

House Bill 2548
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SECTION 1. Section 1201.154(b), Insurance Code, is amended to read 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, as amended by Chapters 728 and 824, Acts of the 79th Legislature, Regular Session, 2005, is amended to read as follows:

Sec. 1506.153. INELIGIBILITY FOR COVERAGE. (a) Notwithstanding Sections 1506.152(a)-(c) [~~1506.152(a)-(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 plan issuer or health benefit arrangement in effect, except as provided by Section 1506.152(a)(3)(E);

(2) at the time the individual applies to the pool, except as provided in Subsection (b), the individual is eligible

SENATE VERSION

Same as House version.

CONFERENCE

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

Sec. 1506.153. INELIGIBILITY FOR COVERAGE. (a) Notwithstanding Sections 1506.152(a)-(c) [~~1506.152(a)-(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 plan issuer or health benefit arrangement in effect, except as provided by Section 1506.152(a)(3)(E);

(2) at the time the individual applies to the pool, except as provided in Subsection (b), the individual is eligible

House Bill 2548
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

for other health care benefits, including benefits from the continuation of coverage under Title X, Consolidated Omnibus Budget Reconciliation Act of 1985 (29 U.S.C. Section 1161 et seq.), as amended (COBRA), other than:

- (A) coverage, including COBRA or other continuation coverage or conversion coverage, maintained for any preexisting condition waiting period under a pool policy;
- (B) employer group coverage conditioned by a limitation of the kind described by Section 1506.152(a)(3)(A) or (C); or
- (C) individual coverage conditioned by a limitation described by Section 1506.152(a)(3)(C) or (D);

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

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

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

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

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

(7) the individual is eligible for health benefit plan

SENATE VERSION

for other health care benefits, including benefits from the continuation of coverage under Title X, Consolidated Omnibus Budget Reconciliation Act of 1985 (29 U.S.C. Section 1161 et seq.), as amended (COBRA), other than:

- (A) coverage, including COBRA or other continuation coverage or conversion coverage, maintained for any preexisting condition waiting period under a pool policy;
- (B) employer group coverage conditioned by a limitation of the kind described by Section 1506.152(a)(3)(A) or (C); or
- (C) individual coverage conditioned by a limitation described by Section 1506.152(a)(3)(C) or (D);

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

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

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

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

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

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CONFERENCE

House Bill 2548
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

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

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

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

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

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

(a-1) Except as provided by Section 1506.056, pool coverage for an individual eligible pursuant to Section 1506.153(b) excludes charges or expenses incurred before the expiration of 180 days from the effective date of coverage with regard to any condition for which:

(1) the existence of symptoms would cause an ordinarily

SENATE VERSION

coverage provided in connection with a policy, plan, or program paid for or sponsored by an employer, even though the employer coverage is declined. This subdivision does not apply to an individual who is a part-time employee eligible to participate in an employer plan that provides health benefit coverage:

(A) that is more limited or restricted than coverage with the pool; and

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

(b) An individual eligible for benefits from the continuation of coverage under Title X, Consolidated Omnibus Budget Reconciliation Act of 1985 (29 U.S.C. Section 1161 et seq.), as amended (COBRA), who did not elect continuation of coverage during the election period, or whose elected continuation of coverage lapsed or was cancelled without reinstatement, is eligible for pool coverage. Eligibility under this subsection is subject to a 180-day exclusion of coverage under Section 1506.155(a-1).

Same as House version.

CONFERENCE

House Bill 2548
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

prudent person to seek diagnosis, care, or treatment within the six-month period preceding the effective date of coverage; or

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

SECTION 4. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2007.

SENATE VERSION

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CONFERENCE