

BILL ANALYSIS

S.B. 1403
By: Averitt
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Texans who do not have employer-sponsored insurance and cannot obtain insurance through a private health insurance provider can obtain insurance through the Texas Health Insurance Risk Pool. The pool also provides insurance for individuals entitled under federal law to guaranteed access to individual health insurance. Pool members complain about the negative connotation of the word "risk" in the formal name of the pool. Of the 35 state pools, only six in addition to Texas use "risk" in their names.

Current law requires a non-federally eligible applicant to either be a United States citizen or a permanent resident of the United States for at least three years, but does not address citizenship or residency of such individual's dependents or family members.

S.B. 1403 redesignates the Texas Health Insurance Risk Pool as the Texas Health Insurance Pool. The bill prohibits a dependent or individual who is not a federally defined eligible individual who has not experienced a significant break in coverage from obtaining coverage from the pool before the first date on which the dependent or individual has been a legally domiciled resident of Texas for at least 30 days preceding the date of the application for coverage from the pool, and a citizen or permanent resident of the United States for at least three continuous years.

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. 1403 amends the Insurance Code to redesignate the Texas Health Insurance Risk Pool as the Texas Health Insurance Pool effective September 1, 2009. The bill prohibits a dependent or individual who is not a federally defined eligible individual who has not experienced a significant break in coverage from obtaining coverage from the pool before the first date on which the dependent or individual has been a legally domiciled resident of Texas for at least 30 days preceding the date of the application for coverage from the pool, and a citizen or permanent resident of the United States for at least three continuous years.

S.B. 1403 establishes that provisions making an individual ineligible for coverage from the pool because the individual is eligible for a health benefit plan sponsored by an employer, even though the employer coverage is denied, are inapplicable to an individual who is a part-time employee's dependent who is eligible, under certain other conditions, to participate in the employer plan. The bill establishes that an individual eligible for benefits from the continuation of coverage of a federal or state employee coverage continuation program comparable to the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) who did not elect continuation of coverage during the election period is eligible for pool coverage, and clarifies that the 180-day exclusion of coverage period for eligibility is a minimum exclusion period. The

bill moves the date before which pool coverage for an eligible individual is excluded from charges or expenses from before the expiration of 180 days from the effective date of coverage to before the first anniversary of the effective date. The bill requires the pool to subtract from an exclusion period up to 180 days of the period during which the individual was covered under creditable coverage, and any waiting period that applied before the creditable coverage became effective, if an individual eligible under provisions regarding ineligibility for coverage was covered by creditable coverage at any time during the 12-month period immediately preceding the effective date of the individual's coverage under the pool.

S.B. 1403 amends the definition of "pool" to conform to the bill's provisions and makes other conforming changes to the Insurance Code.

EFFECTIVE DATE

September 1, 2009.