

BILL ANALYSIS

C.S.H.B. 32
By: Creighton
State Sovereignty, Select
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Texas does not require residents of this state to purchase health insurance. Texas residents have the option to purchase health insurance in a variety of ways, including opting into a group benefit plan through an employer, purchasing coverage independently, or participating in a government-sponsored program that offers health insurance and health care.

C.S.H.B. 32 seeks to maintain each Texan's freedom to decide whether to purchase coverage or join a health insurance plan or participate in a government-sponsored health insurance plan by prohibiting, with certain exceptions, any resident of this state from being required to purchase health insurance.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 32 amends the Insurance Code to prohibit an individual from being required to obtain or maintain coverage under an individual health insurance policy. The bill excludes from the application of this provision an individual who is required to obtain or maintain health benefit plan coverage by an institution of higher education at which the individual is or will be enrolled as a student or is required to do so under an order requiring medical support for a child and an individual voluntarily applying for benefits under a state-administered program under Title XIX or Title XXI of the Social Security Act. The bill prohibits the imposition of a fine or penalty on an individual for choosing not to obtain or maintain coverage under an individual health insurance policy but excludes from the scope of that prohibition a fine or penalty imposed on an individual who is required to obtain or maintain health benefit plan coverage by an institution of higher education at which the individual is or will be enrolled as a student or under an order requiring medical support for a child.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 32 differs from the original by prohibiting any individual from being required to obtain or maintain coverage under an individual health insurance policy, whereas the original prohibits any resident of this state from being required to obtain or maintain a policy of individual insurance coverage, regardless of whether the individual has or is eligible for health insurance coverage under any policy or program provided by or through the individual's employer or a plan sponsored by the state or the federal government.

C.S.H.B. 32 differs from the original by making an exception for an individual who is required to obtain or maintain health benefit plan coverage under an order requiring medical support for a child, whereas the original makes an exception for a situation in which coverage is required by a court, governmental agency, or department where an individual is named a party in a judicial or administrative proceeding.

C.S.H.B. 32 differs from the original by making an exception for an individual who is required to obtain or maintain health benefit plan coverage by an institution of higher education at which the individual is or will be enrolled as a student, whereas the original makes an exception for a student who is required by an institution of higher education to obtain and maintain health insurance as a condition of enrollment.

C.S.H.B. 32 differs from the original, in a provision making an exception for an individual voluntarily applying for benefits under a state-administered program under Title XIX or Title XXI of the Social Security Act, by providing the applicable citations to federal law.

C.S.H.B. 32 differs from the original by prohibiting the imposition of a fine or penalty on an individual if the individual chooses not to obtain or maintain coverage under an individual health insurance policy, with certain exceptions, whereas the original establishes that no provision of the applicable title of the Insurance Code renders a Texas resident liable for any penalty, assessment, fee, or fine for failing to procure or obtain health insurance coverage.

C.S.H.B. 32 omits a provision contained in the original establishing that nothing in the bill's provisions impairs the rights of persons to privately contract for health insurance for family members or former family members.