

By: Averitt

S.B. No. 1684

A BILL TO BE ENTITLED

AN ACT

relating to coverage limitations in health benefit plans.

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

SECTION 1. Subsection (b), Section 1201.154, Insurance Code, is amended as follows:

(b) A preexisting condition provision in an individual accident and health insurance policy may not apply to an individual[~~+~~

~~(1)]~~ who was continuously covered for an aggregate period of 18 months by creditable coverage that was in effect up to a date not more than 63 days before the effective date of the individual coverage, excluding any waiting period[~~+, and~~

~~(2) whose most recent creditable coverage was under:~~

~~(A) a group health plan,~~

~~(B) a governmental plan, or~~

~~(C) a church plan].~~

SECTION 2. Section 1506.153, Insurance Code, text of section as amended by Acts 2005, 79th Leg., ch. 728, Sec. 11.071(a), is amended to read as follows:

Sec. 1506.153. INELIGIBILITY FOR COVERAGE.

(a) Notwithstanding Section [~~Sections~~] 1506.152 (a)--(c) [~~(d)~~], an individual is not eligible for coverage from the pool if:

(1) on the date pool coverage is to take effect, the individual has health benefit plan coverage from a health benefit

1 plan issuer or health benefit arrangement in effect, except as  
2 provided by Section 1506.152(a)(3)(E);

3 (2) at the time the individual applies to the pool,  
4 except as provided in subsection (b), the individual is eligible  
5 for other health care benefits, including benefits from the  
6 continuation of coverage under Title X, Consolidated Omnibus Budget  
7 Reconciliation Act of 1985 (29 U.S.C. Section 1161 et seq.), as  
8 amended (COBRA), other than:

9 (A) coverage, including COBRA or other  
10 continuation coverage or conversion coverage, maintained for any  
11 preexisting condition waiting period under a pool policy;

12 (B) employer group coverage conditioned by a  
13 limitation of the kind described by Section 1506.152(a)(3)(A) or  
14 (C); or

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

17 (3) within 12 months before the date the individual  
18 applies to the pool, the individual terminated coverage in the  
19 pool, unless the individual demonstrates a good faith reason for  
20 the termination;

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

23 (5) any of the individual's premiums are paid for or  
24 reimbursed under a government-sponsored program or by a government  
25 agency or health care provider, other than as an otherwise  
26 qualifying full-time employee of a government agency or health care  
27 provider or as a dependent of such an employee;

1           (6) the individual's prior coverage with the pool was  
2 terminated:

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

5                   (B) for fraud; or

6           (7) the individual is eligible for health benefit plan  
7 coverage provided in connection with a policy, plan, or program  
8 paid for or sponsored by an employer, even though the employer  
9 coverage is declined. This paragraph (7) does not apply to an  
10 individual who is a part-time employee eligible to participate in  
11 an employer plan which provides health benefit coverage:

12                   (A) which is more limited or restricted than  
13 coverage with the pool; and

14                   (B) for which there is no employer contribution  
15 to the premium, either directly or indirectly.

16           (b) An individual eligible for benefits from the  
17 continuation of coverage under Title X, Consolidated Omnibus Budget  
18 Reconciliation Act of 1985 (29 U.S.C. Section 1161 et seq.), as  
19 amended (COBRA), who did not elect continuation of coverage during  
20 the election period, is eligible for pool coverage; provided,  
21 however, that such eligibility is subject to a 180-day exclusion of  
22 coverage pursuant to Section 1506.155(a-1).

23           SECTION 3. Section 1506.155, Insurance Code, is amended by  
24 adding subsection (a-1) to read as follows:

25           (a-1) Except as provided by Section 1506.056, pool coverage  
26 for an individual eligible pursuant to Section 1506.153(b) excludes  
27 charges or expenses incurred before the expiration of 180 days from

1 the effective date of coverage with regard to any condition for  
2 which:

3 (1) the existence of symptoms would cause an  
4 ordinarily prudent person to seek diagnosis, care, or treatment  
5 within the six-month period preceding the effective date of  
6 coverage; or

7 (2) medical advice, care, or treatment was recommended  
8 or received during the six-month period preceding the effective  
9 date of coverage.

10 SECTION 4. Section 1506.153, Insurance Code, text of  
11 section as amended by Acts 2005, 79th Leg., ch. 824, Sec. 4, is  
12 repealed.

13 SECTION 5. EFFECTIVE DATE. This Act takes effect  
14 immediately if it receives a vote of two-thirds of all the members  
15 elected to each house, as provided by Section 39, Article III, Texas  
16 Constitution. If this Act does not receive the vote necessary for  
17 immediate effect, this Act takes effect September 1, 2007.