

By: Deuell

S.B. No. 995

A BILL TO BE ENTITLED

AN ACT

relating to allowing employers to issue individual insurance plans.

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

SECTION 1. Section 1501.002(5), Insurance Code, is amended to read as follows:

(5) "Health benefit plan" means a group or [~~7~~] blanket [~~7~~, ~~or franchise~~] insurance policy, a certificate issued under a group policy, a group hospital service contract, or a group subscriber contract or evidence of coverage issued by a health maintenance organization that provides benefits for health care services. The term does not include:

(A) accident-only or disability income insurance coverage or a combination of accident-only and disability income insurance coverage;

(B) credit-only insurance coverage;

(C) disability insurance coverage;

(D) coverage for a specified disease or illness;

(E) Medicare services under a federal contract;

(F) Medicare supplement and Medicare Select benefit plans regulated in accordance with federal law;

(G) long-term care coverage or benefits, nursing home care coverage or benefits, home health care coverage or benefits, community-based care coverage or benefits, or any combination of those coverages or benefits;

1 (H) coverage that provides limited-scope dental
2 or vision benefits;

3 (I) coverage provided by a single service health
4 maintenance organization;

5 (J) workers' compensation insurance coverage or
6 similar insurance coverage;

7 (K) coverage provided through a jointly managed
8 trust authorized under 29 U.S.C. Section 141 et seq. that contains a
9 plan of benefits for employees that is negotiated in a collective
10 bargaining agreement governing wages, hours, and working
11 conditions of the employees that is authorized under 29 U.S.C.
12 Section 157;

13 (L) hospital indemnity or other fixed indemnity
14 insurance coverage;

15 (M) reinsurance contracts issued on a stop-loss,
16 quota-share, or similar basis;

17 (N) short-term major medical contracts;

18 (O) liability insurance coverage, including
19 general liability insurance coverage and automobile liability
20 insurance coverage, and coverage issued as a supplement to
21 liability insurance coverage, including automobile medical payment
22 insurance coverage;

23 (P) coverage for on-site medical clinics;

24 (Q) coverage that provides other limited
25 benefits specified by federal regulations; or

26 (R) other coverage that:

27 (i) is similar to the coverage described by

1 this subdivision under which benefits for medical care are
2 secondary or incidental to other coverage benefits; and

3 (ii) is specified by federal regulations.

4 SECTION 2. Sections 1501.003, 1501.004, and 1501.005,
5 Insurance Code, are amended to read as follows:

6 Sec. 1501.003. APPLICABILITY: SMALL EMPLOYER HEALTH
7 BENEFIT PLANS. A [~~An individual or~~] group health benefit plan is a
8 small employer health benefit plan subject to Subchapters C-H if it
9 provides health care benefits covering two or more eligible
10 employees of a small employer and:

11 (1) the employer pays a portion of the premium or
12 benefits;

13 (2) the employer or a covered individual treats the
14 health benefit plan as part of a plan or program for purposes of
15 Section 106 or 162, Internal Revenue Code of 1986 (26 U.S.C. Section
16 106 or 162); or

17 (3) the health benefit plan is an employee welfare
18 benefit plan under 29 C.F.R. Section 2510.3-1(j).

19 Sec. 1501.004. APPLICABILITY: LARGE EMPLOYER HEALTH
20 BENEFIT PLANS. A [~~An individual or~~] group health benefit plan is a
21 large employer health benefit plan subject to Subchapters C and M if
22 the plan provides health care benefits to eligible employees of a
23 large employer and:

24 (1) the employer pays a portion of the premium or
25 benefits;

26 (2) the employer or a covered individual treats the
27 health benefit plan as part of a plan or program for purposes of

1 Section 106 or 162, Internal Revenue Code of 1986 (26 U.S.C. Section
2 106 or 162); or

3 (3) the health benefit plan is an employee welfare
4 benefit plan under 29 C.F.R. Section 2510.3-1(j).

5 Sec. 1501.005. EXCEPTION: CERTAIN INDIVIDUALLY
6 UNDERWRITTEN POLICIES. This [~~Except as provided by Section~~
7 ~~1501.003 or 1501.004, this~~] chapter does not apply to an individual
8 health insurance policy that is subject to individual underwriting,
9 even if the premium is paid through a payroll deduction method.

10 SECTION 3. This Act applies only to an insurance policy that
11 is delivered, issued for delivery, or renewed on or after January 1,
12 2014. A policy delivered, issued for delivery, or renewed before
13 January 1, 2014, is governed by the law as it existed immediately
14 before the effective date of this Act, and that law is continued in
15 effect for that purpose.

16 SECTION 4. This Act takes effect September 1, 2013.