

**Texas Mandated Benefit  
Cost and Utilization  
Summary Report**

**October 2015 - September 2016  
Reporting Period**



**Texas Department of Insurance**

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## Executive Summary

Since 2003, TDI has been statutorily required to collect data on costs associated with mandated health benefits. Mandated benefits are those benefits required by state law that cover a specific medical condition, illness, or specific medical service. This report summarizes the data for the 12-month reporting period of October 1, 2015, through September 30, 2016.

### Key Findings

- Claims costs for the mandated benefits for which data was collected in 2016 total \$644.1 million, or 5.75 percent of all claims paid under group benefit plans.
- Mandated offers resulted in an additional cost of \$9.4 million, or 0.08 percent of claims paid under group plans.
- For group benefit plans, the estimated average annual premium cost of including the mandated benefits was \$288.52 for single coverage and \$723.84 for family coverage.
- For individual benefit plans, claims costs for mandated benefits total \$252.8 million, or 4.42 percent of all claims paid.
- The estimated average annual premium cost of including the mandated benefits in individual plans was \$193.01 for single coverage and \$369.95 for family coverage.

### Background

In 2001, the Texas Legislature enacted House Bill 1610, directing TDI to collect data annually to measure the costs associated with mandated health benefits. The agency issues this report using aggregated data that does not identify specific companies. TDI adopted rules establishing reporting requirements for certain mandated benefits under group and individual health benefit plans offered by insurance companies and health maintenance organizations (HMOs). The first report covered data for calendar year 2003.

The 2016 mandated benefits data call report reflects information submitted by 31 health plan issuers. Of these, nine submitted data for group coverage only and nine for individual coverage only. Thirteen issuers reported data for both types of coverage to bring the report totals to 22 each for group and individual coverage.

This study does not take into account the cost savings that accompany some mandated benefits. Mandated benefits that improve and maintain the health of covered Texans might reduce the need for future medical treatment in some cases, thus lowering the long-term cost of care. Any consideration of mandated benefits should include both short- and long-term economic impacts, as well as the impact on health status.

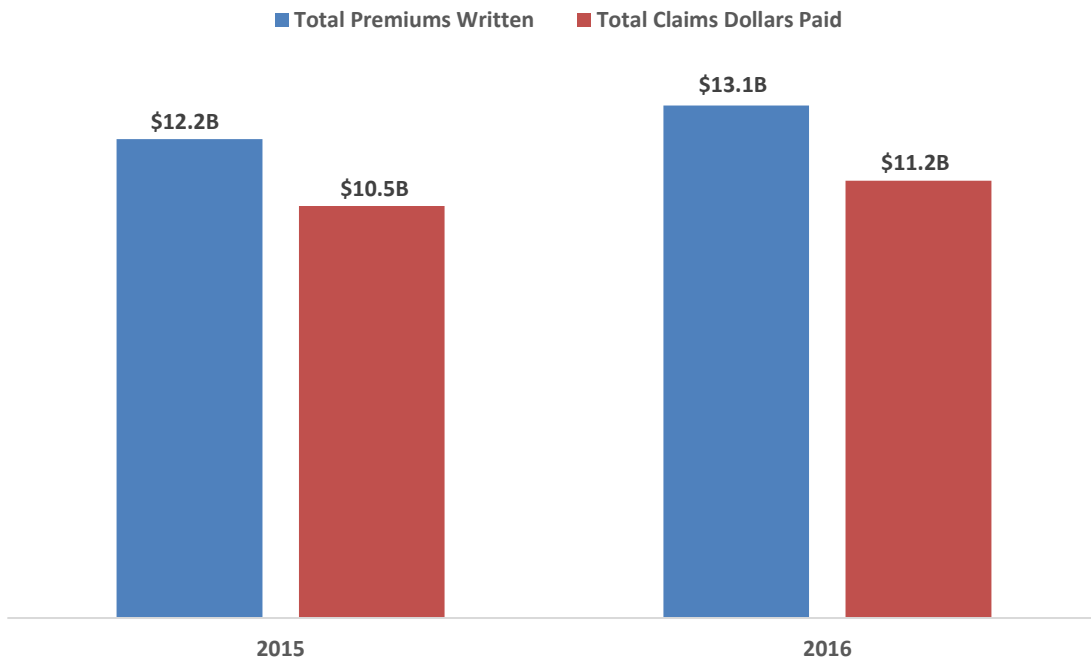
The appendices at the end of this report have additional information about mandated benefits, reporting limitations, and data collection methodology.

## GROUP COVERAGE

### Group Benefit Plans - Mandated Benefit Premiums Written and Claims Dollars Paid

Issuers reported the total amount of premiums written and total amount of all claims paid in Texas on applicable group policies that are subject to mandated benefits and offers for the reporting period. The total claims amount includes claims paid for all covered services, including both mandated benefits and claims for all other covered services. In 2016, group plans experienced small increases in both the premiums written and claims dollars paid of 7 percent and 6.18 percent, respectively.

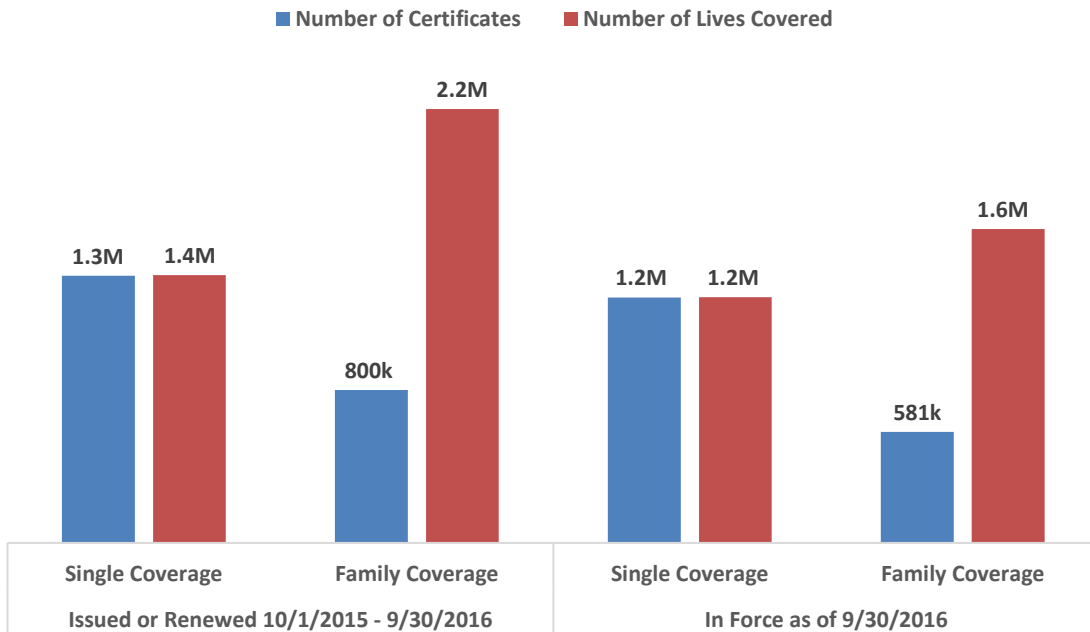
### Group Benefit Premiums Written and Claims Dollars Paid



### Group Benefit Plans - Mandated Benefit Certificates and Lives Covered

Issuers provided the number of group certificates issued or renewed during the reporting period, as well as the total number of group certificates in force on the last day of the reporting period. The issuers also reported the total number of lives covered under group certificates issued or renewed during the reporting period and the total number of lives covered under group certificates in force on the last day of the reporting period. Issuers reported the number of certificates and lives separately for single coverage and family coverage. TDI instructed issuers to include all covered family members (primary insured, spouse, and all dependents) in the lives covered calculations for family coverage.

## Group Mandated Benefit Certificates and Lives Covered



### Group Benefit Plans - Mandated Benefit Claims Costs

Issuers reported the total amount of claims paid for each mandated benefit and offer during the reporting period. Data reported to TDI for 2016 shows that the claims paid for all but one of the mandated benefits accounted for less than 1 percent of the total claims cost. The total for all of the mandated benefits was under 6 percent. The mandated benefit with the highest amount in paid claims was diabetes education and testing supplies, which accounted for over \$155 million. The second and third highest were acquired brain injury with over \$78 million and serious mental illness (full parity for universities and local governments) with over \$74 million. Telemedicine services accounted for approximately \$178,000, the lowest amount in paid claims. Table 1 shows the data for all of the mandated benefits. Table 2 shows that the dollar amounts paid for each of the mandated offer claims were less than 1 percent of the total claims cost.

**Table 1 - Group Mandated Benefit Claims Costs**

Mandated Benefit	Dollar Amount of Mandated Benefit Claims Paid	Mandated Benefit Claims Amount as a Percentage of Total Claims Paid
Acquired Brain Injury	\$78,386,255	0.70%
AIDS, HIV, and Related Illnesses	\$26,763,312	0.24%
Chemical Dependency	\$59,601,501	0.53%
Childhood Immunizations	\$30,874,738	0.28%
Colorectal Cancer Testing	\$40,789,094	0.36%
Craniofacial Surgery for Children	\$2,029,582	0.02%
Diabetes Education and Testing Supplies	\$155,790,239	1.39%
Hearing Screening for Children	\$21,908,456	0.20%
Mammography Screening	\$47,872,261	0.43%
Nutritional Supplements for PKU and Other Heritable Diseases	\$2,434,275	0.02%
Osteoporosis Detection	\$3,742,218	0.03%
Prescription Contraceptive Drugs, Devices, and Related Services	\$45,887,044	0.41%
PSA Testing for Prostate Cancer	\$4,066,074	0.04%
Psychiatric Day Treatment	\$10,142,315	0.09%
Reconstructive Breast Surgery Following Mastectomy	\$18,601,535	0.17%
Serious Mental Illness - 45 Inpatient Days and 60 Outpatient Visits	\$19,376,147	0.17%
Serious Mental Illness - Full Parity for Universities and Local Governments	\$74,594,240	0.67%
Telemedicine Services	\$178,444	0.00%
TMJ Treatment	\$1,047,707	0.01%
<b>TOTAL</b>	<b>\$644,085,437</b>	<b>5.75%</b>

The sum of the percentages might not exactly match the total shown because of rounding.

**Table 2 - Group Mandated Offer Claims Costs**

Mandated Offer	Dollar Amount of Mandated Offer Claims Paid	Mandated Offer Claims Amount as a Percentage of Total Claims Paid
In Vitro Fertilization	\$1,801,333	0.02%
Treatment of Speech or Hearing Loss	\$7,564,276	0.07%
<b>TOTAL</b>	<b>\$9,365,609</b>	<b>0.08%</b>

The sum of the percentages might not exactly match the total shown because of rounding.

## Group Benefit Plans - Mandated Benefit Utilization

Issuers reported the total number of separate claims paid for each mandated benefit and offer during the reporting period. As shown in Table 3, claims figures vary significantly among mandated benefits. Utilization reflects how common the medical condition is and whether the benefit applies to a limited population based on age or gender. The mandated benefit with the highest number of claims paid was prescription contraceptive drugs, devices, and related services, which accounted for more than a quarter of the claims paid. The second highest, with over 17 percent of the claims paid, was diabetes education and testing supplies. The benefits with the lowest number of claims paid were temporomandibular joint (TMJ) treatment (0.03 percent), telemedicine services (0.07 percent), and craniofacial surgery for children (0.08 percent). Table 4 shows that the majority of the mandated offer claims paid were for the treatment of speech or hearing loss.

**Table 3 - Group Mandated Benefit Utilization**

Mandated Benefit	Number of Mandated Benefit Claims Paid	Percentage of Mandated Benefit Claims Paid
Acquired Brain Injury	272,046	8.15%
AIDS, HIV, and Related Illnesses	43,666	1.31%
Chemical Dependency	95,821	2.87%
Childhood Immunizations	242,896	7.28%
Colorectal Cancer Testing	71,729	2.15%
Craniofacial Surgery for Children	2,637	0.08%
Diabetes Education and Testing Supplies	585,391	17.54%
Hearing Screening for Children	84,582	2.53%
Mammography Screening	308,676	9.25%
Nutritional Supplements for PKU and Other Heritable Diseases	4,905	0.15%
Osteoporosis Detection	41,275	1.24%
Prescription Contraceptive Drugs, Devices, and Related Services	914,940	27.42%
PSA Testing for Prostate Cancer	155,644	4.66%
Psychiatric Day Treatment	20,461	0.61%
Reconstructive Breast Surgery Following Mastectomy	17,634	0.53%
Serious Mental Illness - 45 Inpatient Days and 60 Outpatient Visits	72,482	2.17%
Serious Mental Illness - Full Parity for Universities and Local Governments	398,847	11.95%
Telemedicine Services	2,254	0.07%
TMJ Treatment	1,108	0.03%
<b>TOTAL</b>	<b>3,336,994</b>	<b>100.00%</b>

Figures might not total 100 percent because of rounding.

**Table 4 - Group Mandated Offer Utilization**

Mandated Offer	Number of Mandated Offer Claims Paid	Percentage of Mandated Offer Claims Paid
In Vitro Fertilization	1,790	2.46%
Treatment of Speech or Hearing Loss	70,980	97.54%
<b>TOTAL</b>	<b>72,770</b>	<b>100.00%</b>

**Group Benefit Plans - Mandated Benefit Claims Cost Comparison 2007 - 2016**

TDI has collected mandated benefit cost and experience data from the largest insurers and HMOs since 1992. The initial data set was limited to only 10 mandated benefits; in 1998, TDI expanded the data set to include additional benefits. Table 5 displays the mandated benefit claims costs percentages for the past 10 years and shows that after steadily increasing the previous three years, there was a slight decrease in the total for 2016.



**Table 5 - Group Mandated Benefit Claims Cost Comparison 2007 - 2016**

Mandated Benefit	Mandated Benefit Claims Costs as a Percentage of Total Claims Paid									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Acquired Brain Injury	0.18%	0.33%	0.33%	0.33%	0.31%	0.37%	0.40%	0.40%	0.40%	0.70%
AIDS, HIV, and Related Illnesses	0.35%	0.61%	0.35%	0.31%	0.27%	0.28%	0.29%	0.28%	0.39%	0.24%
Chemical Dependency	0.19%	0.20%	0.26%	0.29%	0.27%	0.34%	0.38%	0.41%	0.54%	0.53%
Childhood Immunizations	0.41%	0.41%	0.37%	0.40%	0.44%	0.41%	0.42%	0.40%	0.42%	0.28%
Colorectal Cancer Testing	0.45%	0.21%	0.36%	0.31%	0.38%	0.38%	0.13%	0.15%	0.43%	0.36%
Craniofacial Surgery for Children	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.02%	0.02%
Diabetes Education and Testing Supplies	0.71%	0.75%	0.56%	0.58%	0.62%	0.62%	0.65%	0.65%	0.90%	1.39%
Hearing Screening for Children	0.39%	0.46%	0.45%	0.45%	0.51%	0.52%	0.58%	0.59%	0.55%	0.20%
Mammography Screening	0.34%	0.38%	0.40%	0.43%	0.47%	0.47%	0.44%	0.43%	0.43%	0.43%
Nutritional Supplements for PKU and Other Heritable Diseases	0.00%	0.01%	0.00%	0.00%	0.01%	0.01%	0.00%	0.01%	0.02%	0.02%
Oral Contraceptives	0.16%	0.21%	0.21%	0.22%						
Osteoporosis Detection	0.04%	0.03%	0.03%	0.03%	0.03%	0.02%	0.02%	0.02%	0.02%	0.03%
Prescription Contraceptive Drugs, Devices, and Related Services	0.06%	0.08%	0.10%	0.08%						
Prescription Contraceptive Drugs, Devices, and Related Services					0.37%	0.37%	0.42%	0.70%	0.44%	0.41%
PSA Testing for Prostate Cancer	0.06%	0.07%	0.07%	0.07%	0.07%	0.06%	0.05%	0.04%	0.07%	0.04%
Psychiatric Day Treatment	0.07%	0.06%	0.68%	0.60%	0.57%	0.05%	0.03%	0.04%	0.07%	0.09%
Reconstructive Breast Surgery Following Mastectomy	0.60%	0.58%	0.26%	0.30%	0.22%	0.22%	0.22%	0.23%	0.28%	0.17%
Serious Mental Illness - 45 Inpatient Days and 60 Outpatient Visits	0.49%	0.45%	0.43%	0.33%	0.34%	0.25%	0.33%	0.25%	0.39%	0.17%
Serious Mental Illness - Full Parity for Universities and Local Governments	0.03%	0.06%	0.06%	0.20%	0.26%	0.48%	0.63%	0.67%	0.79%	0.67%
Telemedicine Services	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%
TMJ Treatment	0.02%	0.03%	0.03%	0.02%	0.02%	0.01%	0.01%	0.01%	0.03%	0.01%
<b>TOTAL</b>	<b>4.58%</b>	<b>4.94%</b>	<b>4.96%</b>	<b>4.96%</b>	<b>5.17%</b>	<b>4.88%</b>	<b>5.02%</b>	<b>5.31%</b>	<b>6.18%</b>	<b>5.75%</b>

Notes: TDI combined Oral Contraceptives and Prescription Contraceptive Drugs, Devices, and Related Services into a single category in 2011. The sum of the each year's figures might not exactly match the totals shown because of rounding.

**Group Benefit Plans - Comparison of Actual Claims Costs per Certificate with Average Annual Premium Costs per Mandated Benefit**

Table 6 compares each benefit’s average annual claim cost per certificate to the average annual premium cost of the benefit. A certificate is a proof of insurance document that verifies coverage. Issuers may issue one certificate to an individual or to a family. TDI calculated the average annual claim cost per certificate using aggregate claims data submitted by the issuers. Issuers reported the average annual premium cost estimates for single and family coverage. Family coverage premiums reflect multiple enrollees covered under a single certificate. Five of the single coverage estimates were lower than the average annual claim cost per certificate for the mandated benefits, while no family coverage estimates were lower. As shown in Table 7, no estimates for the two mandated offers were lower than the average annual claim cost per certificate.

**Table 6 - Comparison of Actual Claims Costs per Certificate with Average Annual Premium Costs per Group Mandated Benefit**

Mandated Benefit	Average Annual Claim Cost Per Certificate*	Average Annual Premium Cost Estimates	
		Single Coverage	Family Coverage
Acquired Brain Injury	\$34.79	\$27.76	\$73.35
AIDS, HIV, and Related Illnesses	\$11.88	\$15.08	\$20.64
Chemical Dependency	\$13.23	\$21.74	\$50.43
Childhood Immunizations	\$15.88	\$13.66	\$66.59
Colorectal Cancer Testing	\$21.15	\$22.86	\$45.37
Craniofacial Surgery for Children	\$1.05	\$2.19	\$4.89
Diabetes Education and Testing Supplies	\$68.31	\$43.27	\$105.40
Hearing Screening for Children	\$9.67	\$18.91	\$38.00
Mammography Screening	\$20.99	\$21.74	\$39.96
Nutritional Supplements for PKU and Other Heritable Diseases	\$1.07	\$2.21	\$4.38
Osteoporosis Detection	\$1.66	\$2.24	\$4.35
Prescription Contraceptive Drugs, Devices, and Related Services	\$20.67	\$20.62	\$51.89
PSA Testing for Prostate Cancer	\$1.78	\$6.00	\$10.27
Psychiatric Day Treatment	\$4.50	\$9.03	\$34.05
Reconstructive Breast Surgery Following Mastectomy	\$8.16	\$10.46	\$24.95
Serious Mental Illness - 45 Inpatient Days and 60 Outpatient Visits	\$14.46	\$17.86	\$57.77
Serious Mental Illness - Full Parity for Universities and Local Governments	\$80.09	\$28.71	\$82.07
Telemedicine Services	\$0.11	\$1.62	\$3.97
TMJ Treatment	\$0.47	\$2.56	\$5.51
<b>TOTAL</b>	<b>\$329.92</b>	<b>\$288.52</b>	<b>\$723.84</b>

\*Figures represent all claims, including those occurring under both single and family coverage.

**Table 7 - Comparison of Actual Claims Costs per Certificate with Average Annual Premium Costs per Group Mandated Offer**

Mandated Offer	Average Annual Claim Cost Per Certificate*	Average Annual Premium Cost Estimates	
		Single Coverage	Family Coverage
In Vitro Fertilization	\$1.82	\$237.10	\$20.43
Treatment of Speech or Hearing Loss	\$5.58	\$7.33	\$27.47
<b>TOTAL</b>	<b>\$7.40</b>	<b>\$244.43</b>	<b>\$47.90</b>

\*Figures represent all claims, including those occurring under both single and family coverage.

**Group Benefit Plans - Mandated Benefit Administrative Costs and Claims Costs Comparison**

Issuers provided estimates of the annual administrative costs incurred due to the mandated benefit and offer requirements. Common administrative costs include expenses for processing claims payments, treatment authorizations, and specialist referrals. In addition, administrative costs include the cost of revising policy forms and marketing materials when legislation adds new mandated benefits. Administrative costs depend on factors such as the number of claims processed and whether certain benefits require additional administrative services like authorizations and referrals. TDI gave issuers discretion in determining the value of the administrative costs associated with each mandated benefit and offer.

Tables 8 and 9 show the total administrative costs reported for each mandated benefit and offer, as well as the administrative costs as a percentage of total claims dollars paid. The tables also include the claims costs as a percentage of total claims dollars paid. The comparison shows a correlation between higher claims costs and higher administrative costs that is consistent with many of the issuers calculating the administrative costs as a percentage of claims costs.

**Table 8 - Group Mandated Benefit Administrative Costs and Claims Costs Comparison**

Mandated Benefit	Total Administrative Costs	Administrative Costs as a Percentage of Total Claims Paid	Claims Costs as a Percentage of Total Claims Paid
Acquired Brain Injury	\$12,469,240	0.11%	0.70%
AIDS, HIV, and Related Illnesses	\$3,578,367	0.03%	0.24%
Chemical Dependency	\$9,455,608	0.08%	0.53%
Childhood Immunizations	\$5,016,701	0.04%	0.28%
Colorectal Cancer Testing	\$8,103,399	0.07%	0.36%
Craniofacial Surgery for Children	\$358,533	0.00%	0.02%
Diabetes Education and Testing Supplies	\$22,570,914	0.20%	1.39%
Hearing Screening for Children	\$2,901,374	0.03%	0.20%
Mammography Screening	\$8,032,646	0.07%	0.43%
Nutritional Supplements for PKU and Other Heritable Diseases	\$450,529	0.00%	0.02%
Osteoporosis Detection	\$736,296	0.01%	0.03%
Prescription Contraceptive Drugs, Devices, and Related Services	\$7,754,286	0.07%	0.41%
PSA Testing for Prostate Cancer	\$896,666	0.01%	0.04%
Psychiatric Day Treatment	\$1,842,626	0.02%	0.09%
Reconstructive Breast Surgery Following Mastectomy	\$3,140,647	0.03%	0.17%
Serious Mental Illness - 45 Inpatient Days and 60 Outpatient Visits	\$3,058,628	0.03%	0.17%
Serious Mental Illness - Full Parity for Universities and Local Governments	\$12,921,272	0.12%	0.67%
Telemedicine Services	\$53,620	0.00%	0.00%
TMJ Treatment	\$176,601	0.00%	0.01%
<b>TOTAL</b>	<b>\$103,517,953</b>	<b>0.92%</b>	<b>5.75%</b>

The sum of the percentages might not exactly match the totals shown because of rounding.

**Table 9 - Group Mandated Offer Administrative Costs and Claims Costs Comparison**

Mandated Offer	Total Administrative Costs	Administrative Costs as a Percentage of Total Claims Paid	Claims Costs as a Percentage of Total Claims Paid
In Vitro Fertilization	\$490,128	0.00%	0.02%
Treatment of Speech or Hearing Loss	\$1,176,842	0.01%	0.07%
<b>TOTAL</b>	<b>\$1,666,970</b>	<b>0.01%</b>	<b>0.08%</b>

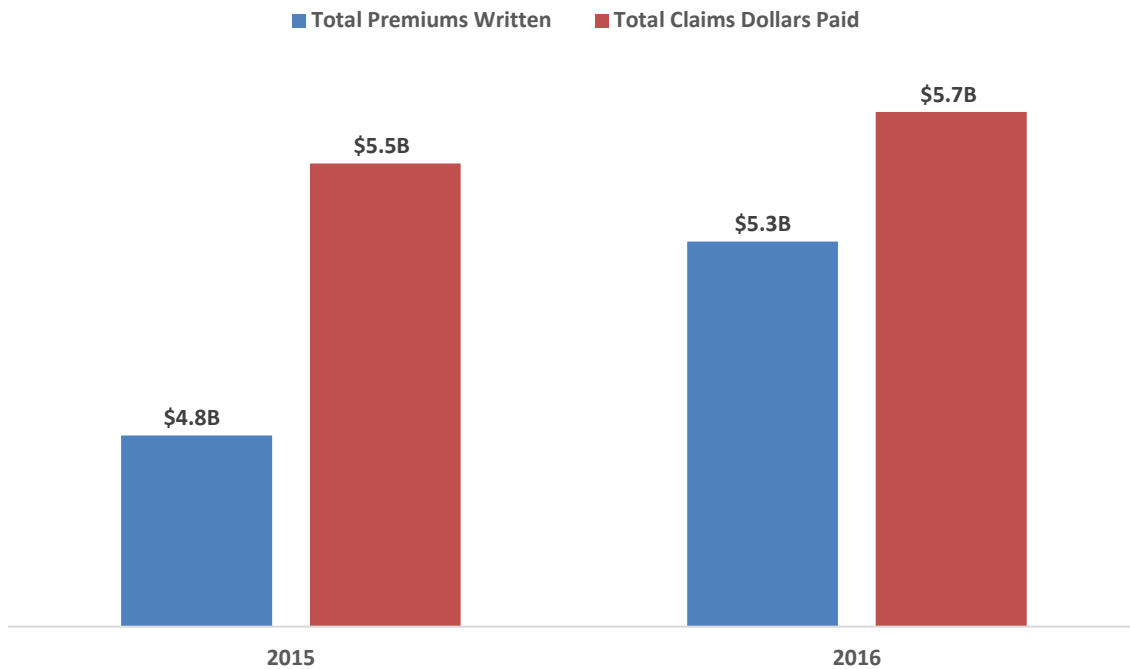
The sum of the percentages might not exactly match the totals shown because of rounding.

## INDIVIDUAL COVERAGE

### Individual Benefit Plans - Mandated Benefit Premiums Written and Claims Dollars Paid

Issuers reported the total amount of premiums written and total amount of all claims paid in Texas on applicable individual policies that are subject to mandated benefits for the reporting period. The total claims amount includes claims paid for all covered services, including both mandated benefits and claims for all other covered services. Because of the Affordable Care Act going into effect, there were large increases in both the premiums written and the claims dollars paid for individual plan mandated benefits in 2014 and 2015. In 2016, the increases were significantly smaller, with a 10.16 percent increase in the premiums written and a 2.36 percent increase in the claims dollars paid.

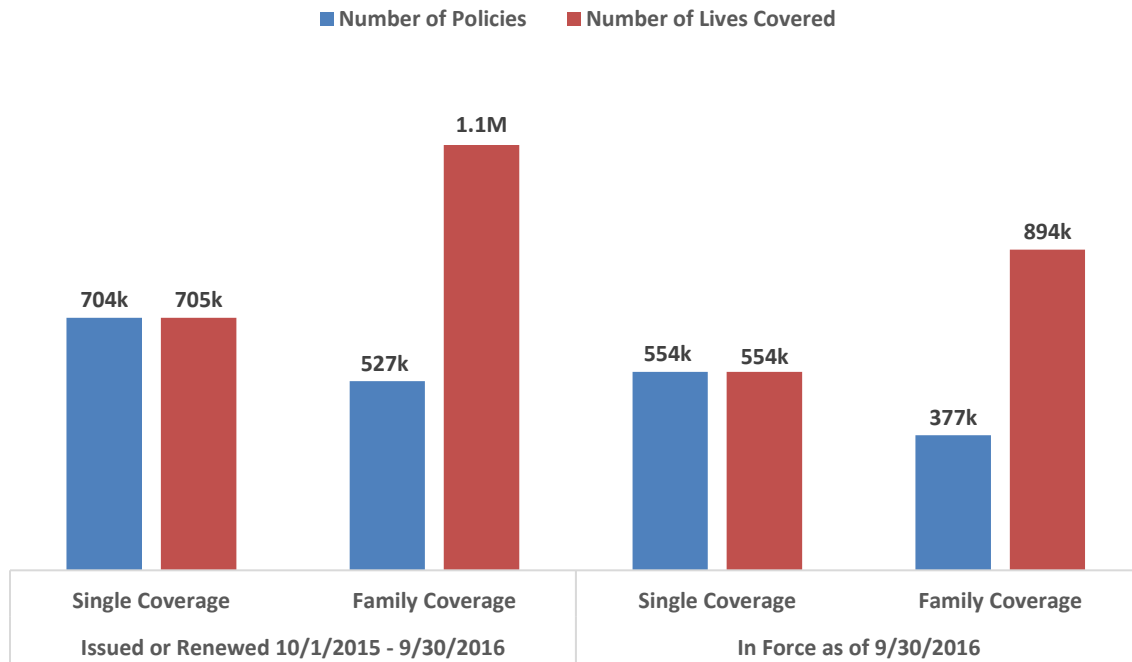
### Individual Benefit Premiums Written and Claims Dollars Paid



### Individual Benefit Plans - Mandated Benefit Policies and Lives Covered

Issuers provided the number of individual policies issued or renewed during the reporting period, as well as the total number of individual policies that were in force on the last day of the reporting period. The issuers also reported the total number of lives covered under individual policies issued or renewed during the reporting period and the total number of lives covered under individual policies in force on the last day of the reporting period. Issuers reported the number of policies and lives covered separately for single coverage and family coverage. TDI instructed issuers to include all covered family members (primary insured, spouse, and all dependents) in the lives covered calculations for family coverage.

## Individual Mandated Benefits Certificates and Lives Covered



### Individual Benefit Plans - Mandated Benefit Claims Costs

Issuers reported the total amount of claims paid for each mandated benefit during the reporting period. Claims data reported to TDI for 2016 shows the total of all of the mandated benefits to be more than 4 percent of the total claims cost. The mandated benefit with the highest amount of paid claims was diabetes education and testing supplies with over \$80 million in paid claims. The second and third highest amounts were for AIDS, HIV, and related illnesses and colorectal cancer testing with both having over \$27 million in paid claims. The two benefits with the lowest amounts of paid claims were craniofacial surgery for children with approximately \$308,000 and telemedicine services with almost \$400,000. Table 10 shows claims costs data for all of the mandated benefits.

**Table 10 - Individual Mandated Benefit Claims Costs**

Mandated Benefit	Dollar Amount of Mandated Benefit Claims Paid	Mandated Benefit Claims Amount as a Percentage of Total Claims Paid
Acquired Brain Injury	\$21,639,414	0.38%
AIDS, HIV, and Related Illnesses	\$27,967,569	0.49%
Childhood Immunizations	\$21,916,448	0.38%
Colorectal Cancer Testing	\$27,090,433	0.47%
Craniofacial Surgery for Children	\$308,409	0.01%
Diabetes Education and Testing Supplies	\$80,667,794	1.41%
Hearing Screening for Children	\$22,335,250	0.39%
Mammography Screening	\$25,498,061	0.45%
Prescription Contraceptive Drugs, Devices, and Related Services	\$18,931,237	0.33%
PSA Testing for Prostate Cancer	\$1,643,218	0.03%
Reconstructive Breast Surgery Following Mastectomy	\$4,428,236	0.08%
Telemedicine Services	\$397,639	0.01%
<b>TOTAL</b>	<b>\$252,823,708</b>	<b>4.42%</b>

The sum of the percentages might not exactly match the total shown because of rounding.

### Individual Benefit Plans - Mandated Benefit Utilization

Issuers reported the total number of separate claims paid for each mandated benefit during the reporting period. As shown in Table 11, claims figures vary significantly among mandated benefits. Utilization reflects how common the medical condition is and whether the benefit applies to a limited population based on age or gender. The two individual mandated benefits with the highest number of claims were diabetes education and testing supplies and prescription contraceptive drugs, devices, and related services. Both had over 28 percent of the total claims, accounting for more than half of all claims. The benefit with the lowest number of claims paid was craniofacial surgery for children with 0.02 percent.

**Table 11 - Individual Mandated Benefit Utilization**

Mandated Benefit	Number of Mandated Benefit Claims Paid	Percentage of Total Number of Mandated Benefit Claims Paid
Acquired Brain Injury	72,123	4.59%
AIDS, HIV, and Related Illnesses	47,393	3.01%
Childhood Immunizations	134,785	8.57%
Colorectal Cancer Testing	54,702	3.48%
Craniofacial Surgery for Children	388	0.02%
Diabetes Education and Testing Supplies	454,340	28.89%
Hearing Screening for Children	57,173	3.64%
Mammography Screening	205,336	13.06%
Prescription Contraceptive Drugs, Devices, and Related Services	443,711	28.21%
PSA Testing for Prostate Cancer	98,000	6.23%
Reconstructive Breast Surgery Following Mastectomy	2,506	0.16%
Telemedicine Services	2,177	0.14%
<b>TOTAL</b>	<b>1,572,634</b>	<b>100.00%</b>



**Individual Benefit Plans - Mandated Benefit Claims Cost Comparison 2007 - 2016**

Table 12 displays the mandated benefit claims costs percentages for individual benefit plans for the past 10 years. In 2016, there was a significant increase in the total after it had steadily decreased each of the previous three years.

**Table 12 - Individual Mandated Benefit Claims Cost Comparison 2007 - 2016**

Mandated Benefit	Mandated Benefit Claims Costs as a Percentage of Total Claims Paid									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Acquired Brain Injury	0.10%	0.14%	0.07%	0.13%	0.13%	0.24%	0.16%	0.24%	0.10%	0.38%
AIDS, HIV, and Related Illnesses	0.32%	0.35%	0.26%	0.25%	0.10%	0.27%	0.16%	0.30%	0.19%	0.49%
Childhood Immunizations	0.58%	1.26%	0.97%	1.14%	1.07%	1.00%	0.93%	0.45%	0.31%	0.38%
Colorectal Cancer Testing	0.23%	0.24%	0.06%	0.05%	0.09%	0.11%	0.08%	0.06%	0.12%	0.47%
Craniofacial Surgery for Children	0.01%	0.02%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
Diabetes Education and Testing Supplies	0.42%	0.19%	0.03%	0.02%	0.07%	0.04%	0.04%	0.24%	0.15%	1.41%
Hearing Screening for Children	0.53%	0.75%	0.67%	1.07%	1.09%	1.29%	1.05%	0.74%	0.43%	0.39%
Mammography Screening	0.31%	0.48%	0.42%	0.69%	0.77%	0.92%	0.79%	0.62%	0.45%	0.45%
Oral Contraceptives	0.24%	0.30%	0.12%	0.19%						
Prescription Contraceptive Drugs, Devices, and Related Services	0.02%	0.01%	0.05%	0.03%						
Prescription Contraceptive Drugs, Devices, and Related Services					0.54%	0.59%	0.62%	0.40%	0.29%	0.33%
PSA Testing for Prostate Cancer	0.03%	0.05%	0.04%	0.05%	0.06%	0.06%	0.04%	0.03%	0.03%	0.03%
Reconstructive Breast Surgery Following Mastectomy	1.68%	1.23%	0.12%	0.22%	0.23%	0.35%	0.14%	0.24%	0.10%	0.08%
Telemedicine Services	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%
<b>TOTAL</b>	<b>4.47%</b>	<b>5.02%</b>	<b>2.82%</b>	<b>3.85%</b>	<b>4.16%</b>	<b>4.88%</b>	<b>4.03%</b>	<b>3.32%</b>	<b>2.19%</b>	<b>4.42%</b>

Notes: TDI combined Oral Contraceptives and Prescription Contraceptive Drugs, Devices, and Related Services into a single category in 2011. The sum of the each year's figures might not exactly match the totals shown because of rounding.

**Individual Benefit Plans - Comparison of Actual Claims Costs per Certificate with Average Annual Premium Costs per Mandated Benefit**

Table 13 compares each benefit’s average annual claim cost per certificate to the average annual premium cost of the benefit. A certificate is a proof of insurance document that verifies coverage. Issuers may issue one certificate to an individual or to a family. TDI calculated the average annual claim cost per certificate using aggregate claims data submitted by the issuers. Issuers reported the average annual premium cost estimates for single and family coverage. Family coverage premiums reflect multiple enrollees covered under a single certificate. Seven of the single coverage estimates were lower than the average annual claim cost per certificate for the mandated benefits, and no family coverage estimates were lower.

**Table 13 - Comparison of Actual Claims Costs per Certificate with Average Annual Premium Costs per Individual Mandated Benefit**

Mandated Benefit	Average Annual Claim Cost Per Certificate*	Average Annual Premium Cost Estimates	
		Single Coverage	Family Coverage
Acquired Brain Injury	\$18.32	\$18.09	\$39.38
AIDS, HIV, and Related Illnesses	\$23.68	\$20.50	\$34.71
Childhood Immunizations	\$20.30	\$16.54	\$38.96
Colorectal Cancer Testing	\$24.15	\$17.44	\$29.96
Craniofacial Surgery for Children	\$0.28	\$1.72	\$4.02
Diabetes Education and Testing Supplies	\$68.30	\$47.96	\$86.37
Hearing Screening for Children	\$20.74	\$20.57	\$37.90
Mammography Screening	\$22.53	\$21.98	\$37.78
Prescription Contraceptive Drugs, Devices, and Related Services	\$16.44	\$18.14	\$39.11
PSA Testing for Prostate Cancer	\$1.47	\$3.86	\$7.94
Reconstructive Breast Surgery Following Mastectomy	\$3.75	\$4.41	\$9.92
Telemedicine Services	\$0.34	\$1.80	\$3.90
<b>TOTAL</b>	<b>\$220.30</b>	<b>\$193.01</b>	<b>\$369.95</b>

\*Figures represent all claims, including those occurring under both single and family coverage.

**Individual Benefit Plans - Mandated Benefit Administrative Costs and Claims Costs Comparison**

Issuers reported an estimate of the annual administrative costs incurred due to the mandated benefit requirements. Common administrative costs include expenses for processing claims payments, treatment authorizations, and specialist referrals. In addition, administrative costs include the cost of revising policy forms and marketing materials when legislation adds new mandated benefits. Administrative costs depend on such factors as the number of claims processed and whether certain benefits require additional administrative services like authorizations and referrals. TDI gave issuers discretion in determining the value of the administrative costs associated with each mandated benefit. Table 14 shows the total administrative costs reported for each mandated benefit, as well as the administrative costs as a percentage of total claims dollars paid. The table also includes the claims costs as a percentage of total claims dollars paid. The comparison shows a correlation between higher claims costs and higher

administrative costs that is consistent with many of the issuers calculating the administrative costs as a percentage of claims costs.

**Table 14 - Individual Mandated Benefit Administrative Costs and Claims Costs Comparison**

Mandated Benefit	Total Administrative Costs	Administrative Costs as a Percentage of Total Claims Paid	Claims Costs as a Percentage of Total Claims Paid
Acquired Brain Injury	\$4,800,047	0.08%	0.38%
AIDS, HIV, and Related Illnesses	\$5,443,853	0.10%	0.49%
Childhood Immunization	\$5,250,939	0.09%	0.38%
Colorectal Cancer Testing	\$5,809,798	0.10%	0.47%
Craniofacial Surgery for Children	\$66,047	0.00%	0.01%
Diabetes Education and Testing Supplies	\$16,655,235	0.29%	1.41%
Hearing Screening for Children	\$2,091,222	0.04%	0.39%
Mammography Screening	\$6,542,033	0.11%	0.45%
Prescription Contraceptive Drugs, Devices, and Related Services	\$3,985,463	0.07%	0.33%
PSA Testing for Prostate Cancer	\$411,995	0.01%	0.03%
Reconstructive Breast Surgery Following Mastectomy	\$828,064	0.01%	0.08%
Telemedicine Services	\$77,813	0.00%	0.01%
<b>TOTAL</b>	<b>\$51,962,509</b>	<b>0.91%</b>	<b>4.42%</b>

The sum of the percentages might not exactly match the totals shown because of rounding.

## **APPENDIX A: SURVEY OVERVIEW**

### **Governing Statutes**

Texas Insurance Code Chapter 38, Subchapter F, requires TDI to collect information on mandated benefits and offers and directs the agency to establish rules for the collection of this data. Texas Administrative Code, Title 28, Chapter 21, Subchapter Z, contains rules addressing the reporting of mandated benefits and offers. Under these rules, health insurers and health maintenance organizations (HMOs) are required to submit mandated benefit premium and claims data annually in an electronic format developed by TDI. Insurers must submit data for group policies if they report \$10 million or more in direct premiums in Texas for group accident and health insurance policies on their most recent annual statement. An insurer must also submit data for individual policies if it reports \$2 million or more in direct premiums for individual accident and health policies in Texas. HMOs are subject to the reporting requirements if they collect \$10 million or more in direct commercial premiums for basic-service benefit plans.

### **Explanation of Mandated Benefits and Reporting Limitations**

Mandated benefits are health benefits required by state law, which cover a specific medical condition, illness, or medical service. The mandated benefits data collection and reporting rule does not require issuers to report data on all mandated benefits. The lack of specific standardized medical codes for some mandated benefits makes it difficult, if not impossible, to report certain data. The availability of precise benefit and premium cost data is limited to those mandated benefits identified using information provided on insurance claim forms, including standard medical diagnosis and procedure codes. Issuers require that all claims filed by physicians and providers include these codes, which are used to identify the patient's medical condition and treatment. These codes allow an issuer to determine if the medical condition and subsequent treatment are covered benefits under the policy and enable an issuer to pay a claim under the terms of the insurance contract. Use of these standardized codes also assists issuers in collecting and reporting mandated benefit cost and utilization data to TDI in a uniform manner.

Some mandated benefits, however, do not require coverage of a specific illness or medical treatment for which there are standard diagnosis or procedure codes that allow issuers to identify the appropriate claims. As a result, the reporting rule requires issuers to submit data for those mandated benefits and offers that are easier to measure. TDI collects data on the following mandated benefits:

- benefits related to the treatment of acquired brain injury;
- AIDS, HIV, and related illnesses;
- chemical dependency;
- childhood immunizations;
- colorectal cancer testing;
- craniofacial surgery for children;
- diabetes education and testing supplies;
- hearing screenings for children;
- mammography screening;
- nutritional supplements for phenylketonuria (PKU) and other heritable diseases;
- osteoporosis detection;
- prescription contraceptive drugs, devices, and related services (if prescription drugs are covered);
- prostate-specific antigen (PSA) testing for prostate cancer;
- psychiatric day treatment;
- reconstructive breast surgery following a mastectomy;
- serious mental illness – not less than 45 inpatient days of treatment and 60 outpatient visits;

- serious mental illness – full parity for universities and local governments;
- telemedicine services; and
- treatment of temporomandibular joint (TMJ) conditions.

Before the 2011 data call, issuers reported contraceptive data in two separate categories—“Prescription Contraceptive Drugs, Devices, and Related Services” and “Oral Contraceptives.” Issuers were erroneously reporting oral contraceptives under both categories. TDI reviewed the concerns of the issuers and applicable statutory references and decided to combine the two categories for future data calls.

In addition to the mandated benefits listed above, state law also requires group plan issuers to offer some benefits to enrollees. The law allows the purchaser to decide whether to accept or decline the offered benefits. The two mandated offers for which data is collected are:

- in vitro fertilization; and
- treatment for loss of speech or hearing.

This report aggregates all data to provide industry-wide averages for each benefit listed. Appendix B includes a comprehensive list and explanation of each of these benefits along with its legal basis.

### **Data Collection Methodology**

For each of the mandated benefits subject to the reporting requirements, issuers are required to report the following information for both group and individual plans:

- the number of claims paid for each mandated benefit;
- the total claims dollars paid for each mandated benefit;
- the average annual premium cost for each mandated benefit; and
- the estimated annual administrative cost attributed to each mandated benefit.

In addition, issuers are required to report enrollment, as well as data pertaining to total premiums and total claims for both group and individual plans. This data allows additional analysis on an issuer-level basis as well as on an aggregated, industry-wide basis. To the extent possible, TDI provided specific directions to assure uniform reporting across issuers. Because of common industry practices for claims payment forms and the use of standardized codes for medical diagnoses and services, the method for collecting and calculating claims data is relatively straightforward.

Calculating average claim estimates per benefit involves factoring the total claims amount paid for a given benefit with the number of claims reported for that benefit. However, the process used to determine premium costs and administrative costs varies from issuer to issuer. Although all issuers use similar actuarial principles, technical variances among issuers result in differences in the way they develop cost estimates. Accordingly, each issuer reports its premium and administrative cost data to TDI using its internal guidelines instead of an industry-wide standard. While all issuers use similar actuarial methodologies to establish premium rates, the exact process and underlying data assumptions used are proprietary information that are not generally subject to public disclosure. Issuers have discretion in determining how they develop premium costs. In calculating average premiums, TDI averages all issuer premium amounts with each issuer weighted equally. In calculating average claims, TDI combines all claims dollar amounts reported by all issuers and divides this by the combined number of actual claims reported by all issuers. While these two methods differ, the estimated premiums should have a reasonable relationship to the claims actually paid for the same benefit.

Some issuers previously explained that claims costs for mandated benefits sometimes include other costs not specifically related to the mandated benefit requirements because of the common practice of “bundling” services into one claim or procedure code. A certain procedure may include charges related to the mandated benefit procedure, but not part of the mandated benefit. This can occur when a provider performs two related services at once and submits one bill for both charges. Some issuers prorate the claims reported to TDI or use another methodology to estimate only those costs attributed to the mandated benefit. Others do not, which results in reporting higher claims costs. Though it is difficult to know the extent to which this occurs, the additional expenses should be considered when evaluating the cost of each benefit.

TDI did not audit the data reported by issuers. Issuers are responsible for ensuring that the information reported is accurate and complete. TDI reviews the data submitted by issuers to identify extreme data anomalies and outliers suggesting data collection or entry errors. TDI contacted issuers submitting questionable data to verify the accuracy of the information. In some instances, issuers provided explanations, while others submitted revised reports.

### **Project to Enhance Data Collection**

TDI adopted the rule creating the mandated benefits data call in 2002 and amended the rule in 2003 to clarify the reporting periods and revise the reporting deadlines. Since that time, the Texas Legislature passed additional mandated benefits and offers not reflected in the rule.

The rule change process began in the fall of 2015 with the intention of improving the integrity of the data collected and reported by the issuers. TDI reviewed the existing requirements, assessed which data elements are necessary to measure the cost and utilization of the mandates, and issued an informal working draft of the proposed rule changes in October 2016. The proposal was published in March 2017, and the rule amendments were adopted in June 2017. As with any rule change, stakeholders had the opportunity to comment on the proposed changes as part of the process. The 2017 data call will be the first one to follow the rule amendments.

## **APPENDIX B: DEFINITIONS OF MANDATED BENEFITS AND OFFERS**

### **Mandated Benefits**

**Acquired Brain Injury** – A health benefit plan may not exclude coverage for cognitive rehabilitation therapy, cognitive communication therapy, neurocognitive therapy and rehabilitation, neurobehavioral, neurophysiological, neuropsychological, and psychophysiological testing or treatment, neurofeedback therapy, remediation, post-acute transition services, or community reintegration services necessary as a result of and related to an acquired brain injury. Coverage may be subject to deductibles, copayments, and annual or maximum payment limits that are consistent with other similar coverage under the policy. This mandate applies to both individual and group accident and health plans and HMO benefit plans, including plans issued to a small employer.

Legal Basis: TIC §1352.003 and §1352.0035; 28 TAC §§21.3101 – 21.3105

**AIDS, HIV, and Related Illnesses** – A health benefit plan may not exclude, deny, or cancel coverage for HIV, AIDS, or HIV-related illnesses. This mandate applies to group accident and health plans and HMO benefit plans.

Legal Basis: TIC §§1364.001 – 1364.053, 1364.101, 1551.205, and 1601.109; 28 TAC §3.3057(d), Exhibit A

**Chemical Dependency** – A health benefit plan that provides coverage for the necessary care and treatment of chemical dependency must provide the coverage on the same basis as other physical illnesses. Benefits for treatment of chemical dependency may be limited to three separate series of treatments for each covered individual and must be in accordance with the standards adopted under 28 TAC §§3.8001 - 3.8030. This mandate applies to group insurance plans and HMO benefit plans.

Legal Basis: TIC Chapter 1368; 28 TAC §§3.8001 – 3.8030, and §11.509(3)

**Childhood Immunizations** – A health benefit plan that provides coverage for a family member of an insured or enrollee must provide for each covered child from birth through the date the child is six years of age for: (1) immunizations against diphtheria, haemophilus influenzae type b: hepatitis B, measles, mumps, pertussis, polio, rubella, tetanus, varicella, and rotavirus (HMO only); and (2) any other immunization that is required for the child by law. Immunizations may not be subject to a deductible or copayment requirement. This mandate applies to both individual and group accident and health plans and HMO benefit plans, but does not apply to plans issued to a small employer.

Legal Basis: TIC §1367.053; 28 TAC §11.508(a)(1)(H)(ii)

**Colorectal Cancer Testing** – A health benefit plan that provides coverage for screening medical procedures must provide coverage for each person enrolled in the plan who is 50 years of age or older and at normal risk for developing colon cancer for expenses incurred in conducting a medically recognized screening examination for the detection of colorectal cancer. An insured must have the choice of at least one of the following: (1) a fecal occult blood test performed annually and a flexible sigmoidoscopy performed every five years; or (2) a colonoscopy performed every 10 years. This mandate applies to both individual and group accident and health plans and HMO benefit plans, but does not apply to plans issued to a small employer.

Legal Basis: TIC §1363.003; 28 TAC §11.508(a)(1)(H)(vi)

**Craniofacial Surgery for Children** – A health benefit plan that provides coverage for a child who is younger than 18 years of age must define “reconstructive surgery for craniofacial abnormalities” in the evidence of coverage or policy to mean surgery to improve the function of, or to attempt to create a normal appearance of, an abnormal structure caused by congenital defects, developmental deformities, trauma, tumors, infections, or disease. This mandate applies to both individual and group accident and health plans and HMO benefit plans, but does not apply to plans issued to a small employer.

Legal Basis: TIC §1367.153

**Diabetes Education and Supplies** – A health benefit plan that provides coverage for the treatment of diabetes and associated conditions must provide coverage to each qualified enrollee for diabetes equipment, supplies, and self-management training programs. The coverage must be in accordance with the standards adopted under 28 TAC §§21.2601 – 21.2606, Subchapter R. This mandate applies to both individual and group accident and health plans and HMO benefit plans, but does not apply to plans issued to a small employer.

Legal Basis: TIC Chapter 1358; 28 TAC §§11.508(b)(3), 21.2601 – 21.2606

**Hearing Screening for Children** – A health benefit plan that provides coverage for a family member of an insured or enrollee must provide to each covered child coverage for: (1) a screening test for hearing loss from birth through the date the child is 30 days old, as provided by Health and Safety Code Chapter 47; and (2) necessary diagnostic follow-up care related to the screening test from birth through the date the child is 24 months old. Benefits may be subject to copayment and coinsurance requirements, but may not be subject to a deductible requirement or dollar limits. The evidence of coverage or policy must state these limitations. This mandate applies to both individual and group accident and health plans and HMO benefit plans, but does not apply to plans issued to a small employer.

Legal Basis: TIC §1367.103

**Mammography Screening** – A health benefit plan must provide an annual screening by low-dose mammography for females 35 years of age or older on the same basis as other radiological examinations under the plan. This mandate applies to both individual and group accident and health plans and HMO benefit plans.

Legal Basis: TIC §1356.005; 28 TAC §11.508(a)(1)(H)(iv)

**Nutritional Supplements for Phenylketonuria (PKU) and Other Heritable Diseases** – A health benefit plan that provides coverage for prescription drugs must include dietary formulas for the treatment of PKU or other heritable diseases. This mandate applies to group insurance plans and HMO benefit plans.

Legal Basis: TIC §1359.003

**Osteoporosis Detection** – A health benefit plan must provide coverage to qualified enrollees for medically accepted bone mass measurement to determine the enrollee’s risk of osteoporosis and fractures associated with osteoporosis. This mandate applies to group accident and health plans and HMO benefit plans.

Legal Basis: TIC §1361.003; 28 TAC §11.509(4)



**Prescription Contraceptive Drugs, Devices, and Related Services** – A health benefit plan that provides benefits for prescription drugs or devices may not exclude or limit benefits to enrollees for: (1) a prescription contraceptive drug or device approved by the United States Food and Drug Administration, or (2) an outpatient contraceptive service. Plans are not required to cover abortifacients or any other drug or device that terminates a pregnancy. Any deductible, copayment, or other cost-sharing provision applicable to prescription contraceptive drugs or devices or outpatient contraceptive services may not exceed that required for other prescription drugs or devices or outpatient services covered under the benefit plan. This mandate applies to both individual and group accident and health plans and HMO benefit plans, including plans issued to a small employer.

Legal Basis: TIC §1369.104; 28 TAC §21.404(3)

**PSA Testing for Prostate Cancer** – A health benefit plan that provides coverage for diagnostic medical procedures must provide coverage to each male enrolled in the plan for expenses incurred in conducting an annual medically recognized diagnostic examination for the detection of prostate cancer. Minimum coverage must include: (1) a physical examination for the detection of prostate cancer; and (2) a prostate-specific antigen test used for the detection of prostate cancer for each male enrolled in the plan who is: (a) at least 50 years of age and asymptomatic, or (b) at least 40 years of age with a family history of prostate cancer or another prostate cancer risk factor. This mandate applies to both individual and group accident and health plans and HMO benefit plans, but does not apply to plans issued to a small employer.

Legal Basis: TIC §1362.003; 28 TAC §11.508(a)(1)(H)(v)

**Psychiatric Day Treatment** – A health benefit plan that provides coverage for treatment of mental illness in a hospital must also provide coverage for treatment in a psychiatric day treatment facility. Determination of policy benefits and benefit maximums will consider each full day of treatment in a psychiatric day treatment facility equal to one-half day of treatment in a hospital or inpatient program. On rejection of mandated benefits, the insurer shall offer and the policyholder may select an alternate level of benefits, but any negotiated benefits must include benefits for treatment in a psychiatric day treatment facility equal to at least one-half of that provided for treatment in a hospital. This mandate applies to group accident and health plans and HMO benefit plans.

Legal Basis: TIC Chapter 1355, Subchapter C, §1355.104; 28 TAC §11.509(5) and §11.510(3)

**Reconstructive Breast Surgery Following a Mastectomy** – A health benefit plan that provides coverage for mastectomy must provide coverage for: (1) reconstruction of the breast on which the mastectomy has been performed; (2) surgery and reconstruction of the other breast to achieve a symmetrical appearance; and (3) prostheses and treatment of physical complications, including lymphedemas, at all stages of the mastectomy. The coverage may be subject to copayments that are consistent with other benefits under the evidence of coverage or policy, but may not be subject to dollar limitations other than the lifetime maximum benefits under the plan. This mandate applies to both individual and group accident and health plans and HMO benefit plans.

Legal Basis: TIC §1357.004; 28 TAC §11.508(b)(1)

**Serious Mental Illness – 45 Inpatient Days and 60 Outpatient Visits** – A health benefit plan must: (1) provide coverage for not less than 45 days of inpatient treatment, and not less than 60 visits for outpatient treatment, including group and individual outpatient treatment coverage, for serious mental illness in each calendar year; (2) may not include a lifetime limit on the number of days of inpatient treatment or the number of outpatient visits covered under the plan; and (3) must include the same amount limits and

deductibles for serious mental illness as for physical illness. This mandate applies to group accident and health plans and HMO benefit plans. Small employers must be offered this coverage, but the employer is allowed to reject the coverage.

Legal Basis: TIC §1355.004 and §1551.205

**Serious Mental Illness – Full Parity for Universities and Local Governments** – A health benefit plan provided under the Texas State College and University Employees Uniform Insurance Benefits Act or to certain specific governmental employee groups must provide benefits for serious mental illness that are as extensive as for any other physical illness. This mandate applies to group health plans and HMO benefit plans. Small employers must be offered this coverage, but the employer is allowed to reject the coverage.

Legal Basis: TIC §1355.151 and §1601.109

**Telemedicine Services** – A health benefit plan may not exclude telemedicine medical services or a telehealth service from coverage solely because the service is not provided through a face-to-face consultation. Telemedicine medical services and telehealth services may be subject to a deductible or copayment requirement; however, the deductible or copayment may not exceed the amount that is required for a comparable medical service provided through a face-to-face consultation. This mandate applies to both individual and group accident and health plans and HMO benefit plans, but does not apply to plans issued to a small employer.

Legal Basis: TIC §1455.004; 28 TAC §11.1607(m)

**Temporomandibular Joint (TMJ) Treatment** – A health benefit plan that provides benefits for diagnostic or surgical treatment of conditions affecting skeletal joints must provide comparable coverage for diagnostic or surgical treatment of conditions affecting the temporomandibular joint that is necessary due to: (1) an accident, (2) a trauma, (3) a congenital defect, (4) a developmental defect, or (5) a pathology. This mandate applies to group accident and health plans and HMO benefit plans, but does not apply to plans issued to a small employer.

Legal Basis: TIC §1360.004; 28 TAC §11.509(6)

## **Mandated Offers**

**In Vitro Fertilization** – Unless rejected in writing by the group contract holder, a health benefit plan providing coverage for pregnancy-related procedures must offer and make available coverage for outpatient expenses that may arise from in vitro fertilization procedures. This mandate applies to group accident and health plans and HMO benefit plans.

Legal Basis: TIC §1366.003 and §1366.004; 28 TAC §11.510(1)

**Treatment of Speech or Hearing Loss** – A health benefit plan shall offer and make available coverage for the necessary care and treatment of loss or impairment of speech or hearing. Coverage may not be less favorable and must be subject to the same limits and deductibles as coverage for physical illness generally under the plan. The group contract holder may reject this coverage and select an alternative level of benefits if the insurer offers such coverage. This mandate applies to group health plans and HMO benefit plans.

Legal Basis: TIC §1365.003 and §1365.004; 28 TAC §11.510(2)