

BILL ANALYSIS

C.S.H.B. 2810
By: Hochberg
Insurance
Committee Report (Substituted)

BACKGROUND AND PURPOSE

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. C.S.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

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 2810 amends the Insurance Code prohibits a health benefit plan issuer from using previously denied enrollment in a health benefit plan as an underwriting factor for an applicant for individual health insurance coverage. The bill authorizes a health benefit plan issuer to ask whether or not the person has been previously denied enrollment in a health benefit plan for informational purposes only.

EFFECTIVE DATE

September 1, 2005. The Act applies beginning with January 1, 2006.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute applies only to an applicant for an individual health benefit plan. The original prohibited the health benefit plan issuer from asking whether the applicant has been previously denied enrollment in a health benefit plan; the substitute authorizes the issuer to ask for informational purposes only and prohibits the issuer from using the answer as an underwriting factor.