

By: Carona

S.B. No. 1978

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) A health maintenance organization shall refund premiums paid by a group contract holder on behalf of an enrollee, from the end of the month during which the enrollee is no longer part of the group eligible for coverage, provided that the enrollee did not incur any claims under the contract after no longer being part of the group eligible for coverage.

1 (c) The commissioner shall adopt rules as necessary to
2 implement this section.

3 SECTION 2. Section 1301.0061, Insurance Code, is amended to
4 read as follows:

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

8 (1) in addition to any other premiums for which the
9 group policyholder is liable, the group policyholder is liable for
10 an individual insured's premiums from the time the individual is no
11 longer part of the group eligible for coverage under the policy
12 until the end of the month in which the policyholder notifies the
13 insurer that the individual is no longer part of the group eligible
14 for coverage under the policy; and

15 (2) the individual remains covered under the policy
16 until the end of that period.

17 (b) An insurer shall refund premiums paid by a group
18 policyholder on behalf of an individual, from the end of the month
19 during which the individual is no longer part of the group eligible
20 for coverage, provided that the individual did not incur any claims
21 under the policy after no longer being part of the group eligible
22 for coverage.

23 (c) The commissioner shall adopt rules as necessary to
24 implement this section.

25 SECTION 3. The change in law made by this Act applies only
26 to a contract between an insurer or health maintenance organization
27 and a group policy or contract holder that is entered into or

1 renewed on or after January 1, 2010. A contract entered into or
2 renewed before January 1, 2010, is governed by the law in effect
3 immediately before the effective date of this Act, and that law is
4 continued in effect for that purpose.

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