

## **BILL ANALYSIS**

H.B. 997  
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Insurance  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

The federal Patient Protection and Affordable Care Act requires each state to establish a new insurance marketplace through which residents of that state are offered an insurance plan, known as a health benefit exchange, that makes subsidies available for certain qualifying individuals. The federal government will administer and oversee a state's health benefit exchange; however, provisions of the federal act also authorize each state to pass legislation prohibiting coverage or reimbursement for specific services within an exchange. Interested parties report that a number of states have exercised this right and passed legislation prohibiting a qualified health plan offered through a state exchange from providing health insurance coverage for elective abortion services. Interested parties also report that the majority of basic private health benefit plans in Texas include coverage for at least one elective abortion per year, which Texans pay for without the option of removing such coverage, and a number of states have enacted laws protecting the consumers of private insurance plans from unwanted abortion coverage.

H.B. 997 seeks to, among other provisions, give Texans the option of not paying for elective abortion coverage by providing for such coverage through separate, supplemental insurance premiums.

### **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**

H.B. 997 amends the Insurance Code to prohibit a qualified health plan offered through a health benefit exchange, as administered by the federal government or created under the federal Patient Protection and Affordable Care Act, from providing coverage for an abortion other than coverage for an abortion performed when a life-threatening physical condition exists, based on reasonable medical judgment, that complicates the medical condition of the pregnant woman or pregnant minor to an extent that the abortion of her pregnancy is necessary to prevent her death or a serious risk of substantial and irreversible physical impairment of a major bodily function of the woman or minor, other than a psychological or emotional condition. The bill specifies that coverage is not authorized for an abortion based on a potential future medical condition that may result from a voluntary act of the woman or minor and that provisions prohibiting coverage for certain abortions under a qualified health plan offered through a health benefit exchange do not prevent a person from purchasing optional or supplemental coverage for abortions under a health benefit plan other than the qualified health plan. The bill establishes that these provisions do not constitute an acknowledgment by the legislature of the legitimacy of the federal Patient Protection and Affordable Care Act as a constitutional exercise of the power of the United States Congress.

H.B. 997 prohibits a health benefit plan from providing coverage for abortion unless the coverage is provided to an enrollee separately from other health benefit plan coverage offered by

the health benefit plan issuer; an enrollee pays separately from, and in addition to, the premium for other health benefit plan coverage a premium for coverage for abortion; and the enrollee provides a signature for coverage for abortion, separately and distinct from the signature required for other coverage offered by the health benefit plan issuer. The bill authorizes a health benefit plan to provide coverage for an abortion performed when a life-threatening physical condition exists, based on the performing physician's reasonable medical judgment, that complicates the medical condition of a pregnant enrollee to the extent that the abortion of her pregnancy is necessary to prevent her death or a serious risk of substantial and irreversible physical impairment of a major bodily function of the enrollee, other than a psychological or emotional condition. The bill specifies that this exception does not authorize coverage for an abortion based on a potential future medical condition that may result from a voluntary act of the enrollee.

H.B. 997 requires a health benefit plan issuer that provides coverage for abortion to calculate the premium for the coverage so that the premium fully covers the estimated cost of abortion per enrollee, determined on an average actuarial basis. The bill prohibits a health benefit plan issuer, in calculating the premium, from taking into account any cost savings in other health benefit plan coverage offered by the issuer that is estimated to result from coverage for abortion, including costs associated with prenatal care, delivery, or postnatal care. The bill prohibits a health benefit plan issuer that provides coverage other than coverage for abortion from providing a premium discount to or reducing the premium for an enrollee for coverage other than coverage for abortion on the basis that the enrollee has health benefit plan coverage for abortion.

H.B. 997 requires a health benefit plan issuer that provides coverage for abortion, at the time of enrollment in the health benefit plan, to provide each enrollee with a notice that coverage for abortion is optional and separate from other health benefit plan coverage offered by the health benefit plan issuer; that the premium cost for coverage for abortion is a premium paid separately from, and in addition to, the premium for other health benefit plan coverage offered by the health benefit plan issuer; and that the enrollee is authorized to enroll in a health benefit plan that provides coverage other than coverage for abortion without obtaining coverage for abortion.

H.B. 997 requires an employer offering an employee health benefit plan or an entity offering a group health benefit plan, if the small or large employer health benefit plan or group health benefit plan offers coverage for abortion, to provide each employee or group member with an opportunity to accept or reject supplemental coverage for abortion at the beginning of employment or when the group member's coverage begins, as applicable, and at least one time in each calendar year after the first year of employment or group coverage.

H.B. 997 specifies the health benefit plans and types of insurance providers offering such plans to which the provisions relating to coverage for abortion apply. The bill applies only to a qualified health plan offered through a health benefit exchange or a health benefit plan that is delivered, issued for delivery, or renewed on or after January 1, 2014.

#### **EFFECTIVE DATE**

September 1, 2013.