

By: Eiland

H.B. No. 2453

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to helping employees and newly unemployed persons maintain  
3 access to employer-sponsored health insurance.

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

5 SECTION 1. Section 1251.253, Insurance Code, is amended to  
6 read as follows:

7 Sec. 1251.253. REQUEST FOR CONTINUATION OF GROUP COVERAGE.  
8 An employee, member, or dependent must request in writing the  
9 continuation of group coverage not later than the 60th [~~31st~~] day  
10 after the later of:

11 (1) the date the group coverage would otherwise  
12 terminate; or

13 (2) the date the individual is given, in a format  
14 prescribed by the commissioner, notice by either the employer or  
15 the group policyholder of the right to continuation of group  
16 coverage.

17 SECTION 2. Section 1251.254(b), Insurance Code, is amended  
18 to read as follows:

19 (b) The employee's, member's, or dependent's written  
20 election for continuation of group coverage, together with the  
21 first contribution required to establish advance monthly  
22 contributions, must be given to the employer or policyholder not  
23 later than the later of:

24 (1) the 60th [~~31st~~] day after the date coverage would

1 otherwise terminate; or

2 (2) the date the individual is given notice by either  
3 the employer or the group policyholder of the right to continuation  
4 of group coverage.

5 SECTION 3. Section 1251.255, Insurance Code, is amended to  
6 read as follows:

7 Sec. 1251.255. TERMINATION OF CONTINUED COVERAGE. (a)  
8 Group coverage continued under this subchapter may not terminate  
9 until the earliest of:

10 (1) 18 [~~six~~] months after the date the employee,  
11 member, or dependent elects to continue the group coverage;

12 (2) the date failure to make timely payments would  
13 terminate the group coverage, unless the insurer or the insurer's  
14 agent receives the late payment not later than the 30th day after  
15 the payment was due;

16 (3) the date the group coverage terminates in its  
17 entirety;

18 (4) the date the insured is or could be covered under  
19 Medicare;

20 (5) the date the insured is covered for similar  
21 benefits by another plan or program, including:

22 (A) a hospital, surgical, medical, or major  
23 medical expense insurance policy;

24 (B) a hospital or medical service subscriber  
25 contract; or

26 (C) a medical practice or other prepayment plan;

27 (6) the date the insured is eligible for similar

1 benefits, whether or not covered for those benefits, under any  
2 arrangement of coverage for individuals in a group, whether on an  
3 insured or uninsured basis; or

4 (7) the date similar benefits are provided or  
5 available to the insured under any state or federal law.

6 (b) Not later than the 30th day before the end of the 18  
7 [~~six~~] months after the date the employee, member, or dependent  
8 elects to continue group coverage under the policy, the insurer  
9 shall:

10 (1) notify the individual that the individual may be  
11 eligible for coverage under the Texas Health Insurance Risk Pool as  
12 provided by Chapter 1506; and

13 (2) provide to the individual the address for applying  
14 to that pool.

15 SECTION 4. Sections 1251.256(a) and (b), Insurance Code,  
16 are amended to read as follows:

17 (a) An insurer shall [~~may~~] offer a conversion policy to each  
18 employee, member, or dependent who is covered under a group  
19 accident and health insurance policy that is terminating.

20 (b) An [~~If offered, an~~] issuer shall issue a conversion  
21 policy without evidence of insurability if a written application  
22 for the policy and payment of the first premium are made not later  
23 than the 31st day after the date of termination.

24 SECTION 5. Section 1506.153(b), Insurance Code, is amended  
25 to read as follows:

26 (b) An individual eligible for benefits from the  
27 continuation of coverage under Chapter 1251, or under Title X,

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

8 SECTION 6. This Act applies to a conversion policy or  
9 contract or evidence of coverage that was delivered, issued for  
10 delivery, or renewed on or after September 1, 2008. A conversion  
11 policy or contract or evidence of coverage delivered, issued for  
12 delivery, or renewed before September 1, 2008, is governed by the  
13 law as it existed immediately before that date, and that law is  
14 continued in effect for that purpose.

15 SECTION 7. This Act takes effect immediately if it receives  
16 a vote of two-thirds of all the members elected to each house, as  
17 provided by Section 39, Article III, Texas Constitution. If this  
18 Act does not receive the vote necessary for immediate effect, this  
19 Act takes effect September 1, 2009.