

BILL ANALYSIS

S.B. 80
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Pensions, Investments & Financial Services
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Under current law, an insurance carrier must maintain a uniform contribution level for all groups across Texas, meaning an insurance carrier is not permitted to offer varying contribution rates as an option to small employers. Some 44 percent of uninsured Texas workers are employed by companies with fewer than 25 employees. This bill provides another option for a small employer to offer employee insurance.

S.B. 80 authorizes a small employer health benefit plan issuer to offer a small employer the option of a small employer health benefit plan for which the employer is required to contribute 100 percent of the premium paid.

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

S.B. 80 amends the Insurance Code to authorize a small employer health benefit plan issuer to offer a small employer the option of a small employer health benefit plan for which the employer is required to contribute 100 percent of the premium paid. The bill authorizes a plan offered under these provisions to be offered in addition to a plan offered by the issuer that requires a lower percentage of the premium paid to be contributed by the employer. The bill requires a plan issued under these provisions to require the employer to contribute 100 percent of the premium paid for each eligible participating employee. The bill makes its provisions applicable only to a small employer health benefit plan delivered, issued for delivery, or renewed on or after January 1, 2010.

EFFECTIVE DATE

September 1, 2009.