

By: Farabee

H.B. No. 2202

A BILL TO BE ENTITLED

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AN ACT

relating to eligibility for coverage under the Texas Health Insurance Risk Pool.

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

SECTION 1. Section 1506.152(a), Insurance Code, is amended to read as follows:

(a) An individual who is a legally domiciled resident of this state is eligible for coverage from the pool if the individual:

(1) provides to the pool evidence that the individual maintained health benefit plan coverage for the preceding 18 months with no gap in coverage longer than 63 days and with the most recent coverage being provided through an employer-sponsored plan, church plan, or government plan;

(2) provides to the pool evidence that the individual maintained health benefit plan coverage under another state's qualified Health Insurance Portability and Accountability Act health program that was terminated because the individual did not reside in that state and submits an application for pool coverage not later than the 63rd day after the date the coverage described by this subdivision was terminated;

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

1 (A) a notice of rejection of, or refusal to
2 issue, substantially similar individual health benefit plan
3 coverage from a health benefit plan issuer, other than an insurer
4 that offers only stop-loss, excess loss, or reinsurance coverage,
5 if the rejection or refusal was for health reasons;

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

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

16 (D) a diagnosis of the individual with one of the
17 medical or health conditions on the list adopted under Section
18 1506.154; [~~or~~]

19 (E) evidence that the individual is covered by
20 substantially similar individual coverage that excludes one or more
21 conditions by rider; or

22 (F) evidence that the individual is covered by a
23 health benefit plan or health benefit arrangement but that the
24 individual has exhausted maximum lifetime inpatient or outpatient
25 benefits available to the individual under the coverage; or

26 (4) provides to the pool evidence that, on the date of
27 application to the pool, the individual is certified as eligible

1 for trade adjustment assistance or for pension benefit guaranty
2 corporation assistance, as provided by the Trade Adjustment
3 Assistance Reform Act of 2002 (Pub. L. No. 107-210).

4 SECTION 2. Section 1506.153, Insurance Code, as amended by
5 Chapters 728 and 824, Acts of the 79th Legislature, Regular
6 Session, 2005, is amended to read as follows:

7 Sec. 1506.153. INELIGIBILITY FOR COVERAGE.
8 Notwithstanding Section 1506.152 [~~Sections 1506.152(a)-(d)~~], an
9 individual is not eligible for coverage from the pool if:

10 (1) on the date pool coverage is to take effect, the
11 individual has health benefit plan coverage from a health benefit
12 plan issuer or health benefit arrangement in effect, except as
13 provided by Section 1506.152(a)(3)(E) or (F);

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

19 (A) coverage, including COBRA or other
20 continuation coverage or conversion coverage, maintained for any
21 preexisting condition waiting period under a pool policy;

22 (B) employer group coverage conditioned by a
23 limitation of the kind described by Section 1506.152(a)(3)(A) or
24 (C); or

25 (C) individual coverage conditioned by a
26 limitation described by Section 1506.152(a)(3)(C) or (D);

27 (3) within 12 months before the date the individual

1 applies to the pool, the individual terminated coverage in the
2 pool, unless the individual demonstrates a good faith reason for
3 the termination;

4 (4) the individual is confined in a county jail or
5 imprisoned in a state or federal prison;

6 (5) any of the individual's premiums are paid for or
7 reimbursed under a government-sponsored program or by a government
8 agency or health care provider, other than as an otherwise
9 qualifying full-time employee of a government agency or health care
10 provider or as a dependent of such an employee;

11 (6) the individual's prior coverage with the pool was
12 terminated:

13 (A) during the 12-month period preceding the date
14 of application for nonpayment of premiums; or

15 (B) for fraud; or

16 (7) the individual is eligible for health benefit plan
17 coverage provided in connection with a policy, plan, or program
18 paid for or sponsored by an employer, even though the employer
19 coverage is declined.

20 SECTION 3. Section 1506.156(b), Insurance Code, is amended
21 to read as follows:

22 (b) Pool coverage provided under Section 1506.152(a)(3)(E)
23 or (F) is secondary to the individual coverage described by that
24 paragraph for any period during which that individual coverage is
25 in effect.

26 SECTION 4. This Act applies only to an application for
27 coverage through the Texas Health Insurance Risk Pool under Chapter

1 1506, Insurance Code, as amended by this Act, that is filed with the
2 pool on or after the effective date of this Act. An application
3 filed before the effective date of this Act is governed by the law
4 in effect on the date on which the application was filed, and the
5 former law is continued in effect for that purpose.

6 SECTION 5. This Act takes effect September 1, 2007.