

BILL ANALYSIS

H.B. 3371
By: Johnson, Ann
Higher Education
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Universities and students are increasingly confronted by the rising cost of health care coverage. Many students in Texas stay on their parents' health benefit plans until the age of 26, but in some states, students can opt in to receive health care coverage through their university. Currently, over 20 states allow colleges and universities to fund student health plans to save money and maintain more control of their benefit designs. This can help lower health plan costs and thus the overall cost of higher education. Currently, these plans are not expressly allowed or prohibited under Texas law. H.B. 3371 seeks to provide for the authority of public, private, and independent institutions of higher education to offer health care coverage to students and their families and sets out certain protections and procedures relating to these plans.

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. 3371 amends the Insurance Code to authorize a public, private, or independent institution of higher education or an affiliate of the institution to offer higher education health benefits in Texas and further does the following with respect to such an institution that offers those benefits:

- prohibits the institution from requiring a waiting period of more than six months for treatment of a preexisting condition otherwise included in the benefits; and
- requires the institution to provide to an individual applying for the benefits written notice that the benefits are not provided through an insurance policy or other product the offering or issuance of which is regulated as the business of insurance in Texas.

The bill requires an individual to sign and return to the institution of higher education such notice before the individual may enroll in higher education health benefits and requires the institution to maintain a copy of the signed notice for the duration of the term during which the benefits are provided to the individual and provide a copy of the notice to the individual on request.

H.B. 3371 establishes that, for the purposes of offering higher education health benefits, an institution of higher education that acts in accordance with the bill's provisions is not a health insurer and is not engaging in the business of health insurance in Texas. The bill authorizes an institution of higher education that offers such benefits to contract with a company authorized to engage in the business of insurance in Texas that is not under common control with the institution to do the following:

- transfer to that company all or a portion of the organization's risks arising from offered higher education health benefits; or
- obtain insurance coverage from the company guarantying the institution's obligations arising from offered higher education health benefits.

H.B. 3371 subjects a health benefit plan offered by an institution of higher education under the bill's provisions to the applicability of statutory provisions relating to the balance billing prohibitions and out-of-network claim dispute resolution for certain plans.

H.B. 3371 defines the following terms:

- "higher education health benefits" as health benefits sponsored by an institution of higher education or an affiliate of the institution, offered only to students enrolled at the institution and family members of enrolled students, that are not provided through an insurance policy or other product the offering or issuance of which is regulated as the business of insurance in Texas and that are deemed by the institution to be important in assisting its students and their families to live long and productive lives; and
- "preexisting condition" as a condition present before the effective date of an individual's enrollment in higher education health benefits.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2023.