

1-1 By: Nelson S.B. No. 51  
1-2 (In the Senate - Filed November 8, 2004; January 31, 2005,  
1-3 read first time and referred to Committee on State Affairs;  
1-4 April 6, 2005, reported adversely, with favorable Committee  
1-5 Substitute by the following vote: Yeas 9, Nays 0; April 6, 2005,  
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 51 By: Williams

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to eligibility for coverage of, and payment of premiums  
1-11 for, certain individuals covered under certain group health benefit  
1-12 plans.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. Subchapter A, Chapter 1301, Insurance Code, as  
1-15 effective April 1, 2005, is amended by adding Section 1301.0061 to  
1-16 read as follows:

1-17 Sec. 1301.0061. TERMS OF ENROLLEE ELIGIBILITY. A contract  
1-18 between an insurer and a group policyholder under a preferred  
1-19 provider benefit plan must provide that:

1-20 (1) in addition to any other premiums for which the  
1-21 group policyholder is liable, the group policyholder is liable for  
1-22 an individual insured's premiums from the time the individual is no  
1-23 longer part of the group eligible for coverage under the policy  
1-24 until the end of the month in which the policyholder notifies the  
1-25 insurer that the individual is no longer part of the group eligible  
1-26 for coverage under the policy; and

1-27 (2) the individual remains covered under the policy  
1-28 until the end of that period.

1-29 SECTION 2. Subchapter F, Chapter 843, Insurance Code, is  
1-30 amended by adding Section 843.210 to read as follows:

1-31 Sec. 843.210. TERMS OF ENROLLEE ELIGIBILITY. A contract  
1-32 between a health maintenance organization and a group contract  
1-33 holder must provide that:

1-34 (1) in addition to any other premiums for which the  
1-35 group contract holder is liable, the group contract holder is  
1-36 liable for an enrollee's premiums from the time the enrollee is no  
1-37 longer part of the group eligible for coverage under the contract  
1-38 until the end of the month in which the contract holder notifies the  
1-39 health maintenance organization that the enrollee is no longer part  
1-40 of the group eligible for coverage by the contract; and

1-41 (2) the enrollee remains covered by the contract until  
1-42 the end of that period.

1-43 SECTION 3. The change in law made by this Act applies only  
1-44 to a contract between an insurer or health maintenance organization  
1-45 and a group policy or contract holder that is entered into or  
1-46 renewed on or after January 1, 2006. A contract entered into or  
1-47 renewed before January 1, 2006, is governed by the law in effect  
1-48 immediately before the effective date of this Act, and that law is  
1-49 continued in effect for that purpose.

1-50 SECTION 4. This Act takes effect September 1, 2005.

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