

BILL ANALYSIS

S.B. 2016
By: Johnson
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Federal law requires states to pay the premium costs attributable to state-mandated benefits applied to qualified health plans if the benefits were enacted after 2011 and exceed the essential health benefits required under the federal Affordable Care Act. The Texas Department of Insurance has reviewed seven existing state-mandated benefits and determined that they do not exceed the federally mandated essential health benefits. However, to mitigate the risk of costs to the state, Texas began adding language to laws containing state-mandated benefits that would exempt qualified health plans in the event there was a federal determination that the state must defray the associated costs. The federal Centers for Medicare and Medicaid Services recently indicated that such an exemption may violate federal law if it applies only to qualified health plans and continues to require nonqualified health plans sold in the same market to provide all state-mandated benefits. S.B. 2016 seeks to address these issues by exempting qualified health plans and non-qualified health plans offered in the market from compliance with any state-mandated benefits determined to exceed the federally mandated essential health benefits and for which the state must defray the cost.

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. 2016 amends the Insurance Code to establish that a provision of the code mandating the coverage of certain health benefits that is enacted on or after January 1, 2012, does not apply to a qualified health plan, as defined by certain federal regulations relating to standards under the federal Affordable Care Act, if a determination is made under those regulations that the provision requires the plan to offer benefits in addition to the essential health benefits required under federal law and that the state must make payments to defray the cost of the additional benefits mandated by the provision. If such a determination is made, the provision to which the determination relates also does not apply to a non-qualified health plan that is offered in the same market as the applicable qualified health plan.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2021.