

BILL ANALYSIS

Senate Research Center
79R14068 AJA-D

H.B. 2810
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State Affairs
5/17/2005
Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Millions of Texans are not offered health insurance through their employer. These people must try to find insurance coverage on the individual insurance market. If someone searching for health insurance is denied by one company, that denial can often make it more difficult, or even impossible, for the person to find health insurance from another company. Health insurance companies often ask applicants if they have been denied health insurance. If the applicant answers yes, the health insurance company may deny coverage outright, even if the company would have insured them had they not been denied by the first company. This creates an extra hurdle to obtaining health insurance and contributes to the large number of uninsured Texans.

H.B. 2810 prohibits a health benefit plan issuer from using an applicant's previous denial of health insurance as an underwriting factor.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 544, Insurance Code, by adding Subchapter G , as follows:

SUBCHAPTER G. PREVIOUS DENIAL OF HEALTH BENEFIT PLAN COVERAGE

Sec. 544.301. DEFINITION. Defines "individual health benefit plan."

Sec. 544.302. LIMITATION ON CERTAIN INQUIRIES. Authorizes a health benefit plan issuer to ask an individual who is an applicant for an individual health benefit plan or any other person or entity whether the applicant has previously been denied health benefit plan coverage only for the purpose of determining whether to ask for other information relating to a factor used by the insurer in underwriting the coverage. Prohibits the insurer from considering a determination that the applicant has or has not previously been denied health benefit plan coverage in underwriting the coverage for which the applicant has applied.

Sec. 544.303. VIOLATION OF SUBCHAPTER; UNFAIR DISCRIMINATION. Provides that a health benefit plan issuer who violates this subchapter engages in unfair discrimination under Subchapter B (Other General Prohibitions Against Discrimination by Insurers).

SECTION 2. Makes application of this Act prospective to January 1, 2006.

SECTION 3. Effective date: September 1, 2005.