

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) the group policyholder will provide the insurer
13 with a copy of an insured's certificate of creditable coverage, if
14 applicable, at the time the insured becomes eligible for coverage
15 under the policy;

16 (2) the group policyholder is liable for an individual
17 insured's premiums for the month in which the policyholder notifies
18 the insurer that the individual is no longer part of the group
19 eligible for coverage under the policy; and

20 (3) the individual remains covered under the policy
21 during that month.

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

24 Sec. 843.210. TERMS OF ENROLLEE ELIGIBILITY. A contract

1 between a health maintenance organization and a group contract
2 holder must provide that:

3 (1) the group contract holder will provide the health
4 maintenance organization with a copy of an enrollee's certificate
5 of creditable coverage, if applicable, at the time the enrollee
6 becomes eligible for coverage under the contract;

7 (2) the group contract holder is liable for an
8 enrollee's premiums for the month in which the contract holder
9 notifies the health maintenance organization that the enrollee is
10 no longer part of the group eligible for coverage by the contract;
11 and

12 (3) the enrollee remains covered by the contract
13 during that month.

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

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