



Texas Department of Insurance

Rate and Form Review Office – Accident and Health Program

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Evidence of Coverage Requirements (Small Employer & Conversion Plans)

Although every effort has been made to ensure the accuracy and completeness of the information contained in this document, all parties are advised to consult the Texas Insurance Code, the Texas Administrative Code and other applicable insurance statutes to determine the extent and nature of their own requirements.

In addition, the requirements listed are only summaries. The reader should refer to the actual cited statutes or rules to review the complete provisions listed.

All dealings with the Texas Department of Insurance are governed and controlled solely by the Texas Insurance Code, the Texas Administrative Code and other applicable statutes, and not by this document.

Texas Insurance Code (TIC) and Texas Administrative Code (TAC) Evidence of Coverage (EOC) Requirements

- HMOs must file the evidence of coverage and related forms for approval prior to issuance.
Citation(s): TIC §1271.101, 28 TAC §11.301(4), 28 TAC §11.501
- Plain Language Requirements
Citation(s): 28 TAC Chapter 3, Subchapter G, 28 TAC §26.14(d)

Mandatory EOC Provisions

- Alzheimer's Disease (if applicable)
Citation(s): TIC Chapter 1354, 28 TAC §11.506(24)
- Cancellation/Termination of Contract
Citation(s): TIC §843.208, TIC §1501.108, 28 TAC §26.15, 28 TAC §11.506(3)(A)-(C) - Group Plans
- Complaint and Appeal Procedures:
 - Complaints
 - Adverse Determination (includes experimental & investigational determinations for plans issued for delivery, or renewed on or after 1/1/10. Also includes refusal to provide benefits for a prescription drug that is not on the plan's formulary.) and Appeal of Adverse Determination, including IRO Information
 - Retaliatory Action Prohibited for Filing a Complaint**Citation(s): TIC §§843.251-843.262, TIC §843.281, TIC §1271.054, TIC §1369.056, TIC Chapter 4201, 28 TAC §11.506(5), 28 TAC Chapter 19, Subchapter R**
- Conformity with State Law
Citation(s): 28 TAC §11.506(20)

- Continuation of Coverage:
 - Enrollee must send written notice of election to continue coverage no later than 60 days.
 - The enrollee shall make payment no later than 45 days after the initial election for coverage and on the due date of each month thereafter.
 - Following the 1st payment made, payments considered timely if made by the 30th day after the date which payment is due.
 - Enrollees not eligible for COBRA are entitled to 9 mos. Continuation coverage.
 - Enrollees eligible for COBRA, entitled to continuation of coverage for an additional 6 mos.

Citation(s): TIC §§1271.301-1271.305, 28 TAC §11.506(6), 28 TAC §26.14(c)
- Definitions

Citation(s): 28 TAC §11.506(7)
- Effective Date

Citation(s): 28 TAC §11.506(8)
- Eligibility Requirements – See also “Eligibility & Enrollment Standards”

Citation(s): 28 TAC §11.506(9)
- Emergency Services

Citation(s): TIC §843.002(7), TIC §1271.155, 28 TAC §11.506(10), 28 TAC §11.508(a)(1)(J)
- Entire Contract, Amendments

Citation(s): 28 TAC §11.506(11)
- Exclusions & Limitations

Citation(s): 28 TAC §11.506(12)
- Face Page:
 - HMO name, address & telephone number
 - Important Notice (English/Spanish)
 - Toll-Free Telephone Numbers

Citation(s): TIC §521.102, 28 TAC §1.601, 28 TAC §11.506(1)
- Grace Period

Citation(s): 28 TAC §11.506(13)
- Incontestability

Citation(s): 28 TAC §11.506(14)
- Medicare Supplement & Long Term Care Minimum Standards (if applicable)

Citation(s): 28 TAC Chapter 3, Subchapter T, 28 TAC §11.506(21)
- Out-of-Network Services – when covered necessary services are not available through network physicians/providers.

Citation(s): TIC §1271.055, 28 TAC §11.506(15) & §11.508(a)
- Premiums – Group contract holder is liable for an enrollee's premiums from the time the enrollee is no longer part of the group eligible for coverage under the contract until the end of the month in which the contract holder notifies the HMO that the enrollee is no longer part of the group eligible for coverage by the contract. The enrollee remains covered by the contract until the end of that period.

Citation(s): TIC §843.210, 28 TAC Chapter 21, Subchapter FF
- Premium Rate Changes – 60-Day Notice

Citation(s): TIC Chapter 1254, 28 TAC §11.506(16)

- Prompt Payment of Enrollee Claims
Citation(s): TIC Chapter 542, Subchapter B, TIC §1271.005(c), 28 TAC §11.506(4)
- Service Area-Description & Map – (A ZIP code map and a provider list may meet this requirement)
Citation(s): 28 TAC §11.506(17)
- Schedule of Benefits (Co-payments)
Citation(s): 28 TAC §11.506(2)
- Specialist as Primary Care Physician
Citation(s): TIC §§1271.201-1271.203, 28 TAC §11.506(22)

Optional EOC Provisions

- Arbitration
Citation(s): 28 TAC §11.511(5)
- Coordination of Benefits
Citation(s): TIC Chapter 1203, 28 TAC Chapter 3, Subchapter V, 28 TAC §11.511(1)
- Conversion Privilege
Citation(s): 28 TAC §11.511(4), 28 TAC §26.14(c)
- Point of Service & POS Riders
Citation(s): TIC §§843.107- 843.108, 28 TAC Chapter 11, Subchapter Z, 28 TAC Chapter 21, Subchapter U
- Subrogation
Citation(s): 28 TAC §11.511(2)
- Workers' Compensation Insurance-sale of substitutes to WC Insurance (if applicable)
Citation(s): 28 TAC §5.6302, 28 TAC §11.511(3)

Optional Provisions: Group Agreement Only

- Employer offer – 100% premium coverage
Citation(s): TIC §1501.153(a-1)

Mandatory Provisions: Group Agreement Only

- Certificate
Citation(s): 28 TAC §11.509(1)
- New Members
Citation(s): 28 TAC §11.509(2)

Eligibility & Enrollment Standards

- Adopted Children
Citation(s): TIC §1501.158, 28 TAC §11.506(9)(A)(i), 28 TAC §26.9(a)(5)-(8)
- Affiliation Period – Imposed by HMO (cannot exceed 60 days for enrollees & 90 days for late enrollees)

Citation(s): TIC §1501.104, 28 TAC §26.9(a)(9)&(16)-(18)

- Asbestos – HMO may not reject, deny, limit, cancel, refuse to renew, increase the premiums for, or otherwise adversely affect the person's eligibility for or coverage under the contract based on the fact that enrollee has been exposed to asbestos fibers or silica or has filed a claim governed by Chapter 90, Civil Practice and Remedies Code
Citation(s): TIC §544.453
- Court-Ordered Medical Child Support
Citation(s): TIC Chapter 1504, 28 TAC §11.506(9)(A)(iv), 28 TAC Chapter 21, Subchapter L
- Dependent Coverage – Must offer dependent coverage to each eligible employee.
Citation(s): 28 TAC §26.14(e)
- Genetic Testing:
 - Notice to enrollee
 - Consent required (including consent from mother for testing *in utero*)
 - Information to enrollee of test results
 - Inducement prohibited (to buy insurance or to induce abortion)
 - Improper use of test results prohibited**Citation(s): TIC Chapter 546**
- Grandchildren - Limiting age for children & grandchildren must be stated in the EOC.
Citation(s): TIC §1201.062, TIC §§1271.005(e) & 1271.006, 28 TAC §11.506(9)(E)
- Handicapped Child – A covered disabled child's attainment of limiting age does not operate to terminate the coverage of such child.
Citation(s): TIC §1501.002(2)(C), 28 TAC §11.506(18)
- Late Enrollment & Late Enrollee Exceptions
Citation(s): TIC §1501.008 & §1501.156, 28 TAC §26.4(29), 28 TAC §26.9
- Limiting Age – Subscriber & Dependents
Citation(s): 28 TAC §11.506(9)(C)
- New Enrollees-special enrollment in accordance with 45 C.F.R. 146.117 (HIPAA)
Citation(s): 28 TAC §11.509(2)
- Newborns
Citation(s): TIC §1501.002(2)(B) & §1501.157, 28 TAC §11.506(9)(D), 28 TAC §26.9(a)(4)
- Newly-Acquired Dependents
Citation(s): 28 TAC §11.506(9)(B)
- Open Enrollment
Citation(s): TIC §1501.156, 28 TAC §26.7(i)(4)
- Participation Criteria-Determined by the HMO
Citation(s): TIC §§1501.154-1501.155 & §1501.203
- Student Coverage – Termination due to Change in Student Enrollment Status
Citation(s): TIC §1501.002(2), TIC Chapter 1503, 28 TAC §11.506(19)
- Waiting Period-Determined by the employer for new employees
Citation(s): TIC §1501.002(17), §1501.105, §1501.156

Basic Health Care Services-Mandatory Coverage (28 TAC §11.508(a))

(must be provided as needed without limitation as to time and cost unless permitted by statute or TDI rules)

- Definition of "Basic Health Care Services"
Citation(s): TIC §843.002(2), 28 TAC §11.2(b)(8)
- Emergency Services
Citation(s): 28 TAC §11.508(a)(1)(J)
- Inpatient Services Including:
 - Administration of whole blood and blood plasma
 - Anesthesia and oxygen services
 - Drugs, medications & biologicals
 - Room and board
 - General nursing care
 - Inhalation therapy
 - Laboratory and other diagnostic tests
 - Meals and special diets when medically necessary
 - Radiation therapy
 - Short-term rehabilitation therapy services in the acute hospital setting
 - Special duty nursing when medically necessary
 - Use of operating room and related facilities
 - Use of intensive care unit and services
 - X-ray services**Citation(s): 28 TAC §11.508(a)(2)**
- Inpatient Physician Care Services
Citation(s): 28 TAC §11.508(a)(3)
- Outpatient Mental Health Services (not less than 20 visits)
Citation(s): 28 TAC §11.508(a)(1)(I)
- Outpatient Hospital Services Including:
 - Ambulatory surgery services
 - Diagnostic services
 - Rehabilitation and radiation therapy
 - Treatment services**Citation(s): 28 TAC §11.508(a)(4)**
- Outpatient Services Including:
 - Home Health Services
 - Prenatal Services (if maternity benefits covered)
 - Primary Care- TIC §843.203
 - Outpatient Diagnostic Services
 - Outpatient Rehabilitation Therapies (including physical, speech & occupational therapy)
 - Outpatient Services by Other Providers
 - Specialist Services
 - Therapeutic Radiology Services**Citation(s): 28 TAC §11.508(a)(1)**

- Preventive Health Services Including:
 - Adult Immunizations
 - Cancer Screenings-Mammography
 - Eye & Ear Exams for Children Through Age 17
 - Periodic Adult Health Examinations
 - Well-Child Care From Birth
- Citation(s): 28 TAC §11.508(a)(1)(H)**

Additional Benefits-Other Than Basic Health Care Services

- Acquired Brain Injury
Citation(s): TIC Chapter 1352, 28 TAC Chapter 21, Subchapter W
- Amino Acid-Based Formulas for Diagnosis and Treatment of certain diseases or disorders
Citation(s): TIC Chapter 1377
- Atherosclerosis & Abnormal Artery structure screening for diabetic enrollees and certain enrollees who have a documented medical risk of developing coronary heart disease.
Citation(s): TIC Chapter 1376, 28 TAC §21.4301
- Autism Spectrum Disorder
Citation(s): TIC §1355.015, 28 TAC Chapter 21, Subchapter JJ
- Birth of Child & Post- Delivery Care - Minimum Hospital Stay if Plan Provides Maternity Benefits
Citation(s): TIC Chapter 1366, Subchapter B, 28 TAC §11.508(b)
- Cervical Cancer-Annual diagnostic medical procedures for each woman 18 yrs of age or older for the early detection of cervical cancer
Citation(s): TIC Chapter 1370
- Chemical Dependency
Citation(s): TIC Chapter 1368, 28 TAC Chapter 3, Subch. HH, 28 TAC §11.509(3)
- Complications of Pregnancy
Citation(s): 28 TAC §21.405
- Continuity of Treatment by Treating Physician or Provider of Enrollee with a "Special Circumstance" & Termination Notice
Citation(s): TIC §843.309, §843.362
- Contraceptive Drugs & Devices and Related Services
Citation(s): TIC Chapter 1369 Subchapter C, 28 TAC §21.404(3)
- Crisis Stabilization Unit & Residential Treatment Center for Children and Adolescents
Citation(s): TIC Chapter §§1355.051-1355.058, 28 TAC §11.509(5)
- Drug Formulary (if drugs are covered)
Citation(s): TIC Chapter 1369, Subchapter B, 28 TAC §§21.3020-21.3023
- Mastectomy-Breast Reconstruction
Citation(s): TIC Chapter 1357, Subchapter A, 28 TAC §11.508(b)(1)
- Orally Administered Anti Cancer Medications
Citation(s): TIC Chapter 1369, Subchapter E

- Osteoporosis
Citation(s): TIC Chapter 1361, 28 TAC §11.509(4)
- Pharmacy Benefits (if drugs are covered)
Citation(s): 28 TAC §11.1605
- PKU Dietary Formulas
Citation(s): TIC Chapter 1359
- Prosthetics, Orthotics, and professional fitting services equivalent to that provided by the federal Medicare program.
Citation(s): TIC Chapter 1371
- Rehabilitation Services & Therapies
Citation(s): TIC §1271.156
- Routine Costs & Clinical Trials: Routine patient care costs to an enrollee in connection with certain clinical trials.
Citation(s): TIC Chapter 1379
- Urgent Care
Citation(s): 28 TAC §11.1607(g)

Benefits That Must Be Offered

- Emotional Illness or Disorder (inpatient hospital alternative treatment facility)
Citation(s): TIC Chapter 1355, Subchapter C
- In Vitro Fertilization Procedures
Citation(s): TIC Chapter 1366 Subchapter A, 28 TAC §11.510(1)
- Serious Mental Illness
Citation(s): TIC §1355.007, 28 TAC §11.509(5), 28 TAC §11.510(4)
- Speech and Hearing
Citation(s): TIC Chapter 1365, 28 TAC §11.510(2)

Coverage Standards

- Discrimination-General Requirements Applicable to HMOs
Citation(s): TIC Chapter 544
- Fibrocystic Breast Conditions
Citation(s): TIC Chapter 544, Subchapter E
- HIV/AIDS-HMO may not exclude or deny coverage for HIV, AIDS or HIV-related illness
Citation(s): TIC Chapter 1364
- Victims of Family Violence
Citation(s): TIC Chapter 544, Subchapter D

Enrollment Form/Application

- COBRA & State Continuation
Citation(s): TIC §§1271.301-1271.305, TIC §1501.159, 28 TAC §11.506(6)
- Disability affecting the enrollee's ability to communicate or read

Citation(s): 28 TAC §11.1602

- Primary Language other than English
Citation(s): 28 TAC §11.1602

Member Identification Card

- Basic Information
Citation(s): TIC §843.209, 28 TAC §11.1601, 28 TAC 21.2820
- Pharmacy ID Card (if drugs are covered)
Citation(s): TIC §4151.152

Conversion Contracts Only

- Consideration
Citation(s): 28 TAC §11.507(3)
- Continuance of Coverage Due to Change in Marital Status
Citation(s): 28 TAC §11.507(4)
- Conversion Privilege – May Offer
Citation(s): TIC §§1271.306-1271.307, 28 TAC §11.511(4)
- Reinstatement
Citation(s): 28 TAC §11.507(1)
- Ten Days to Examine Agreement
Citation(s): 28 TAC §11.507(2)
- Texas Health Insurance Pool-Notice
Citation(s): 28 TAC §11.506(6)

Prohibited Practices

- Discretionary Clause Prohibited – An evidence of coverage may not include a discretionary clause.
Citation(s): TIC §1271.057, 28 TAC §3.1203

**** Unless otherwise stated, all articles, sections chapters and subchapters cited are to the Texas Insurance Code.**