

BILL ANALYSIS

Senate Research Center

S.B. 1332
By: Hancock
Health & Human Services
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law requires employers to pay the health insurance premiums of their employees through the end of the month during which the employer notifies the health insurer of the employee's separation from employment. This does not leave flexibility in the law for when there is a delay or error in notification resulting in late notification to the health plan. This late notification has resulted in businesses being responsible for an additional month premium and unnecessary spending by the employer while the employee receives no additional benefit. S.B. 1332 allows health insurers to waive employer premiums if the employer provides late notification of termination, only if no covered services were provided to the employee after their termination date.

S.B. 1332 amends current law relating to a group health benefit plan policy or contract holder's obligation to pay premiums on behalf of an individual after the individual's eligibility for group coverage terminates.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 843.210, Insurance Code, by adding Subsection (e) to authorize a health maintenance organization, if the group contract holder notifies the health maintenance organization 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 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.

SECTION 2. Amends Section 1301.0061, Insurance Code, by adding Subsection (e) to authorize an insurer, if the group policyholder notifies the insurer of the termination of an individual's eligibility for coverage later than the end of the month in which the individual's eligibility for the group coverage terminated, to waive the policyholder's liability for premiums on the individual for any subsequent months, provided that no covered services were provided to the individual after the end of the month in which the individual's eligibility terminated.

SECTION 3. Effective date: upon passage or September 1, 2025.