

- SUBJECT:** Open-enrollment periods for employer-provided insurance coverage
- COMMITTEE:** Insurance — favorable, with amendment
- VOTE:** 7 ayes — Smithee, Eiland, G. Lewis, J. Moreno, Seaman, Thompson, Wise
0 nays
2 absent — Burnam, Olivo
- WITNESSES:** For — Robin Vincent, Harris County
Against — None
- BACKGROUND:** Insurance Code, art. 26.83(f) requires the open-enrollment period when employees can make changes to their health insurance coverage to be at least 31 days long and to consist of an entire calendar month. If the calendar month is February, the open enrollment period must last through March 2. Art. 26.21(h) applies the same calendar-month requirement to small employers' health-benefit plans.
- DIGEST:** HB 1217, as amended, would remove the calendar-month requirement from both of the pertinent sections of the Insurance Code. The 31-day minimum length for open enrollment would remain unchanged.

HB 1217 would take effect September 1, 1999, and would apply only to an insurance policy, evidence of coverage, contract, or other document establishing coverage under a health-benefit plan delivered, issued for delivery, or renewed on or after that date.
- SUPPORTERS SAY:** The requirement that an open-enrollment period must include an entire calendar month is an undue burden for human resource offices. Claims data and other documentation must be presented to health-plan vendors before the availability of insurance coverage can be determined. Once the availability of the plans is known, management has to make a final decision on what plans to offer to employees. The time involved in this process is hard to predict. Under current law, the human resource office must delay the beginning of the open-enrollment period if the period will not fall neatly within an entire

calendar month. HB 1217 would allow more flexibility for the timing of open-enrollment periods. The period still would have to be 31 days but could begin and end on the 15th or any other day of the month.

Human resource departments for counties encounter problems with the current law since the commissioners court that makes health-plan decisions may meet only every other week. Some large counties may spend as much as \$1.9 million to insure their employees for the two-week delay before the beginning of a calendar month. Contracts with health-plan vendors are more expensive since the delay between enrollment periods is included in the overall cost.

Human resource offices must inform employees of many important dates that can fall on any day of the month. Some employers already choose to run their open-enrollment periods longer than 31 days with starting and ending dates on odd days of the month.

**OPPONENTS
SAY:**

If the open-enrollment period did not include an entire calendar month, employees might be confused about the time available to make changes to their insurance coverage. For example, an employee might think that the open-enrollment period ran for the entire month of March when it actually ended on March 29.

NOTES:

The committee amendment would delete the calendar-month requirement from the section of the Insurance Code applying to small employers' health-benefit plans.

The companion bill, SB 881 by Jackson, passed the Senate by voice vote on April 8 and has been referred to the House Insurance Committee.