

By: Solomons

H.B. No. 2467

A BILL TO BE ENTITLED

1 AN ACT

2 relating to modification of certain small and large employer health
3 benefit plans.

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

5 SECTION 1. Section 1501.108, Insurance Code, is amended by
6 amending Subsection (a) and adding Subsection (d) to read as
7 follows:

8 (a) Except as provided by this section and Section 1501.109,
9 a small or large employer health benefit plan issuer shall renew the
10 small or large employer health benefit plan for any covered small or
11 large employer, as applicable, at the employer's option, unless:

12 (1) a premium has not been paid as required by the
13 terms of the plan;

14 (2) the employer has committed fraud or has
15 intentionally misrepresented a material fact;

16 (3) the employer has not complied with the terms of the
17 plan;

18 (4) no enrollee in the plan resides or works in the
19 geographic service area of the small or large employer health
20 benefit plan issuer or in the area for which the issuer is
21 authorized to do business; or

22 (5) membership of the employer in an association
23 terminates, but only if coverage is terminated uniformly without
24 regard to a health status related factor of a covered individual.

1 (d) Notwithstanding Subsection (a), a small or large
2 employer health benefit plan issuer may modify a small or large
3 employer health benefit plan if:

4 (1) the modification occurs at the time of coverage
5 renewal;

6 (2) the modification is effective uniformly among all
7 small or large employers covered by that health benefit plan; and

8 (3) the issuer notifies the commissioner and each
9 affected covered small or large employer of the modification not
10 later than the 60th day before the date the modification is
11 effective.

12 SECTION 2. This Act applies only to a small or large
13 employer health benefit plan that is delivered, issued for
14 delivery, or renewed on or after January 1, 2008. A health benefit
15 plan that is delivered, issued for delivery, or renewed before
16 January 1, 2008, is governed by the law as it existed immediately
17 before the effective date of this Act, and that law is continued in
18 effect for this purpose.

19 SECTION 3. This Act takes effect September 1, 2007.