

By: Averitt

S.B. No. 1681

A BILL TO BE ENTITLED

AN ACT

1
2 relating to health benefit plan coverage for children and
3 grandchildren.

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

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

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

12 SECTION 2. Section 1201.062(a), Insurance Code, is amended
13 to read as follows:

14 (a) An individual or group accident and health insurance
15 policy that is delivered, issued for delivery, or renewed in this
16 state, including a policy issued by a corporation operating under
17 Chapter 842, or a self-funded or self-insured welfare or benefit
18 plan or program, to the extent that regulation of the plan or
19 program is not preempted by federal law, must provide ~~[that~~
20 ~~provides]~~ coverage for a child of an insured or group member, on
21 payment of a premium, and must provide coverage for:

22 (1) each grandchild of the insured or group member ~~[if~~
23 ~~the grandchild is:~~

24 ~~[(A) unmarried,~~

1 ~~[(B) younger than 25 years of age, and~~

2 ~~[(C) a dependent of the insured or group member~~
3 ~~for federal income tax purposes at the time application for~~
4 ~~coverage of the grandchild is made]; and~~

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

8 SECTION 3. Section 1251.151(a), Insurance Code, is amended
9 to read as follows:

10 (a) A group policy or contract of insurance for hospital,
11 surgical, or medical expenses incurred as a result of accident or
12 sickness, including a group contract issued by a group hospital
13 service corporation, that provides coverage under the policy or
14 contract for a child of an insured must, on payment of a premium,
15 provide coverage for any grandchild of the insured ~~[if the~~
16 ~~grandchild is:~~

17 ~~[(1) unmarried,~~

18 ~~[(2) younger than 25 years of age, and~~

19 ~~[(3) a dependent of the insured for federal income tax~~
20 ~~purposes at the time the application for coverage of the grandchild~~
21 ~~is made].~~

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

24 Sec. 1251.152. OPTIONAL COVERAGE FOR SPOUSES AND
25 DEPENDENTS. (a) For purposes of this section, "dependent"
26 includes:

27 (1) a child of an employee or member ~~[who is:~~

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

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

12 SECTION 5. Section 1271.006, Insurance Code, is amended to
13 read as follows:

14 Sec. 1271.006. BENEFITS TO DEPENDENT CHILD AND GRANDCHILD.
15 Children ~~[(a) If children]~~ are eligible for coverage under the
16 terms of an evidence of coverage, and there is no ~~[any]~~ limiting age
17 applicable to a ~~[an unmarried]~~ child of an enrollee, including a ~~[an~~
18 ~~unmarried]~~ grandchild of an enrollee~~[, is 25 years of age. The~~
19 ~~limiting age applicable to a child must be stated in the evidence of~~
20 ~~coverage.~~

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

24 SECTION 6. Section 1501.002(2), Insurance Code, is amended
25 to read as follows:

26 (2) "Dependent" means:
27 (A) a spouse;

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

3 (C) [~~a child of any age who is:~~
4 [~~(i) medically certified as disabled, and~~
5 [~~(ii) dependent on the parent,~~

6 [~~(D)~~] an individual who must be covered under:
7 (i) Section 1251.154; or
8 (ii) Section 1201.062; and

9 (D) [~~(E)~~] any other child eligible under an
10 employer's health benefit plan, including a child described by
11 Section 1503.003.

12 SECTION 7. Section 1501.609, Insurance Code, is amended to
13 read as follows:

14 Sec. 1501.609. COVERAGE FOR [~~UNMARRIED~~] CHILDREN. Children
15 [~~(a) This section applies only if children~~] are eligible for
16 coverage under a large employer health benefit plan.

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

20 SECTION 8. Section 1575.003(1), Insurance Code, is amended
21 to read as follows:

22 (1) "Dependent" means:

23 (A) the spouse of a retiree; or

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

27 (i) an adopted child;

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

3 (iii) a recognized natural child[+

4 [~~(C) a retiree's recognized natural child,
5 adopted child, foster child, stepchild, or other child who is in a
6 regular parent-child relationship and who lives with or has his or
7 her care provided by the retiree or surviving spouse on a regular
8 basis regardless of the child's age, if the child is mentally
9 retarded or physically incapacitated to an extent that the child is
10 dependent on the retiree or surviving spouse for care or support, as
11 determined by the trustee; or~~

12 [~~(D) a deceased active member's recognized
13 natural child, adopted child, foster child, stepchild, or other
14 child who is in a regular parent-child relationship, without regard
15 to the age of the child, if, while the active member was alive, the
16 child:~~

17 [~~(i) lived with or had the child's care
18 provided by the active member on a regular basis; and~~

19 [~~(ii) was mentally retarded or physically
20 incapacitated to an extent that the child was dependent on the
21 active member or surviving spouse for care or support, as
22 determined by the trustee].~~

23 SECTION 9. Section 1601.004(a), Insurance Code, is amended
24 to read as follows:

25 (a) In this chapter, "dependent," with respect to an
26 individual eligible to participate in the uniform program under
27 Section 1601.101 or 1601.102, means the individual's:

- 1 (1) spouse; and
2 (2) [~~unmarried~~] child [~~younger than 25 years of age,~~
3 ~~and~~
4 ~~[(3) child of any age who lives with or has the child's~~
5 ~~care provided by the individual on a regular basis if the child is~~
6 ~~mentally retarded or physically incapacitated to the extent that~~
7 ~~the child is dependent on the individual for care or support, as~~
8 ~~determined by the system]~~.

9 SECTION 10. Section 1201.065 and Chapter 1503, Insurance
10 Code, are repealed.

11 SECTION 11. The changes in law made by this Act apply only
12 to a health benefit plan, the contract, policy, or evidence of
13 coverage for which is delivered, issued for delivery, or renewed on
14 or after the effective date of this Act. A health benefit plan, the
15 contract, policy, or evidence of coverage for which is delivered,
16 issued for delivery, or renewed before the effective date of this
17 Act, is covered by the law in effect at the time the contract,
18 policy, or evidence of coverage is delivered, issued for delivery,
19 or renewed, and that law is continued in effect for that purpose.

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