

By: Carona

S.B. No. 1143

A BILL TO BE ENTITLED

AN ACT

relating to requirements regarding employer liability for certain group health benefit plan premiums.

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

SECTION 1. Section 843.210, Insurance Code, is amended to read as follows:

Sec. 843.210. TERMS OF ENROLLEE ELIGIBILITY. (a) A contract between a health maintenance organization and a group contract holder must provide that:

(1) in addition to any other premiums for which the group contract holder is liable, the group contract holder is liable for an enrollee's premiums from the time the enrollee is no longer part of the group eligible for coverage under the contract until the end of the month in which the contract holder notifies the health maintenance organization that the enrollee is no longer part of the group eligible for coverage by the contract; and

(2) the enrollee remains covered by the contract until the end of that period.

(b) Each health maintenance organization that enters into a contract described by Subsection (a) shall notify the group contract holder periodically as provided by this section that the contract holder is liable for premiums on an enrollee who is no longer part of the group eligible for coverage under the contract until the health maintenance organization receives notification of

1 termination of the enrollee's eligibility for that coverage.

2 (c) If the health maintenance organization charges the
3 group contract holder on a monthly basis for the coverage premiums,
4 the health maintenance organization shall include the notice
5 required by Subsection (b) in each monthly statement sent to the
6 group contract holder. If the health maintenance organization
7 charges the group contract holder on other than a monthly basis for
8 the premiums, the health maintenance organization shall notify the
9 group contract holder periodically in the manner prescribed by the
10 commissioner by rule.

11 (d) The notice required by Subsection (b) must include a
12 description of methods preferred by the health maintenance
13 organization for notification by a group contract holder of an
14 enrollee's termination from coverage eligibility.

15 SECTION 2. Section 1301.0061, Insurance Code, is amended to
16 read as follows:

17 Sec. 1301.0061. TERMS OF ENROLLEE ELIGIBILITY. (a) A
18 contract between an insurer and a group policyholder under a
19 preferred provider benefit plan must provide that:

20 (1) in addition to any other premiums for which the
21 group policyholder is liable, the group policyholder is liable for
22 an individual insured's premiums from the time the individual is no
23 longer part of the group eligible for coverage under the policy
24 until the end of the month in which the policyholder notifies the
25 insurer that the individual is no longer part of the group eligible
26 for coverage under the policy; and

27 (2) the individual remains covered under the policy

1 until the end of that period.

2 (b) Each insurer that enters into a contract described by
3 Subsection (a) shall notify the group policyholder periodically as
4 provided by this section that the policyholder is liable for
5 premiums on an individual who is no longer part of the group
6 eligible for coverage until the insurer receives notification of
7 termination of the individual's eligibility for coverage.

8 (c) If the insurer charges the group policyholder on a
9 monthly basis for the premiums, the insurer shall include the
10 notice required by Subsection (b) in each monthly statement sent to
11 the group policyholder. If the insurer charges the group
12 policyholder on other than a monthly basis for the premiums, the
13 insurer shall notify the group policyholder periodically in the
14 manner prescribed by the commissioner by rule.

15 (d) The notice required by Subsection (b) must include a
16 description of methods preferred by the insurer for notification by
17 a group policyholder of an individual's termination from coverage
18 eligibility.

19 SECTION 3. The change in law made by this Act applies only
20 to a contract between an insurer or health maintenance organization
21 and a group policy or contract holder that is entered into or
22 renewed on or after January 1, 2010. A contract entered into or
23 renewed before January 1, 2010, is governed by the law in effect
24 immediately before the effective date of this Act, and that law is
25 continued in effect for that purpose.

26 SECTION 4. This Act takes effect September 1, 2009.