

By: Duncan

S.B. No. 1771

A BILL TO BE ENTITLED

AN ACT

relating to the availability and continuation of certain health benefit plan coverage.

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

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

Sec. 1251.253. REQUEST FOR CONTINUATION OF GROUP COVERAGE.

An employee, member, or dependent must request in writing the continuation of group coverage not later than the 60th [~~31st~~] day after the later of:

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

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

SECTION 2. Section 1251.254, Insurance Code, is amended to read as follows:

Sec. 1251.254. PAYMENT OF CONTRIBUTIONS. (a) Except as provided by this section, an [~~An~~] employee, member, or dependent who elects to continue group coverage under this subchapter must pay to the employer or group policyholder[~~7~~] each month [~~in advance~~] the amount of contribution required by the employer or policyholder, plus two percent of the group rate for the coverage

1 being continued under the group policy on the due date of each
2 payment. A payment under this subsection must be made not later
3 than the 30th day after the date on which the payment is due.

4 (b) The employee's, member's, or dependent's written
5 election for continuation of group coverage, together with the
6 first contribution required [~~to establish advance monthly~~
7 ~~contributions~~], must be given to the employer or policyholder not
8 later than the later of:

9 (1) the 31st day after the date coverage would
10 otherwise terminate; or

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

14 SECTION 3. Section 1251.255, Insurance Code, is amended to
15 read as follows:

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

19 (1) 18 [~~six~~] months after the date the employee,
20 member, or dependent elects to continue the group coverage;

21 (2) the date failure to make timely payments would
22 terminate the group coverage;

23 (3) the date the group coverage terminates in its
24 entirety;

25 (4) the date the insured is or could be covered under
26 Medicare;

27 (5) the date the insured is covered for similar

1 benefits by another plan or program, including:

2 (A) a hospital, surgical, medical, or major
3 medical expense insurance policy;

4 (B) a hospital or medical service subscriber
5 contract; or

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

7 (6) the date the insured is eligible for similar
8 benefits, whether or not covered for those benefits, under any
9 arrangement of coverage for individuals in a group, whether on an
10 insured or uninsured basis; or

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

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

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

20 (2) provide to the individual the address for applying
21 to that pool.

22 SECTION 4. Section 1506.153, Insurance Code, is amended by
23 adding Subsection (c) to read as follows:

24 (c) An individual eligible for benefits from the
25 continuation of coverage under Subchapter F or G, Chapter 1251, who
26 did not elect continuation of coverage during the election period,
27 or whose elected continuation of coverage lapsed or was canceled

1 without reinstatement, is eligible for pool coverage. Eligibility
2 under this subsection is subject to a 180-day exclusion of coverage
3 under Section 1506.155(a-1).

4 SECTION 5. Section 1506.155(a-1), Insurance Code, is
5 amended to read as follows:

6 (a-1) Except as provided by Section 1506.056, pool coverage
7 for an individual eligible pursuant to Section 1506.153(b) or (c)
8 excludes charges or expenses incurred before the expiration of 180
9 days from the effective date of coverage with regard to any
10 condition for which:

11 (1) the existence of symptoms would cause an
12 ordinarily prudent person to seek diagnosis, care, or treatment
13 within the six-month period preceding the effective date of
14 coverage; or

15 (2) medical advice, care, or treatment was recommended
16 or received during the six-month period preceding the effective
17 date of coverage.

18 SECTION 6. (a) Section 1251.253, Insurance Code, as
19 amended by this Act, applies only to:

20 (1) a request for continuation of group coverage that
21 an employee, member, or dependent becomes eligible to make on or
22 after the effective date of this Act; or

23 (2) a request for continuation of group coverage that:

24 (A) an employee, member, or dependent became
25 eligible to make before the effective date of this Act; and

26 (B) on the effective date of this Act, the
27 employee, member, or dependent would have remained eligible to make

1 under Section 1251.253, Insurance Code, as it existed before
2 amendment by this Act.

3 (b) A request for continuation of group coverage that an
4 employee, member, or dependent became eligible to make before the
5 effective date of this Act and that, on the effective date of this
6 Act, the employee, member, or dependent is no longer eligible to
7 make, is governed by the law as it existed before the effective date
8 of this Act, and that law is continued in effect for that purpose.

9 SECTION 7. Section 1251.254, Insurance Code, as amended by
10 this Act, applies only to a payment for continuation coverage
11 required to be made on or after the effective date of this Act. A
12 payment for continuation coverage required to be made before the
13 effective date of this Act is governed by the law as it existed
14 before that date, and that law is continued in effect for that
15 purpose.

16 SECTION 8. Section 1251.255, Insurance Code, as amended by
17 this Act, applies to coverage for which an election to continue was
18 made on or after September 1, 2008, that is in effect on the
19 effective date of this Act.

20 SECTION 9. This Act takes effect immediately if it receives
21 a vote of two-thirds of all the members elected to each house, as
22 provided by Section 39, Article III, Texas Constitution. If this
23 Act does not receive the vote necessary for immediate effect, this
24 Act takes effect September 1, 2009.