

# Texas

## **REGULATORY HIGHLIGHTS**

The Discount Health Care Program Operator must be registered with Texas Department of Licensing.

"Discount Health Care Program Operator" means a person who, in exchange for fees, dues, charges, or other consideration, operates a discount health care program and contracts with providers, provider networks, or other discount health care program operators to offer access to health care services at a discount and determines the charge to members.

"Marketer" means a person that sells or distributes a discount health care program, including a private label entity that places its name on and markets or distributes a discount health care program, but does not operate a discount health care program.

A discount medical plan organization shall approve in writing all advertisements, marketing materials, brochures, and discount cards prior to a marketer using these materials to market, promote, sell, or distribute the discount medical plan.

### **Advertisements and Disclosures**

Any advertisement, solicitation, and marketing material of a discount health care program shall clearly and conspicuously state:

This is not insurance. (the word "not" capitalized) The following disclosures must be made in writing at least 12-point type on any marketing materials and membership cards:

- The plan is not insurance.

The following disclosures must be included on any membership cards that include discount prescription benefits:

- The plan is not insurance.
- Name or logo of entity administering the benefit
- The International ID number assigned by the American National Standards Institute to the entity administering the benefit
- The group number
- Contact information (number) for member services

The program operator may not do any of the following:

- Use the term "insurance," except as a disclaimer of any relationship between the discount health care program and insurance, or as a description of an insurance product connected with a discount health care program.

- Use the terms "health plan," "coverage," "copay," "copayments," "deductible," "preexisting condition," "guaranteed issue," "premium," "PPO," "preferred provider organization" or another similar term, in a manner that could reasonably mislead an individual into believing that the discount health care program is health insurance or provides similar coverage.
- Use the terms "free," "no obligation," "discounted," "reduced," or another similar term, without disclosing clearly and conspicuously, and in close proximity to the use of the term, any and all conditions, limitations, and restrictions on the ability of the member or prospective member to obtain or use the good or service to which the term applies.
- Allow any advertisement, solicitation, or marketing material of a discount health care program to contain false, misleading, or deceptive statements.
- Knowingly misrepresent the size or location of the program's network of providers
- Misrepresent the price range of discounts offered by the discount health care program.

#### **Texas Specific Disclosures:**

Section 1-J: TX Residents: Member shall receive a full refund of membership fees, excluding registration fee, if membership is cancelled within the first 30 days after the effective date. (To be printed as written on all materials.)

Section 1-N: Discount Medical Plan Organization: New Benefits, Ltd., Attn: Compliance Department, PO Box 671309, Dallas, TX 75367-1309, 12pt font is required. \*Required on all materials used in TX. (NOTE: Approval must be granted by New Benefits prior to using its name as the Discount Medical Plan Organization.)

#### **Membership Agreement**

A program operator shall provide each prospective or new member disclosure materials containing the following information:

- a general description of the services and products offered through the discount health care program and the types of providers available
- disclose the duration of memberships and the amount of payments the member is obligated to make.
- a toll-free telephone number and website address where a member may obtain provider and benefit information
- a clear and conspicuous statement "the discount health care program is not insurance," with the word "not" capitalized, and
- the member is required to pay the entire amount of the discounted rate.
- the discount health care program does not guarantee the quality of the services or products offered by individual providers
- a member who cancels the membership not later than the 30th day after the date the member joins the discount health care program is entitled to a refund of all membership fees paid to the

discount health care program other than money paid as a nominal one-time enrollment fee or money paid by the member to a provider for health care services or products received

- a statement that a member may file a complaint under the discount health care program's complaint resolution procedure regarding the availability of contracted discounts or services or other matters relating to the contractual obligations of the program to its members
- a toll-free telephone number for filing complaints with the Texas Department of Licensing and Regulation.

### **Cancellation**

A member who cancels the membership not later than the 30th day after the date the member joins the discount health care program is entitled to a refund of all membership fees paid to the discount health care program other than money paid as a nominal one-time enrollment fee or money paid by the member to a provider for health care services or products received.

### **LEGISLATION**

Please click the link below to view the statutes and/or rules in their entirety.

**NOTE: Please review this site regularly for legislative updates. For more information or questions on proposed regulations please contact the Compliance and Government Relations Department at [compliance@newbenefits.com](mailto:compliance@newbenefits.com) or visit the State's official website.**

 Texas Statutes [TX Code § 5C-562 \(2013\)](#)