

By: Watson

S.B. No. 825

A BILL TO BE ENTITLED

AN ACT

relating to health benefit plan coverage of preexisting conditions and the guaranteed issue of certain health benefit plans.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. The heading to Chapter 1202, Insurance Code, is amended to read as follows:

CHAPTER 1202. ISSUANCE, CANCELLATION, AND CONTINUATION OF POLICIES  
IN GENERAL

SECTION 2. The heading to Section 1202.051, Insurance Code, is amended to read as follows:

Sec. 1202.051. GUARANTEED ISSUE, RENEWABILITY, AND CONTINUATION OF INDIVIDUAL HEALTH INSURANCE POLICIES.

SECTION 3. Section 1202.051, Insurance Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) An insurer shall issue the individual health insurance policy chosen by the individual to each individual that elects to be covered under the policy and agrees to satisfy the other requirements of the policy.

SECTION 4. Section 1501.602(a), Insurance Code, is amended to read as follows:

(a) A large employer health benefit plan issuer:

(1) shall issue the large employer health benefit plan chosen by the large employer to each large employer that elects to be covered under the plan and agrees to satisfy the other

1 requirements of the plan [~~may refuse to provide coverage to a large~~  
2 ~~employer in accordance with the issuer's underwriting standards and~~  
3 ~~criteria;~~

4 ~~(2) shall accept or reject the entire group of~~  
5 ~~individuals who meet the participation criteria and choose~~  
6 ~~coverage]; and~~

7 (2) [~~(3)~~] may exclude only those employees or  
8 dependents who decline coverage.

9 SECTION 5. Subtitle G, Title 8, Insurance Code, is amended  
10 by adding Chapter 1509 to read as follows:

11 CHAPTER 1509. COVERAGE OF PREEXISTING CONDITIONS

12 Sec. 1509.001. DEFINITION. In this chapter, "preexisting  
13 condition" means a condition present before the effective date of  
14 an individual's coverage under a health benefit plan.

15 Sec. 1509.002. APPLICABILITY OF CHAPTER. (a) This chapter  
16 applies only to a health benefit plan that provides benefits for  
17 medical or surgical expenses incurred as a result of a health  
18 condition, accident, or sickness, including an individual, group,  
19 blanket, or franchise insurance policy or insurance agreement, a  
20 group hospital service contract, or an individual or group evidence  
21 of coverage or similar coverage document that is offered by:

22 (1) an insurance company;

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

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

27 (4) an approved nonprofit health corporation that

- 1 holds a certificate of authority under Chapter 844;  
2 (5) a multiple employer welfare arrangement that holds  
3 a certificate of authority under Chapter 846;  
4 (6) a stipulated premium company operating under  
5 Chapter 884;  
6 (7) a fraternal benefit society operating under  
7 Chapter 885;  
8 (8) a Lloyd's plan operating under Chapter 941; or  
9 (9) an exchange operating under Chapter 942.  
10 (b) Notwithstanding any other law, this chapter applies to:  
11 (1) a small employer health benefit plan subject to  
12 Chapter 1501, including coverage provided through a health group  
13 cooperative under Subchapter B of that chapter;  
14 (2) a standard health benefit plan issued under  
15 Chapter 1507;  
16 (3) a basic coverage plan under Chapter 1551;  
17 (4) a basic plan under Chapter 1575;  
18 (5) a primary care coverage plan under Chapter 1579;  
19 (6) a plan providing basic coverage under Chapter  
20 1601;  
21 (7) health benefits provided by or through a church  
22 benefits board under Subchapter I, Chapter 22, Business  
23 Organizations Code;  
24 (8) group health coverage made available by a school  
25 district in accordance with Section 22.004, Education Code;  
26 (9) the state Medicaid program, including the Medicaid  
27 managed care program operated under Chapter 533, Government Code;

1           (10) the child health plan program under Chapter 62,  
2 Health and Safety Code;

3           (11) a regional or local health care program operated  
4 under Section 75.104, Health and Safety Code;

5           (12) a self-funded health benefit plan sponsored by a  
6 professional employer organization under Chapter 91, Labor Code;

7           (13) county employee group health benefits provided  
8 under Chapter 157, Local Government Code; and

9           (14) health and accident coverage provided by a risk  
10 pool created under Chapter 172, Local Government Code.

11           (c) This chapter applies to coverage under a group health  
12 benefit plan provided to a resident of this state regardless of  
13 whether the group policy, agreement, or contract is delivered,  
14 issued for delivery, or renewed in this state.

15           Sec. 1509.003. EXCEPTIONS. (a) This chapter does not apply  
16 to:

17           (1) a plan that provides coverage:

18                   (A) for wages or payments in lieu of wages for a  
19 period during which an employee is absent from work because of  
20 sickness or injury;

21                   (B) as a supplement to a liability insurance  
22 policy;

23                   (C) for credit insurance;

24                   (D) only for dental or vision care;

25                   (E) only for hospital expenses; or

26                   (F) only for indemnity for hospital confinement;

27           (2) a workers' compensation insurance policy; or

1           (3) medical payment insurance coverage provided under  
2 a motor vehicle insurance policy.

3           (b) This chapter does not apply to an individual health  
4 benefit plan issued on or before March 23, 2010, that has not had  
5 any significant changes since that date that reduce benefits or  
6 increase costs to the individual.

7           Sec. 1509.004. PREEXISTING           CONDITION           RESTRICTIONS  
8 PROHIBITED. Notwithstanding any other law, a health benefit plan  
9 issuer may not:

10           (1) deny coverage to or refuse to enroll an individual  
11 in a health benefit plan on the basis of a preexisting condition;

12           (2) limit or exclude coverage under the health benefit  
13 plan for treatment of the individual's preexisting condition  
14 otherwise covered under the plan; or

15           (3) charge the individual more for coverage than the  
16 health benefit plan issuer charges an individual who does not have a  
17 preexisting condition.

18           SECTION 6. Section [1501.605](#), Insurance Code, is repealed.

19           SECTION 7. If before implementing any provision of this Act  
20 a state agency determines that a waiver or authorization from a  
21 federal agency is necessary for implementation of that provision,  
22 the agency affected by the provision shall request the waiver or  
23 authorization and may delay implementing that provision until the  
24 waiver or authorization is granted.

25           SECTION 8. The change in law made by this Act applies only  
26 to a health benefit plan that is delivered, issued for delivery, or  
27 renewed on or after January 1, 2020. A health benefit plan that is

1 delivered, issued for delivery, or renewed before January 1, 2020,  
2 is governed by the law as it existed immediately before the  
3 effective date of this Act, and that law is continued in effect for  
4 that purpose.

5 SECTION 9. This Act takes effect September 1, 2019.