

By: Nelson

S.B. No. 51

A BILL TO BE ENTITLED

AN ACT

1
2 relating to eligibility for coverage of, and payment of premiums
3 for, certain individuals covered under certain group health benefit
4 plans.

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

6 SECTION 1. Subchapter A, Chapter 1301, Insurance Code, as
7 effective April 1, 2005, is amended by adding Section 1301.0061 to
8 read as follows:

9 Sec. 1301.0061. TERMS OF ENROLLEE ELIGIBILITY. A contract
10 between an insurer and a group policyholder under a preferred
11 provider benefit plan must provide that:

12 (1) in addition to any other premiums for which the
13 group policyholder is liable, the group policyholder is liable for
14 an individual insured's premiums from the time the individual is no
15 longer part of the group eligible for coverage under the policy
16 until the end of the month in which the policyholder notifies the
17 insurer that the individual is no longer part of the group eligible
18 for coverage under the policy; and

19 (2) the individual remains covered under the policy
20 until the end of that period.

21 SECTION 2. Subchapter F, Chapter 843, Insurance Code, is
22 amended by adding Section 843.210 to read as follows:

23 Sec. 843.210. TERMS OF ENROLLEE ELIGIBILITY. A contract
24 between a health maintenance organization and a group contract

1 holder must provide that:

2 (1) in addition to any other premiums for which the
3 group contract holder is liable, the group contract holder is
4 liable for an enrollee's premiums from the time the enrollee is no
5 longer part of the group eligible for coverage under the contract
6 until the end of the month in which the contract holder notifies the
7 health maintenance organization that the enrollee is no longer part
8 of the group eligible for coverage by the contract; and

9 (2) the enrollee remains covered by the contract until
10 the end of that period.

11 SECTION 3. The change in law made by this Act applies only
12 to a contract between an insurer or health maintenance organization
13 and a group policy or contract holder that is entered into or
14 renewed on or after January 1, 2006. A contract entered into or
15 renewed before January 1, 2006, is governed by the law in effect
16 immediately before the effective date of this Act, and that law is
17 continued in effect for that purpose.

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