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| BILL ANALYSIS |

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| H.B. 1635 |
| By: Smithee |
| Insurance |
| Committee Report (Unamended) |

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| **BACKGROUND AND PURPOSE**  Concerned parties note that certain federal regulations impose limitations on the range of actuarial values that a health benefit plan must fall within in order to comply with federal law. The parties assert that these limitations confine health benefit plans to a narrow range of actuarial values, which significantly increases plan expenses and creates confusion for employers as plans quickly become non-compliant with federal law and need to be redesigned and re‑priced. H.B. 1635 seeks to address this issue by authorizing the commissioner of insurance to request a state innovation waiver for small employer health benefit plans of certain actuarial value and related levels of health plan coverage requirements from the appropriate federal agency. |
| **CRIMINAL JUSTICE IMPACT**  It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision. |
| **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. 1635 amends the Insurance Code to authorize the commissioner of insurance to apply to and negotiate with the United States secretary of health and human services to obtain a state innovation waiver for small employer health benefit plans of the actuarial value requirements and related levels of health plan coverage requirements imposed under federal law. |
| **EFFECTIVE DATE**  On passage, or, if the bill does not receive the necessary vote, September 1, 2017. |