

By: Uresti

S.B. No. 2370

A BILL TO BE ENTITLED

AN ACT

1
2 relating to eligibility of certain dependents for health insurance
3 coverage.

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

5 SECTION 1. Section 846.260, Insurance Code, is amended to
6 read as follows:

7 Sec. 846.260. LIMITING AGE APPLICABLE TO UNMARRIED CHILD.
8 If children are eligible for coverage under the terms of a multiple
9 employer welfare arrangement's plan document, any limiting age
10 applicable to an unmarried child of an enrollee is 29 [~~25~~] years of
11 age.

12 SECTION 2. Section 1201.053(b), Insurance Code, is amended
13 to read as follows:

14 (b) On the application of an adult member of a family, an
15 individual accident and health insurance policy may, at the time of
16 original issuance or by subsequent amendment, insure two or more
17 eligible members of the adult's family, including a spouse,
18 unmarried children younger than 29 [~~25~~] years of age, including a
19 grandchild of the adult as described by Section 1201.062(a)(1), a
20 child the adult is required to insure under a medical support order
21 issued under Chapter 154, Family Code, or enforceable by a court in
22 this state, and any other individual dependent on the adult.

23 SECTION 3. Section 1201.062(a), Insurance Code, is amended
24 to read as follows:

1 (a) An individual or group accident and health insurance
2 policy that is delivered, issued for delivery, or renewed in this
3 state, including a policy issued by a corporation operating under
4 Chapter 842, or a self-funded or self-insured welfare or benefit
5 plan or program, to the extent that regulation of the plan or
6 program is not preempted by federal law, that provides coverage for
7 a child of an insured or group member, on payment of a premium, must
8 provide coverage for:

9 (1) each grandchild of the insured or group member if
10 the grandchild is:

11 (A) unmarried;

12 (B) younger than 29 [~~25~~] years of age; and

13 (C) a dependent of the insured or group member
14 for federal income tax purposes at the time application for
15 coverage of the grandchild is made; and

16 (2) each child for whom the insured or group member
17 must provide medical support under an order issued under Chapter
18 154, Family Code, or enforceable by a court in this state.

19 SECTION 4. Section 1201.065(a), Insurance Code, is amended
20 to read as follows:

21 (a) An individual or group accident and health insurance
22 policy may contain criteria relating to a maximum age or enrollment
23 in school to establish continued eligibility for coverage of a
24 child 29 [~~25~~] years of age or older.

25 SECTION 5. Section 1251.151(a), Insurance Code, is amended
26 to read as follows:

27 (a) A group policy or contract of insurance for hospital,

1 surgical, or medical expenses incurred as a result of accident or
2 sickness, including a group contract issued by a group hospital
3 service corporation, that provides coverage under the policy or
4 contract for a child of an insured must, on payment of a premium,
5 provide coverage for any grandchild of the insured if the
6 grandchild is:

- 7 (1) unmarried;
- 8 (2) younger than 29 [~~25~~] years of age; and
- 9 (3) a dependent of the insured for federal income tax
10 purposes at the time the application for coverage of the grandchild
11 is made.

12 SECTION 6. Section 1251.152(a), Insurance Code, is amended
13 to read as follows:

- 14 (a) For purposes of this section, "dependent" includes:
 - 15 (1) a child of an employee or member who is:
 - 16 (A) unmarried; and
 - 17 (B) younger than 29 [~~25~~] years of age; and
 - 18 (2) a grandchild of an employee or member who is:
 - 19 (A) unmarried;
 - 20 (B) younger than 29 [~~25~~] years of age; and
 - 21 (C) a dependent of the insured for federal income
22 tax purposes at the time the application for coverage of the
23 grandchild is made.

24 SECTION 7. Section 1271.006(a), Insurance Code, is amended
25 to read as follows:

- 26 (a) If children are eligible for coverage under the terms of
27 an evidence of coverage, any limiting age applicable to an

1 unmarried child of an enrollee, including an unmarried grandchild
2 of an enrollee, is 29 [~~25~~] years of age. The limiting age
3 applicable to a child must be stated in the evidence of coverage.

4 SECTION 8. Section 1501.002(2), Insurance Code, is amended
5 to read as follows:

6 (2) "Dependent" means:

7 (A) a spouse;

8 (B) a child younger than 29 [~~25~~] years of age,
9 including a newborn child;

10 (C) a child of any age who is:

11 (i) medically certified as disabled; and

12 (ii) dependent on the parent;

13 (D) an individual who must be covered under:

14 (i) Section 1251.154; or

15 (ii) Section 1201.062; and

16 (E) any other child eligible under an employer's
17 health benefit plan, including a child described by Section
18 1503.003.

19 SECTION 9. Section 1501.609(b), Insurance Code, is amended
20 to read as follows:

21 (b) Any limiting age applicable under a large employer
22 health benefit plan to an unmarried child of an enrollee is 29 [~~25~~]
23 years of age.

24 SECTION 10. Sections 1503.003(a) and (b), Insurance Code,
25 are amended to read as follows:

26 (a) A health benefit plan may not condition coverage for a
27 child younger than 29 [~~25~~] years of age on the child's being

1 enrolled at an educational institution.

2 (b) A health benefit plan that requires as a condition of
3 coverage for a child 29 [~~25~~] years of age or older that the child be
4 a full-time student at an educational institution must provide the
5 coverage:

6 (1) for the entire academic term during which the
7 child begins as a full-time student and remains enrolled,
8 regardless of whether the number of hours of instruction for which
9 the child is enrolled is reduced to a level that changes the child's
10 academic status to less than that of a full-time student; and

11 (2) continuously until the 10th day of instruction of
12 the subsequent academic term, on which date the health benefit plan
13 may terminate coverage for the child if the child does not return to
14 full-time student status before that date.

15 SECTION 11. Section 1506.003, Insurance Code, is amended to
16 read as follows:

17 Sec. 1506.003. DEFINITION OF DEPENDENT. In this chapter,
18 "dependent" means:

19 (1) a resident spouse or unmarried child younger than
20 29 [~~25~~] years of age; or

21 (2) a child who is:

22 (A) a full-time student younger than 29 [~~25~~]
23 years of age who is financially dependent on the parent;

24 (B) 18 years of age or older and is an individual
25 for whom a person may be obligated to pay child support; or

26 (C) disabled and dependent on the parent
27 regardless of the age of the child.

1 SECTION 12. Section 1506.158(a), Insurance Code, is amended
2 to read as follows:

3 (a) An individual's pool coverage ends:

4 (1) on the date the individual ceases to be a legally
5 domiciled resident of this state, unless the individual:

6 (A) is a student younger than 29 [~~25~~] years of age
7 and is financially dependent on a parent covered by the pool;

8 (B) is a child for whom an individual covered by
9 the pool may be obligated to pay child support; or

10 (C) is a child who is disabled and dependent on a
11 parent covered by the pool, regardless of the age of the child;

12 (2) on the first day of the month following the date
13 the individual requests coverage to end;

14 (3) on the date the individual covered by the pool
15 dies;

16 (4) on the date state law requires cancellation of the
17 coverage;

18 (5) at the option of the pool, on the 31st day after
19 the date the pool sends to the individual any inquiry concerning the
20 individual's eligibility, including an inquiry concerning the
21 individual's residence, to which the individual does not reply;

22 (6) on the 31st day after the date a premium payment
23 for pool coverage becomes due if the payment is not made before that
24 day;

25 (7) on the date the individual is 65 years of age and
26 eligible for coverage under Medicare, unless the coverage received
27 from the pool is Medicare supplement coverage issued by the pool; or

1 (8) at the time the individual ceases to meet the
2 eligibility requirements for coverage.

3 SECTION 13. Section 1551.004(a), Insurance Code, is amended
4 to read as follows:

5 (a) In this chapter, "dependent" with respect to an
6 individual eligible to participate in the group benefits program
7 under Section 1551.101 or 1551.102 means the individual's:

8 (1) spouse;

9 (2) unmarried child younger than 29 [~~25~~] years of age;

10 (3) child of any age who the board of trustees
11 determines lives with or has the child's care provided by the
12 individual on a regular basis if:

13 (A) the child is mentally retarded or physically
14 incapacitated to the extent that the child is dependent on the
15 individual for care or support, as determined by the board of
16 trustees;

17 (B) the child's coverage under this chapter has
18 not lapsed; and

19 (C) the child is at least 29 [~~25~~] years old and
20 was enrolled as a participant in the health benefits coverage under
21 the group benefits program on the date of the child's 29th [~~25th~~]
22 birthday; and

23 (4) child of any age who is unmarried, for purposes of
24 health benefit coverage under this chapter, on expiration of the
25 child's continuation coverage under the Consolidated Omnibus
26 Budget Reconciliation Act of 1985 (Pub. L. No. 99-272) and its
27 subsequent amendments.

1 SECTION 14. Section 1551.158(a), Insurance Code, is amended
2 to read as follows:

3 (a) A dependent child who is unmarried and whose coverage
4 under this chapter ends when the child becomes 29 [~~25~~] years of age
5 may, on expiration of continuation coverage under the Consolidated
6 Omnibus Budget Reconciliation Act of 1985 (Pub. L. No. 99-272),
7 reinstate health benefit plan coverage under this chapter if the
8 child, or the child's participating parent, pays the full cost of
9 the health benefit plan coverage.

10 SECTION 15. Section 1575.003(1), Insurance Code, is amended
11 to read as follows:

- 12 (1) "Dependent" means:
- 13 (A) the spouse of a retiree;
- 14 (B) an unmarried child of a retiree or deceased
15 active member if the child is younger than 29 [~~25~~] years of age,
16 including:
- 17 (i) an adopted child;
- 18 (ii) a foster child, stepchild, or other
19 child who is in a regular parent-child relationship; or
- 20 (iii) a recognized natural child;
- 21 (C) a retiree's recognized natural child,
22 adopted child, foster child, stepchild, or other child who is in a
23 regular parent-child relationship and who lives with or has his or
24 her care provided by the retiree or surviving spouse on a regular
25 basis regardless of the child's age, if the child is mentally
26 retarded or physically incapacitated to an extent that the child is
27 dependent on the retiree or surviving spouse for care or support, as

1 determined by the trustee; or

2 (D) a deceased active member's recognized
3 natural child, adopted child, foster child, stepchild, or other
4 child who is in a regular parent-child relationship, without regard
5 to the age of the child, if, while the active member was alive, the
6 child:

7 (i) lived with or had the child's care
8 provided by the active member on a regular basis; and

9 (ii) was mentally retarded or physically
10 incapacitated to an extent that the child was dependent on the
11 active member or surviving spouse for care or support, as
12 determined by the trustee.

13 SECTION 16. Section 1579.004, Insurance Code, is amended to
14 read as follows:

15 Sec. 1579.004. DEFINITION OF DEPENDENT. In this chapter,
16 "dependent" means:

17 (1) a spouse of a full-time employee or part-time
18 employee;

19 (2) an unmarried child of a full-time or part-time
20 employee if the child is younger than 29 [~~25~~] years of age,
21 including:

22 (A) an adopted child;

23 (B) a foster child, stepchild, or other child who
24 is in a regular parent-child relationship; and

25 (C) a recognized natural child;

26 (3) a full-time or part-time employee's recognized
27 natural child, adopted child, foster child, stepchild, or other

1 child who is in a regular parent-child relationship and who lives
2 with or has his or her care provided by the employee or the
3 surviving spouse on a regular basis, regardless of the child's age,
4 if the child is mentally retarded or physically incapacitated to an
5 extent that the child is dependent on the employee or surviving
6 spouse for care or support, as determined by the board of trustees;
7 and

8 (4) notwithstanding any other provision of this code,
9 any other dependent of a full-time or part-time employee specified
10 by rules adopted by the board of trustees.

11 SECTION 17. Section 1601.004(a), Insurance Code, is amended
12 to read as follows:

13 (a) In this chapter, "dependent," with respect to an
14 individual eligible to participate in the uniform program under
15 Section 1601.101 or 1601.102, means the individual's:

16 (1) spouse;
17 (2) unmarried child younger than 29 [~~25~~] years of age;
18 and

19 (3) child of any age who lives with or has the child's
20 care provided by the individual on a regular basis if the child is
21 mentally retarded or physically incapacitated to the extent that
22 the child is dependent on the individual for care or support, as
23 determined by the system.

24 SECTION 18. The change in law made by this Act applies only
25 to a health benefit plan that is delivered, issued for delivery, or
26 renewed on or after January 1, 2010. A policy delivered, issued for
27 delivery, or renewed before January 1, 2010, is governed by the law

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1 as it existed immediately before the effective date of this Act, and
2 that law is continued in effect for that purpose.

3 SECTION 19. This Act takes effect September 1, 2009.