

By: A. Johnson of Harris, et al.

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:

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

3                   (B) offered only to:

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

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

8                   (C) that are not provided through an insurance  
9 policy or other product the offering or issuance of which is  
10 regulated as the business of insurance in this state; and

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

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

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

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

27                   Sec. 1683.004. REQUIRED DISCLOSURE FOR HIGHER EDUCATION

1 HEALTH BENEFITS. (a) An institution of higher education that  
2 offers higher education health benefits must provide to an  
3 individual applying for higher education health benefits written  
4 notice that the benefits are not provided through an insurance  
5 policy or other product the offering or issuance of which is  
6 regulated as the business of insurance in this state.

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

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

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

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

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

27 (1) transfer to that company all or a portion of the

1 organization's risks arising from higher education health benefits  
2 offered under this chapter; or  
3 (2) obtain insurance coverage from the company  
4 guarantying the institution of higher education's obligations  
5 arising from higher education health benefits offered under this  
6 chapter.

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