

## **BILL ANALYSIS**

H.B. 351  
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Insurance  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

An arrangement under which an employer can offer both workers' compensation insurance and a workers' health insurance policy would allow employees and their dependents better access to health care. H.B. 351 seeks to provide for a workers' compensation insurance company to contract with an accident and health insurance company to offer to employers a workers' compensation insurance policy and a group accident and health insurance policy together in one packaged plan.

### **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 rulemaking authority is expressly granted to the commissioner of insurance in SECTION 1 of this bill.

### **ANALYSIS**

H.B. 351 amends the Insurance Code to authorize a workers' compensation insurance company to contract with an accident and health insurance company to offer to employers a workers' compensation insurance policy and a group accident and health insurance policy together in one packaged plan under which employees and their dependents are eligible for major medical expense coverage and employees are covered for medical benefits and other benefits required under the Texas Workers' Compensation Act. With regard to the provision of such packaged plans, the bill does the following:

- requires a group accident and health insurance policy offered by a workers' compensation insurance company to be provided by an entity that is authorized to write group accident and health insurance and is separate from the company;
- authorizes a workers' compensation insurance company that offers a packaged plan to allow for medical benefits required under the Texas Workers' Compensation Act to be provided to employees through the group accident and health insurance policy in the plan;
- clarifies that a packaged plan must require nonmedical benefits related to a compensable injury to be provided exclusively through the workers' compensation insurance policy in the plan and that medical benefits for a compensable injury provided through a group accident and health insurance policy continue to be governed by the Texas Workers' Compensation Act and the Workers' Compensation Health Care Network Act;
- prohibits a packaged plan from imposing cost-sharing requirements for workers' compensation medical benefits that are covered under the group accident and health insurance policy in the plan;

- requires employee contributions to premiums for group accident and health coverage provided under a packaged plan to exclude any portion of the premiums allocated to the provision of workers' compensation medical benefits;
- requires a packaged plan to provide that medical examinations required for the purposes of workers' compensation benefits are covered exclusively under the workers' compensation insurance policy included in the plan; and
- establishes that a workers' compensation insurance company that offers a packaged plan allowing for workers' compensation medical benefits to be provided through the group accident and health insurance policy in the plan continues to be liable for those workers' compensation obligations provided through that policy if the company issuing the policy becomes insolvent or if the group accident and health coverage terminates.

H.B. 351 prohibits its provisions from being construed to relieve a workers' compensation insurance company from any obligation to provide required workers' compensation benefits. The bill further clarifies that it does not do the following:

- authorize a workers' compensation insurance company to underwrite group accident and health insurance policies;
- relieve the Texas Property and Casualty Insurance Guaranty Association of any obligations with respect to a workers' compensation insurance company offering a packaged plan; or
- affect the exclusivity of the remedy of recovery of workers' compensation benefits for an employee covered by a packaged plan or a legal beneficiary against the employer or an agent or employee of the employer for the death of or a work-related injury sustained by the employee.

H.B. 351 prohibits a health care provider from pursuing a private claim against a workers' compensation claimant covered by a packaged plan for all or part of the cost of a health care service provided by the provider, subject to certain exceptions. A health care provider who violates the prohibition commits an administrative violation under the Texas Workers' Compensation Act.

H.B. 351 requires the commissioner of insurance to adopt rules as necessary to implement the bill's provisions, including rules relating to establishing additional solvency requirements for an applicable insurance company and modifying any disclosures otherwise required by statute regarding accident and health policies that are not workers' compensation when the disclosures are provided in connection with a packaged plan.

**EFFECTIVE DATE**

September 1, 2023.