

By: Coleman

H.B. No. 3361

A BILL TO BE ENTITLED

AN ACT

relating to health benefit coverage for children and grandchildren.

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

SECTION 1. Section 846.260, Insurance Code, is amended to read as follows:

Sec. 846.260. LIMITING AGE APPLICABLE TO ~~[UNMARRIED]~~ CHILD. ~~[If children]~~ Children are eligible for coverage under the terms of a multiple employer welfare arrangement's plan document, ~~[any]~~ and there is no limiting age applicable to ~~[an unmarried]~~ a child of an enrollee ~~[is 25 years of age]~~.

SECTION 2. Section 1201.062, Insurance Code, is amended to read as follows:

Sec. 1201.062. COVERAGE FOR CERTAIN CHILDREN IN INDIVIDUAL OR GROUP POLICY OR IN PLAN OR PROGRAM. (a) An individual or group accident and health insurance policy that is delivered, issued for delivery, or renewed in this state, including a policy issued by a corporation operating under Chapter 842, or a self-funded or self-insured welfare or benefit plan or program, to the extent that regulation of the plan or program is not preempted by federal law, ~~[that provides]~~ must provide coverage for a child of an insured or group member, on payment of a premium, and must provide coverage for:

(1) each grandchild of the insured or group member ~~[if the grandchild is -~~

1 ~~[(A) unmarried,~~
2 ~~[(B) younger than 25 years of age, and~~
3 ~~[(C) a dependent of the insured or group member~~
4 ~~for federal income tax purposes at the time application for~~
5 ~~coverage of the grandchild is made]; and~~

6 (2) each child for whom the insured or group member
7 must provide medical support under an order issued under Chapter
8 154, Family Code, or enforceable by a court in this state.

9 (b) Coverage for a grandchild of the insured or group member
10 may not be terminated solely because the grandchild is no longer a
11 dependent of the insured or group member for federal income tax
12 purposes.

13 SECTION 3. Section 1251.151, Insurance Code, is amended to
14 read as follows:

15 Sec. 1251.151. COVERAGE FOR CERTAIN GRANDCHILDREN. (a) A
16 group policy or contract of insurance for hospital, surgical, or
17 medical expenses incurred as a result of accident or sickness,
18 including a group contract issued by a group hospital service
19 corporation, that provides coverage under the policy or contract
20 for a child of an insured must, on payment of a premium, provide
21 coverage for any grandchild of the insured ~~[if the grandchild is:~~

22 ~~[(1) unmarried,~~
23 ~~[(2) younger than 25 years of age, and~~
24 ~~[(3) a dependent of the insured for federal income tax~~
25 ~~purposes at the time the application for coverage of the grandchild~~
26 ~~is made].~~

27 (b) Coverage for a grandchild of the insured under this

1 section may not be terminated solely because the covered grandchild
2 is no longer a dependent of the insured for federal income tax
3 purposes.

4 SECTION 4. Section 1251.152, Insurance Code, is amended to
5 read as follows:

6 Sec. 1251.152. OPTIONAL COVERAGE FOR SPOUSES AND
7 DEPENDENTS. (a) For purposes of this section, "dependent"
8 includes:

9 (1) a child of an employee or member [~~who is,~~
10 [~~(A) unmarried, and~~
11 [~~(B) younger than 25 years of age~~]; and
12 (2) a grandchild of an employee or member [~~who is,~~
13 [~~(A) unmarried,~~
14 [~~(B) younger than 25 years of age, and~~
15 [~~(C) a dependent of the insured for federal~~
16 ~~income tax purposes at the time the application for coverage of the~~
17 ~~grandchild is made~~].

18 (b) A group accident and health insurance policy [~~may~~] must
19 provide coverage for the spouse or a dependent of an employee or
20 member.

21 SECTION 5. Section 1271.006, Insurance Code, is amended to
22 read as follows:

23 Sec. 1271.006. BENEFITS TO DEPENDENT CHILD AND GRANDCHILD.
24 [~~(a) If children~~] Children are eligible for coverage under the
25 terms of an evidence of coverage, [~~any~~] and there is no limiting age
26 applicable to [~~an unmarried~~] a child of an enrollee, including [~~an~~
27 ~~unmarried~~] a grandchild of an enrollee [~~, is 25 years of age. The~~

1 ~~limiting age applicable to a child must be stated in the evidence of~~
2 ~~coverage.~~

3 ~~[(b) A health maintenance organization may provide benefits~~
4 ~~under a health care plan to an enrollee's dependent grandchild who~~
5 ~~is living with and in the household of the enrollee].~~

6 SECTION 6. Section 1501.002, Insurance Code, is amended to
7 read as follows:

8 Sec. 1501.002. DEFINITIONS. In this chapter:

9 (1) "Agent" means a person who may act as an agent for
10 the sale of a health benefit plan under a license issued under Title
11 13.

12 (2) "Dependent" means:

13 (A) a spouse;

14 (B) a child ~~[younger than 25 years of age]~~,
15 including a newborn child;

16 (C) a child of any age who is:

17 (i) medically certified as disabled; and

18 (ii) dependent on the parent;

19 (D) an individual who must be covered under:

20 (i) Section 1251.154; or

21 (ii) Section 1201.062; and

22 (E) any other child eligible under an employer's
23 health benefit plan, including a child described by Section
24 1503.003.

25 SECTION 7. Section 1501.609, Insurance Code, is amended to
26 read as follows:

27 Sec. 1501.609. COVERAGE FOR ~~[UNMARRIED]~~ CHILDREN. ~~[(a)~~

1 ~~This section applies only if children]~~ Children are eligible for
2 coverage under a large employer health benefit plan.

3 ~~[(b) Any limiting age applicable under a large employer~~
4 ~~health benefit plan to an unmarried child of an enrollee is 25 years~~
5 ~~of age.]~~

6 SECTION 8. Section 1575.003, Insurance Code, is amended to
7 read as follows:

8 Sec. 1575.003. DEFINITION OF DEPENDENT AND RELATED TERMS.
9 In this chapter:

10 (1) "Dependent" means:

11 (A) the spouse of a retiree;

12 (B) ~~[an unmarried]~~ a child of a retiree or
13 deceased active member ~~[if the child is younger than 25 years of~~
14 ~~age]~~, including:

15 (i) an adopted child;

16 (ii) a foster child, stepchild, or other
17 child who is in a regular parent-child relationship; or

18 (iii) a recognized natural child;

19 (C) a retiree's recognized natural child,
20 adopted child, foster child, stepchild, or other child who is in a
21 regular parent-child relationship and who lives with or has his or
22 her care provided by the retiree or surviving spouse on a regular
23 basis regardless of the child's age, if the child is mentally
24 retarded or physically incapacitated to an extent that the child is
25 dependent on the retiree or surviving spouse for care or support, as
26 determined by the trustee; or

27 (D) a deceased active member's recognized

1 natural child, adopted child, foster child, stepchild, or other
2 child who is in a regular parent-child relationship, without regard
3 to the age of the child, if, while the active member was alive, the
4 child:

5 (i) lived with or had the child's care
6 provided by the active member on a regular basis; and

7 (ii) was mentally retarded or physically
8 incapacitated to an extent that the child was dependent on the
9 active member or surviving spouse for care or support, as
10 determined by the trustee.

11 SECTION 9. Section 1601.004, Insurance Code, is amended to
12 read as follows:

13 Sec. 1601.004. DEFINITION OF DEPENDENT. (a) In this
14 chapter, "dependent," with respect to an individual eligible to
15 participate in the uniform program under Section 1601.101 or
16 1601.102, means the individual's:

17 (1) spouse;

18 (2) ~~[unmarried]~~ a child ~~[younger than 25 years of~~
19 ~~age]~~; and

20 (3) child of any age who lives with or has the child's
21 care provided by the individual on a regular basis if the child is
22 mentally retarded or physically incapacitated to the extent that
23 the child is dependent on the individual for care or support, as
24 determined by the system.

25 SECTION 10. Sections 1201.065 and 1503.003, Insurance Code,
26 are repealed.

27 SECTION 11. The changes in law made by this Act apply only

1 to a health benefit plan, the contract or evidence of coverage for
2 which is delivered, issued for delivery, or renewed on or after the
3 effective date of this Act. A health benefit plan, the contract or
4 evidence of coverage for which is delivered, issued for delivery,
5 or renewed before the effective date of this Act, is covered by the
6 law in effect at the time the contract or evidence of coverage is
7 delivered, issued for delivery, or renewed, and that law is
8 continued in effect for that purpose.

9 SECTION 12. This Act takes effect September 1, 2007.