

BILL ANALYSIS

S.B. 1406
By: Creighton
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Concerned parties note that certain federal regulations impose limitations on the range of actuarial values that a health benefit plan must fall within in order to comply with federal law. The parties assert that these limitations confine health benefit plans to a narrow range of actuarial values, which significantly increases plan expenses and creates confusion for employers as plans quickly become non-compliant with federal law and need to be redesigned and re-priced. S.B. 1406 seeks to address this issue by authorizing the commissioner of insurance to request a state innovation waiver for small employer health benefit plans of certain actuarial value and related levels of health plan coverage requirements from the appropriate federal agency.

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

S.B. 1406 amends the Insurance Code to authorize the commissioner of insurance to apply to and negotiate with the United States secretary of health and human services to obtain a state innovation waiver for small employer health benefit plans of the actuarial value requirements and related levels of health plan coverage requirements imposed under federal law.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2017.