

By: Dean

H.B. No. 139

A BILL TO BE ENTITLED

AN ACT

relating to employer health benefit plans that do not include state-mandated health benefits.

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

SECTION 1. Subtitle G, Title 8, Insurance Code, is amended by adding Chapter 1506 to read as follows:

CHAPTER 1506. EMPLOYER CHOICE OF BENEFITS PLANS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1506.001. DEFINITIONS. In this chapter:

(1) "Employer choice of benefits plan" means a group health benefit plan offered to an employer that, wholly or partly, does not offer or provide state-mandated health benefits, but that provides creditable coverage as defined by Section 1205.004(a) or 1501.102(a).

(2) "Health benefit plan issuer" means any entity authorized under this code or another insurance law of this state to provide health insurance or health benefits in this state. The term includes an insurance company, a group hospital service corporation operating under Chapter 842, a health maintenance organization operating under Chapter 843, and a stipulated premium company operating under Chapter 844.

(3) "State-mandated health benefits" means coverage or another feature required under this code or other laws of this state to be provided in a group health benefit plan that:

1 (A) includes coverage for specific health care
2 services or benefits;

3 (B) places limitations or restrictions on
4 deductibles, coinsurance, copayments, or any annual or lifetime
5 maximum benefit amounts, including limitations provided by
6 commissioner rule;

7 (C) includes a specific category of licensed
8 health care practitioner from whom an enrollee is entitled to
9 receive care;

10 (D) requires standard provisions or rights that
11 are unrelated to a specific health illness, injury, or condition of
12 an enrollee; or

13 (E) requires the health benefit plan to exceed
14 federal requirements.

15 Sec. 1506.002. RULES. The commissioner shall adopt rules
16 necessary to implement this chapter.

17 SUBCHAPTER B. EMPLOYER CHOICE OF BENEFITS PLANS

18 Sec. 1506.101. PLANS AUTHORIZED. (a) A health benefit plan
19 issuer may offer one or more employer choice of benefits plans.

20 (b) An employer choice of benefits plan must include
21 coverage for essential health benefits as defined by 42 C.F.R.
22 Section 440.347.

23 Sec. 1506.102. NOTICE TO ENROLLEES. (a) Each written
24 application to enroll in an employer choice of benefits plan must
25 contain the following language at the beginning of the document in
26 bold type:

27 "You have the option to enroll in this Employer Choice

1 of Benefits Plan that, either wholly or partly, does not provide
2 state-mandated health benefits normally required in health benefit
3 plans in Texas. This employer health benefit plan may provide a
4 more affordable health benefit plan for you, although, at the same
5 time, it may provide you with fewer health benefits than those
6 normally included as state-mandated health benefits in health
7 benefit plans in Texas. If you choose this employer health benefit
8 plan, please consult with your insurance agent to discover which
9 state-mandated health benefits are excluded from this health
10 benefit plan."

11 (b) Each employer choice of benefits plan must contain the
12 following language at the beginning of the document in bold type:

13 "This Employer Choice of Benefits Plan, either wholly
14 or partly, does not provide state-mandated health benefits normally
15 required in health benefit plans in Texas. This employer health
16 benefit plan may provide a more affordable health benefit plan for
17 you, although, at the same time, it may provide you with fewer
18 health benefits than those normally included as state-mandated
19 health benefits in health benefit plans in Texas. Please consult
20 with your insurance agent to discover which state-mandated health
21 benefits are excluded from this health benefit plan."

22 Sec. 1506.103. DISCLOSURE STATEMENT. (a) Before a health
23 benefit plan issuer may contract to provide an employer choice of
24 benefits plan to an employer, the issuer must provide the employer
25 with a written disclosure statement that:

26 (1) acknowledges that the employer health benefit plan
27 being contracted for does not provide some or all state-mandated

1 health benefits; and

2 (2) lists those state-mandated health benefits not
3 included in the plan.

4 (b) An employer entering into an initial contract for an
5 employer choice of benefits plan must sign the disclosure statement
6 provided by the health benefit plan issuer under Subsection (a) and
7 return the statement to the issuer.

8 (c) A health benefit plan issuer shall:

9 (1) retain the signed disclosure statement in the
10 health benefit plan issuer's records; and

11 (2) on request from the commissioner, provide the
12 signed disclosure statement to the department.

13 Sec. 1506.104. ADDITIONAL HEALTH BENEFIT PLANS. A health
14 benefit plan issuer that offers one or more employer choice of
15 benefits plans must also offer employers at least one group health
16 benefit plan that provides state-mandated health benefits and is
17 otherwise authorized by this code.

18 Sec. 1506.105. COVERAGE EXEMPT FROM INSURANCE LAW. An
19 employer choice of benefits plan provided under this chapter is
20 exempt from any other insurance law, including common law, that
21 does not expressly apply to the plan or this chapter.

22 SECTION 2. This Act takes effect immediately if it receives
23 a vote of two-thirds of all the members elected to each house, as
24 provided by Section 39, Article III, Texas Constitution. If this
25 Act does not receive the vote necessary for immediate effect, this
26 Act takes effect September 1, 2025.