

By: Smithee

H.B. No. 2233

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the applicability of the Health Insurance Portability
3 and Availability Act.

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

5 SECTION 1. Art. 26.02(9), Insurance Code, is amended to
6 read as follows:

7 (9) "Eligible employee" means an employee who works on
8 a full-time basis and who usually works at least 30 hours a week.
9 The term also includes a sole proprietor, a partner, an assigned
10 employee of a staff leasing services company licensed pursuant to
11 Chapter 91, Occupations Code, and an independent contractor, if
12 the sole proprietor, partner, assigned employee of a staff leasing
13 services company, or independent contractor is included as an
14 employee under a health benefit plan of a small or large employer.
15 The term does not include:

16 (A) an employee who works on a part-time,
17 temporary, seasonal, or substitute basis; or

18 (B) an employee who is covered under:

19 (i) another health benefit plan;

20 (ii) a self-funded or self-insured employee
21 welfare benefit plan that provides health benefits and that is
22 established in accordance with the Employee Retirement Income
23 Security Act of 1974 (29 U.S.C. Section 1001 et seq.);

24 (iii) the Medicaid program if the employee

1 elects not to be covered;

2 (iv) another federal program, including the
3 CHAMPUS program or Medicare program, if the employee elects not to
4 be covered; or

5 (v) a benefit plan established in another
6 country if the employee elects not to be covered.

7 SECTION 2. Art. 26.02(15), Insurance Code, is amended to
8 read as follows:

9 (15) "Large employer" means an employer who employed
10 an average of at least 51 eligible employees on business days
11 during the preceding calendar year and who employs at least two
12 employees on the first day of the plan year. For purposes of this
13 definition, a partnership is the employer of a partner. A large
14 employer includes a governmental entity subject to Section 1,
15 Chapter 123, Acts of the 60th Legislature, Regular Session, 1967
16 (Article 3.51-3, Vernon's Texas Insurance Code), or Article
17 3.51-1, 3.51-2, 3.51-4, 3.51-5, or 3.51-5A of this code that
18 otherwise meets the requirements of this section~~[-]~~, and a client
19 company of a staff leasing services company, as those terms are
20 defined in Chapter 91, Occupations Code.

21 SECTION 3. Art. 26.02(29), Insurance Code, as amended by
22 Chapters 608 and 823, Acts of the 77th Legislature, Regular
23 Session, 2001, is amended to read as follows:

24 (30) ~~[-29-]~~ "Small employer" means an employer who
25 employed an average of at least two employees but not more than 50
26 eligible employees on business days during the preceding calendar
27 year and who employs at least two employees on the first day of the

1 plan year. For purposes of this definition, a partnership is the
2 employer of a partner. A small employer includes a governmental
3 entity subject to Section 1, Chapter 123, Acts of the 60th
4 Legislature, Regular Session, 1967 (Article 3.51-3, Vernon's Texas
5 Insurance Code), or Article 3.51-1, 3.51-2, 3.51-4, 3.51-5, or
6 3.51-5A of this code that otherwise meets the requirements of this
7 section~~[-]~~, and a client company of a staff leasing services
8 company, as those terms are defined in Chapter 91, Occupations
9 Code.

10 SECTION 4. This Act takes effect September 1, 2003.