

By: Hochberg

H.B. No. 2813

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to eligibility for coverage by the Texas Health Insurance  
3 Risk Pool.

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

5 SECTION 1. Section 1506.151, Insurance Code, is amended by  
6 amending Subsection (a) to read as follows:

7 (a) The pool shall offer coverage:

8 (1) consistent with major medical expense coverage to  
9 each eligible individual who is not eligible for Medicare; and

10 (2) to each individual eligible for pool coverage by  
11 satisfying §1506.152(a)(3)(G), coverage consistent with specified  
12 disease coverage for each condition excluded by rider in the  
13 individual's coverage.

14 SECTION 2. Section 1506.152, Subsection (a)(3), Insurance  
15 Code, is amended to read as follows:

16 (3) has been a legally domiciled resident of this  
17 state for the preceding 30 days, is a citizen of the United States  
18 or has been a permanent resident of the United States for at least  
19 three continuous years, and provides to the pool:

20 (A) a notice of rejection of, or refusal to  
21 issue, substantially similar individual health benefit plan  
22 coverage from a health benefit plan issuer, other than an insurer  
23 that offers only stop-loss, excess loss, or reinsurance coverage,  
24 if the rejection or refusal was for health reasons;

1 (B) certification from an agent or salaried  
2 representative of a health benefit plan issuer that states that the  
3 agent or salaried representative cannot obtain substantially  
4 similar individual coverage for the individual from any health  
5 benefit plan issuer that the agent or salaried representative  
6 represents because, under the underwriting guidelines of the health  
7 benefit plan issuer, the individual will be denied coverage as a  
8 result of a medical condition of the individual;

9 (C) an offer to issue substantially similar  
10 individual coverage only with conditional riders;

11 (D) a rate for continuation of coverage under  
12 Title X, Consolidated Omnibus Budget Reconciliation Act of 1985 (29  
13 U.S.C. Section 1161 et seq.), as amended (COBRA) available to the  
14 individual that exceeds the pool rate;

15 (E) proof that continuation of coverage under  
16 COBRA available to the individual would not provide coverage  
17 substantially similar to pool coverage;

18 (F) a notice of eligibility for continuation of  
19 coverage for COBRA that shows that the individual's right to elect  
20 to continue coverage is no longer valid;

21 (G) individual coverage excluding one or more  
22 conditions by rider;

23 (H) a notice of refusal by a health benefit plan  
24 issuer to issue substantially similar individual coverage except at  
25 a rate exceeding the pool rate; or

26 (I) [~~E~~] a diagnosis of the individual with one  
27 of the medical or health conditions on the list adopted under

1 Section 1506.154.

2 SECTION 3. Section 1506.153, paragraph (2), Insurance Code,  
3 is amended to read as follows:

4 (2) at the time the individual applies to the pool, the  
5 individual is eligible for other health care benefits, including  
6 benefits from the continuation of coverage under Title X,  
7 Consolidated Omnibus Budget Reconciliation Act of 1985 (29 U.S.C.  
8 Section 1161 et seq.), as amended (COBRA), other than:

9 (A) coverage, including COBRA or other  
10 continuation coverage or conversion coverage, maintained for any  
11 preexisting condition waiting period under a pool policy;

12 (B) employer group coverage conditioned by a  
13 limitation of the kind described by Section 1506.152(a)(3)(A), [~~or~~]

14 (C), (D), (E) or (F); or

15 (C) individual coverage conditioned by a  
16 limitation described by Section 1506.152(a)(3)(C), (G), or (H)  
17 [~~(D)~~];

18 SECTION 4. This Act takes effect September 1, 2005.