

1-1 By: Nelson S.B. No. 76
1-2 (In the Senate - Filed November 10, 2008; February 10, 2009,
1-3 read first time and referred to Committee on State Affairs;
1-4 March 26, 2009, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 9, Nays 0; March 26, 2009,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 76 By: Van de Putte

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to authorizing a children's health benefit plan for
1-11 certain small employers.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Section 1501.002, Insurance Code, is amended by
1-14 adding Subdivision (1-a) and amending Subdivision (15) to read as
1-15 follows:

1-16 (1-a) "Children's health benefit plan" means a health
1-17 benefit plan offered in accordance with Section 1501.2525.

1-18 (15) "Small employer health benefit plan" means a
1-19 health benefit plan developed by the commissioner under Subchapter
1-20 F or any other health benefit plan offered to a small employer in
1-21 accordance with Section 1501.252(c) or 1501.255. The term includes
1-22 a children's health benefit plan.

1-23 SECTION 2. Section 1501.003, Insurance Code, is amended to
1-24 read as follows:

1-25 Sec. 1501.003. APPLICABILITY: SMALL EMPLOYER HEALTH
1-26 BENEFIT PLANS. (a) An individual or group health benefit plan is a
1-27 small employer health benefit plan subject to Subchapters C-H if it
1-28 provides health care benefits covering two or more eligible
1-29 employees of a small employer and:

1-30 (1) the employer pays a portion of the premium or
1-31 benefits;

1-32 (2) the employer or a covered individual treats the
1-33 health benefit plan as part of a plan or program for purposes of
1-34 Section 106 or 162, Internal Revenue Code of 1986 (26 U.S.C. Section
1-35 106 or 162); or

1-36 (3) the health benefit plan is an employee welfare
1-37 benefit plan under 29 C.F.R. Section 2510.3-1(j).

1-38 (b) A children's health benefit plan is a small employer
1-39 benefit plan and, except as specifically provided by Section
1-40 1501.2525, is subject to Subchapters C-H in the same manner as any
1-41 other small employer health benefit plan.

1-42 SECTION 3. Section 1501.154, Insurance Code, is amended by
1-43 amending Subsection (b) and adding Subsection (d) to read as
1-44 follows:

1-45 (b) If a small employer offers multiple health benefit
1-46 plans, the collective participation in those plans, including any
1-47 children's health benefit plan, must be at least:

1-48 (1) 75 percent of the employer's eligible employees;
1-49 or

1-50 (2) if applicable, the lower participation level
1-51 offered by the small employer health benefit plan issuer under
1-52 Section 1501.155.

1-53 (d) A children's health benefit plan is included for
1-54 collective participation purposes under this section if an employee
1-55 chooses to enroll one or more dependents in a children's health
1-56 benefit plan rather than in a health benefit plan described by
1-57 Section 1501.003(a).

1-58 SECTION 4. Subchapter F, Chapter 1501, Insurance Code, is
1-59 amended by adding Section 1501.2525 to read as follows:

1-60 Sec. 1501.2525. CHILDREN'S HEALTH BENEFIT PLAN. (a) A
1-61 small employer health benefit plan issuer may offer to a small
1-62 employer a children's health benefit plan in accordance with this
1-63 section.

(b) A children's health benefit plan provides coverage to children younger than 25 years of age who are dependents of eligible employees.

(c) A children's health benefit plan may not provide coverage to an eligible employee or the spouse of an eligible employee.

(d) The commissioner by rule shall adopt minimum benefits required to be provided under a children's health benefit plan.

(e) This subchapter applies to a children's health benefit plan except to the extent the commissioner by rule determines that a provision of this subchapter is inappropriate as applied to a children's health benefit plan.

SECTION 5. Subchapter B, Chapter 1502, Insurance Code, is amended by adding Section 1502.054 to read as follows:

Sec. 1502.054. INAPPLICABILITY OF OTHER LAW. A children's health benefit plan offered under this chapter is not subject to Section 1501.2525.

SECTION 6. The commissioner of insurance shall adopt any rules necessary to implement the change in law made by this Act not later than December 1, 2009. A small employer health benefit plan issuer may not offer a children's health benefit plan under Section 1501.2525, Insurance Code, as added by this Act, before January 1, 2010.

SECTION 7. This Act takes effect September 1, 2009.

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