88R12291 CJD-F

By:  A. Johnson of Harris H.B. No. 3371

A BILL TO BE ENTITLED

AN ACT

relating to health benefits offered by institutions of higher education to students and their families.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1.  Section 1275.002, Insurance Code, is amended to read as follows:

Sec. 1275.002.  APPLICABILITY OF CHAPTER.  This chapter applies to a health benefit plan offered by:

(1)  a nonprofit agricultural organization under Chapter 1682; and

(2)  an institution of higher education under Chapter 1683.

SECTION 2.  Subtitle K, Title 8, Insurance Code, is amended by adding Chapter 1683 to read as follows:

CHAPTER 1683. HEALTH BENEFITS PROVIDED BY CERTAIN INSTITUTIONS OF HIGHER EDUCATION

Sec. 1683.001.  DEFINITIONS. In this chapter:

(1)  "Institution of higher education" means:

(A)  an institution of higher education, as defined by Section 61.003, Education Code; or

(B)  a private or independent institution of higher education, as defined by Section 61.003, Education Code.

(2)  "Higher education health benefits" means health benefits:

(A)  sponsored by an institution of higher education or an affiliate of the institution;

(B)  offered only to:

(i)  students enrolled at the institution of higher education; and

(ii)  family members of students enrolled at the institution of higher education;

(C)  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 this state; and

(D)  that are deemed by the institution of higher education to be important in assisting its students and their families to live long and productive lives.

(3)  "Preexisting condition" means a condition present before the effective date of an individual's enrollment in higher education health benefits.

Sec. 1683.002.  HIGHER EDUCATION HEALTH BENEFITS AUTHORIZED. An institution of higher education or an affiliate of the institution may offer in this state higher education health benefits.

Sec. 1683.003.  WAITING PERIOD FOR PREEXISTING CONDITION. Notwithstanding any other provision of this chapter, an institution of higher education that offers higher education health benefits may not require a waiting period of more than six months for treatment of a preexisting condition otherwise included in higher education health benefits.

Sec. 1683.004.  REQUIRED DISCLOSURE FOR HIGHER EDUCATION HEALTH BENEFITS. (a) An institution of higher education that offers higher education health benefits must provide to an individual applying for higher education health 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 this state.

(b)  An individual must sign and return to the institution of higher education the notice described by Subsection (a) before the individual may enroll in higher education health benefits. The institution of higher education must:

(1)  maintain a copy of the signed written notice for the duration of the term during which the higher education health benefits are provided to the individual; and

(2)  at the request of the individual, provide a copy of the written notice to the individual.

Sec. 1683.005.  INSTITUTION OF HIGHER EDUCATION NOT ENGAGED IN BUSINESS OF HEALTH INSURANCE. Notwithstanding any other provision of this code, for the purposes of offering higher education health benefits, an institution of higher education that acts in accordance with this chapter is not a health insurer and is not engaging in the business of health insurance in this state.

Sec. 1683.006.  RISK TRANSFER OR COVERAGE. An institution of higher education that offers higher education health benefits under this chapter may contract with a company authorized to engage in the business of insurance in this state that is not under common control with the institution of higher education to:

(1)  transfer to that company all or a portion of the organization's risks arising from higher education health benefits offered under this chapter; or

(2)  obtain insurance coverage from the company guarantying the institution of higher education's obligations arising from higher education health benefits offered under this chapter.

SECTION 3.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2023.