

By: Rose

H.B. No. 3408

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to notice to employees and prospective employees that an  
3 employer-sponsored health benefit plan does not provide certain  
4 benefits.

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

6 SECTION 1. Article 3.80, Insurance Code, is amended by  
7 adding Section 6A to read as follows:

8 Sec. 6A. NOTICE REGARDING EMPLOYER HEALTH BENEFIT PLAN.

9 (a) If an employer offers a standard health benefit plan to  
10 employees, the employer shall provide a written disclosure meeting  
11 the requirements of this section to:

12 (1) each employee at the time the employee:

13 (A) initially enrolls in the plan; and

14 (B) renews enrollment in the plan; and

15 (2) each prospective employee before the prospective  
16 employee is hired by the employer.

17 (b) The notice required by this section must read as  
18 follows:

19 "The Consumer Choice of Benefits Health Insurance  
20 Plan offered by this employer, either in whole or in  
21 part, does not provide state-mandated health benefits  
22 normally required in accident and sickness insurance  
23 policies in Texas. This standard health benefit plan  
24 may provide a more affordable health insurance policy

1 for you, although, at the same time, it may provide you  
2 with fewer health benefits than those normally  
3 included as state-mandated health benefits in policies  
4 in Texas. A list of state-mandated health benefits  
5 excluded from this plan is available on request."

6 SECTION 2. Section 9N, Texas Health Maintenance  
7 Organization Act (Article 20A.09N, Vernon's Texas Insurance Code),  
8 is amended by adding Subsections (m) and (n) to read as follows:

9 (m) If an employer offers a standard health benefit plan to  
10 employees, the employer shall provide a written disclosure meeting  
11 the requirements of this section to:

12 (1) each employee at the time the employee:

13 (A) initially enrolls in the plan; and

14 (B) renews enrollment in the plan; and

15 (2) each prospective employee before the prospective  
16 employee is hired by the employer.

17 (n) The notice required by Subsection (m) of this section  
18 must read as follows:

19 "This Consumer Choice of Benefits Health  
20 Maintenance Organization health care plan, either in  
21 whole or in part, does not provide state-mandated  
22 health benefits normally required in evidences of  
23 coverage in Texas. This standard health benefit plan  
24 may provide a more affordable health plan for you,  
25 although, at the same time, it may provide you with  
26 fewer health plan benefits than those normally  
27 included as state-mandated health benefits in Texas.

1 A list of state-mandated health benefits excluded from  
2 this plan is available on request."

3 SECTION 3. Subchapter A, Chapter 1507, Insurance Code, is  
4 amended by adding Section 1507.0051 to read as follows:

5 Sec. 1507.0051. NOTICE REGARDING EMPLOYER HEALTH BENEFIT  
6 PLAN. (a) If an employer offers a standard health benefit plan to  
7 employees, the employer shall provide a written disclosure meeting  
8 the requirements of this section to:

9 (1) each employee at the time the employee:

10 (A) initially enrolls in the plan; and

11 (B) renews enrollment in the plan; and

12 (2) each prospective employee before the prospective  
13 employee is hired by the employer.

14 (b) The notice required by this section must read as  
15 follows:

16 "The Consumer Choice of Benefits Health Insurance  
17 Plan offered by this employer, either in whole or in  
18 part, does not provide state-mandated health benefits  
19 normally required in accident and sickness insurance  
20 policies in Texas. This standard health benefit plan  
21 may provide a more affordable health insurance policy  
22 for you, although, at the same time, it may provide you  
23 with fewer health benefits than those normally  
24 included as state-mandated health benefits in policies  
25 in Texas. A list of state-mandated health benefits  
26 excluded from this plan is available on request."

27 SECTION 4. Subchapter B, Chapter 1507, Insurance Code, is

1 amended by adding Section 1507.0551 to read as follows:

2 Sec. 1507.0551. NOTICE REGARDING EMPLOYER HEALTH BENEFIT  
3 PLAN. (a) If an employer offers a standard health benefit plan to  
4 employees, the employer shall provide a written disclosure meeting  
5 the requirements of this section to:

6 (1) each employee at the time the employee:

7 (A) initially enrolls in the plan; and

8 (B) renews enrollment in the plan; and

9 (2) each prospective employee before the prospective  
10 employee is hired by the employer.

11 (b) The notice required by this section must read as  
12 follows:

13 "This Consumer Choice of Benefits Health  
14 Maintenance Organization health care plan, either in  
15 whole or in part, does not provide state-mandated  
16 health benefits normally required in evidences of  
17 coverage in Texas. This standard health benefit plan  
18 may provide a more affordable health plan for you,  
19 although, at the same time, it may provide you with  
20 fewer health plan benefits than those normally  
21 included as state-mandated health benefits in Texas.  
22 A list of state-mandated health benefits excluded from  
23 this plan is available on request."

24 SECTION 5. Sections 1 and 2 of this Act take effect only if  
25 the Act of the 79th Legislature, Regular Session, 2005, relating to  
26 nonsubstantive additions to and corrections in enacted codes does  
27 not become law. If the Act of the 79th Legislature, Regular

1 Session, 2005, relating to nonsubstantive additions to and  
2 corrections in enacted codes becomes law, Sections 1 and 2 of this  
3 Act have no effect.

4 SECTION 6. Sections 3 and 4 of this Act take effect only if  
5 the Act of the 79th Legislature, Regular Session, 2005, relating to  
6 nonsubstantive additions to and corrections in enacted codes  
7 becomes law. If the Act of the 79th Legislature, Regular Session,  
8 2005, relating to nonsubstantive additions to and corrections in  
9 enacted codes does not become law, Sections 3 and 4 of this Act have  
10 no effect.

11 SECTION 7. To the extent of any conflict, this Act prevails  
12 over another Act of the 79th Legislature, Regular Session, 2005,  
13 relating to nonsubstantive additions to and corrections in enacted  
14 codes.

15 SECTION 8. This Act takes effect September 1, 2005.