

## **BILL ANALYSIS**

H.B. 2583  
By: Hull  
Insurance  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Current law requires employers to pay the health insurance premiums of their employees through the end of a month during which the employer notifies the health insurer of the employee's separation of employment. However, the bill author has informed the committee that there is no flexibility in that law to accommodate a delay in notification, or an error, that may cause businesses to be responsible for an additional month's premium, resulting in unnecessary spending by the employer with no benefit to the employee. H.B. 2583 seeks to address this issue by providing for certain health insurers to waive employer premiums after the termination of an employee's eligibility for coverage.

### **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. 2583 amends the Insurance Code to authorize a health maintenance organization (HMO), if a group contract holder notifies the HMO of the termination of an enrollee's eligibility for coverage later than the end of the month in which the enrollee's eligibility for the group coverage terminated, to waive the group contract holder's liability for premiums on the enrollee for any subsequent months, provided that no covered services were provided to the enrollee after the end of the month in which the enrollee's eligibility terminated.

H.B. 2583 grants the same authority to an insurer with respect to a group policyholder's liability for premiums on an individual whose eligibility for group coverage is terminated.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2025.