

BILL ANALYSIS

H.B. 407
By: Uresti
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, under the Texas Administrative Code, two married individuals working for the same employer are not eligible for coverage as a dependent. A married couple with children are not eligible for coverage as one member family coverage. Both individuals are required to carry separate coverage with one of the spouses adding the children as dependents. The effect of this is an increase in health insurance premiums for the family.

This statute was intended to apply only to employers with less than fifty employees and not to large employers such as school district. House Bill 407 authorizes spouses who both work in a school district to either elect to be the dependent of the other employee or to obtain separate coverage.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Commissioner of the Texas Department of Insurance in SECTION 1 (Section 1501.0095(b) of the Insurance Code) of this bill.

ANALYSIS

House Bill 407 amends the Insurance Code to authorize a school district employee who is eligible for coverage under a large or small employer health benefit plan and who is a spouse of another school district employee to elect to be either treated as an employee or the dependent of the other employee.

The bill requires the commissioner of insurance to adopt rules to oversee the manner in which an election is made. The above provisions apply to the beginning of the 2005-2006 school year.

EFFECTIVE DATE

April 1, 2005, or if the Act does not receive the necessary number of votes, the Act takes effect September 1, 2005.