

By: Taylor

H.B. No. 1336

A BILL TO BE ENTITLED

AN ACT

relating to certain small employer and large employer health benefit plans.

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

SECTION 1. Section 4, Article 3.51-14, Insurance Code, is amended to read as follows:

Sec. 4. SMALL EMPLOYER COVERAGE. This article does not apply to a small employer [~~An issuer of a group~~] health benefit plan written under Chapter 26 of this code [~~to a small employer must offer the coverage described in Section 3 of this article but is not required to provide the coverage if the small employer rejects the coverage~~].

SECTION 2. Section 1(3), Article 3.51-14, Insurance Code, is repealed.

SECTION 3. Section 2(b), Article 21.52L, Insurance Code, as added by Chapter 1106, Acts of the 77th Legislature, Regular Session, 2001, is amended to read as follows:

(b) "Health benefit plan" does not include [~~includes~~] a small employer health benefit plan offered in accordance with Chapter 26 of this code.

SECTION 4. Section 2, Article 21.53N, Insurance Code, is amended to read as follows:

Sec. 2. APPLICABILITY OF ARTICLE. (a) This article applies only to a health benefit plan that provides benefits for medical or

1 surgical expenses incurred as a result of a health condition,  
2 accident, or sickness, including an individual, group blanket, or  
3 franchise insurance policy or insurance agreement, a group hospital  
4 service contract, or an individual or group evidence of coverage or  
5 similar coverage document that is offered by:

6 (1) an insurance company;

7 (2) a group hospital service corporation operating  
8 under Chapter 842 [~~20~~] of this code;

9 (3) a fraternal benefit society operating under  
10 Chapter 885 [~~10~~] of this code;

11 (4) a stipulated premium insurance company operating  
12 under Chapter 884 [~~22~~] of this code;

13 (5) an [~~a reciprocal~~] exchange operating under Chapter  
14 942 [~~19~~] of this code;

15 (6) a health maintenance organization operating under  
16 Chapter 843 of this code [~~the Texas Health Maintenance Organization~~  
17 ~~Act (Chapter 20A, Vernon's Texas Insurance Code)];~~

18 (7) a multiple employer welfare arrangement that holds  
19 a certificate of authority under Chapter 846 [~~Article 3.95-2~~] of  
20 this code; or

21 (8) an approved nonprofit health corporation that  
22 holds a certificate of authority under Chapter 844 [~~Article 21.52F~~]  
23 of this code.

24 (b) This article does not apply to [~~or~~

25 [~~(9)~~] a small employer health benefit plan written  
26 under Chapter 26 of this code.

27 SECTION 5. Section 1(b), Article 21.53Q, Insurance Code, is

1 amended to read as follows:

2 (b) This article does not apply [~~applies~~] to a small  
3 employer health benefit plan written under Chapter 26 of this code.

4 SECTION 6. Subchapter H, Chapter 26, Insurance Code, is  
5 amended by adding Article 26.835 to read as follows:

6 Art. 26.835. EXEMPT HEALTH BENEFIT PLANS. (a)  
7 Notwithstanding any other law, a large employer carrier may offer  
8 to a large employer an exempt health benefit plan under this  
9 article.

10 (b) An exempt health benefit plan offered under this article  
11 is not subject to a law that requires coverage or the offer of  
12 coverage of a health care service or benefit.

13 (c) A large employer carrier that offers an exempt health  
14 benefit plan under this article shall notify the large employer, in  
15 the form and manner required by the commissioner, that the plan is  
16 an exempt health benefit plan. The notice must specify each health  
17 care service or benefit that is not covered under the exempt health  
18 benefit plan and that would otherwise be required to be covered or  
19 offered to be covered.

20 SECTION 7. This Act applies only to a small employer health  
21 benefit plan that is delivered, issued for delivery, or renewed on  
22 or after January 1, 2004. A small employer health benefit plan that  
23 is delivered, issued for delivery, or renewed before January 1,  
24 2004, is governed by the law as it existed immediately before the  
25 effective date of this Act, and that law is continued in effect for  
26 that purpose.

27 SECTION 8. This Act takes effect September 1, 2003.