2023, 88th Leg., R.S., Ch. 15 (S.B. [861](http://www.legis.state.tx.us/tlodocs/88R/billtext/html/SB00861F.HTM)), Sec. 1, eff. September 1, 2023.

Sec. 1203.102.  APPLICABILITY OF SUBCHAPTER.  This subchapter applies only to a health benefit plan or vision benefit plan that provides or arranges for benefits for vision or medical eye care services, procedures, or products, including an individual, group, blanket, or franchise insurance policy or insurance agreement, a group hospital service contract, an evidence of coverage, or a vision benefit plan offered by:

(1)  an insurance company;

(2)  a group hospital service corporation operating under Chapter 842;

(3)  a health maintenance organization operating under Chapter 843;

(4)  a stipulated premium company operating under Chapter 884;

(5)  a fraternal benefit society operating under Chapter 885;

(6)  a Lloyd's plan operating under Chapter 941;

(7)  an exchange operating under Chapter 942; or

(8)  a person or entity that provides a vision benefit plan.

Added by Acts 2023, 88th Leg., R.S., Ch. 15 (S.B. [861](http://www.legis.state.tx.us/tlodocs/88R/billtext/html/SB00861F.HTM)), Sec. 1, eff. September 1, 2023.

Sec. 1203.103.  EXCEPTION.  This subchapter does not apply to a supplemental insurance policy that only pays benefits directly to the policyholder.

Added by Acts 2023, 88th Leg., R.S., Ch. 15 (S.B. [861](http://www.legis.state.tx.us/tlodocs/88R/billtext/html/SB00861F.HTM)), Sec. 1, eff. September 1, 2023.

Sec. 1203.104.  COORDINATION OF BENEFITS BETWEEN PRIMARY AND SECONDARY PLAN ISSUERS. (a)  This section applies if:

(1)  an enrollee is covered by at least two different health benefit plans or vision benefit plans; and

(2)  each plan provides the enrollee coverage for the same vision or medical eye care services, procedures, or products.

(b)  The issuer of the primary health benefit plan or vision benefit plan, as determined under a coordination of benefits provision applicable to the plan, is responsible for eye care expenses covered under the plan up to the full amount of any plan coverage limit applicable to the covered eye care expenses.

(c)  Before the plan coverage limit described by Subsection (b) is reached, the issuer of a secondary health benefit plan or vision benefit plan, as determined under a coordination of benefits provision applicable to the plan, is responsible only for eye care expenses covered under the plan that are not covered under the health benefit plan or vision benefit plan issued by the primary plan issuer.

(d)  After the plan coverage limit described by Subsection (b) has been reached, the secondary plan issuer, in addition to the responsibilities described by Subsection (c), is responsible for any eye care expenses covered by both plans that exceed the plan coverage limit described by Subsection (b) up to the coverage limit of the secondary plan.

(e)  When an enrollee is covered by more than one health benefit plan or vision benefit plan that provides benefits for eye care expenses, the enrollee may use each plan on the same date of service up to the coverage limit of each plan.

(f)  A vision benefit plan issuer shall coordinate benefits with a health benefit plan issuer if both provide benefits for eye care expenses.

(g)  A vision benefit plan issuer may not require a claim denial before adjudicating a claim up to the coverage limit of the plan.

(h)  Nothing in this section prevents a secondary plan issuer from requiring proof that a related claim has been submitted to a primary plan issuer for purposes of determining the remaining balance up to the secondary plan's coverage limits.

(i)  If a secondary plan issuer requires proof that a related claim has been submitted to a primary plan issuer as described by Subsection (h), the mechanism of providing proof must be through an online submission.

Added by Acts 2023, 88th Leg., R.S., Ch. 15 (S.B. [861](http://www.legis.state.tx.us/tlodocs/88R/billtext/html/SB00861F.HTM)), Sec. 1, eff. September 1, 2023.

Sec. 1203.105.  CERTAIN COORDINATION OF BENEFITS PROVISIONS PROHIBITED. (a)  A health benefit plan or vision benefit plan subject to this subchapter may not be delivered, issued for delivery, or renewed in this state if:

(1)  a provision of the plan excludes or reduces the payment of benefits for eye care expenses to or on behalf of an enrollee;

(2)  the reason for the exclusion or reduction is that eye care benefits are payable or have been paid to or on behalf of the enrollee under another plan; and

(3)  the exclusion or reduction would apply before the full amount of the eye care expenses incurred by the enrollee and covered by both plans have been paid or reimbursed or the full amount of the applicable coverage limit of the plan containing the exclusion or reduction is reached.

(b)  Nothing in this section requires a secondary plan issuer to pay an amount that, when added to a payment amount made by a primary plan issuer, would exceed the usual and customary billed charges of the health care provider.

Added by Acts 2023, 88th Leg., R.S., Ch. 15 (S.B. [861](http://www.legis.state.tx.us/tlodocs/88R/billtext/html/SB00861F.HTM)), Sec. 1, eff. September 1, 2023.

Sec. 1203.106.  CERTAIN COORDINATION OF BENEFITS PROVISIONS VOID.  A provision of a health benefit plan or vision benefit plan that violates this subchapter is void.

Added by Acts 2023, 88th Leg., R.S., Ch. 15 (S.B. [861](http://www.legis.state.tx.us/tlodocs/88R/billtext/html/SB00861F.HTM)), Sec. 1, eff. September 1, 2023.

Sec. 1203.107.  RULES.  The commissioner may adopt rules necessary to implement this subchapter.

Added by Acts 2023, 88th Leg., R.S., Ch. 15 (S.B. [861](http://www.legis.state.tx.us/tlodocs/88R/billtext/html/SB00861F.HTM)), Sec. 1, eff. September 1, 2023.