

BILL ANALYSIS

S.B. 439
By: Perry
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

It has been noted that although small employers are not mandated to provide health insurance for their employees, many small employers in Texas still wish to provide this important benefit. Reports indicate that some of these employers are using health reimbursement accounts as an option to pay for health insurance premiums. However, concerns have been raised regarding a potential conflict with state law and federal law governing these types of accounts. S.B. 439 seeks to provide clarity to small businesses in Texas that wish to use these accounts to provide healthcare benefits to their employees.

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

S.B. 439 amends the Insurance Code to exempt a qualified small employer health reimbursement arrangement, as defined by federal law, from the Health Insurance Portability and Availability Act.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2019.