

BILL ANALYSIS

S.B. 874
By: Hancock
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The state operates a health insurance risk pool that seeks to provide health insurance to eligible Texans who are otherwise unable to obtain health insurance due to certain health conditions. Following the enactment of federal legislation that generally prohibits insurers from rejecting applicants due to preexisting health conditions, the legislature took steps toward dissolving the risk pool. S.B. 874 seeks to provide a safety net for vulnerable Texans in case federal action requires or allows the establishment of a state risk or reinsurance pool to cover individuals with high-cost medical conditions by postponing the dissolution of the risk pool to August 2023.

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. 874 amends the Insurance Code to postpone the dissolution of state's temporary health insurance risk pool until August 31, 2023. The bill postpones the date on which the Texas Department of Insurance is required to begin reporting annually on pool activities to June 1, 2022.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2021.