

## **BILL ANALYSIS**

H.B. 1364  
By: Eissler  
Public Education  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

The federal Health Insurance Portability and Accountability Act (HIPAA), among other provisions, provides for portability of health insurance coverage of health benefit plans by requiring health care plans to provide coverage for preexisting conditions as long as the employee applies for coverage within 63 days of termination of coverage by another qualifying health care plan. HIPAA allows nonfederal governmental plans to opt out of many of its provisions provided adequate notice is given to participants in the plan and upon notice to the appropriate federal agency. In 2005, the legislature passed a law clarifying that, at a minimum, school district employee health care plans must provide coverage for preexisting conditions pursuant to state statutes that mirror certain HIPAA provisions providing for coverage for preexisting conditions. At the time, the legislation did not include a reference to the state plan for public school employees administered by the Teacher Retirement System of Texas (TRS), known as TRS-ActiveCare, as the TRS had not opted out of any federal HIPAA provisions. Since that time, the TRS has chosen to opt out of certain provisions of HIPAA, although it has not yet opted out of the provisions relating to coverage for preexisting conditions. As one of the goals of the state in establishing a group health care plan for school employees was to facilitate continuity of health care coverage for school employees, it is important to make sure that the state group health plan continues to provide for portability of coverage so that employees can safely move from a district providing coverage under a local plan to a district that participates in TRS-ActiveCare.

H.B. 1364 removes a provision excluding certain group health benefit coverages for school district employees from state HIPAA provisions for coverage of preexisting conditions.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 1364 amends the Education Code to remove an exception relating to a school district's mandatory participation in the uniform group coverage program under the Texas School Employees Uniform Group Health Coverage Act that excluded group health benefit coverage provided for school district employees under those provisions from the application of provisions in Texas's Health Insurance Portability and Availability Act that govern coverage for preexisting conditions. The bill makes a conforming change.

### **EFFECTIVE DATE**

September 1, 2009.