

BILL ANALYSIS

Senate Research Center

S.B. 53
By: Shapiro
Economic Development
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As Filed

DIGEST

Currently, Texas law does not require a health maintenance organization (HMO) or health insurance plan to provide full coverage to an adopted child without limiting coverage of a preexisting condition. This bill would require an HMO or health insurance plan to provide full coverage without regard to preexisting conditions. S.B. 53 would also prohibit an HMO or health insurance plan from excluding or limiting coverage of a newborn child or placing limitations or exclusions for congenital defects of a newborn child. In addition, in making the above changes, this bill amends current law to correspond to the federal Kassebaum/Kennedy legislation.

PURPOSE

As proposed, S.B. 53, prohibits a health insurer or Health Maintenance Organization (HMO), under certain conditions, from denying or limiting coverage to an adopted child, or to a newborn. Prohibits a health insurer or HMO, under certain conditions, from limiting coverage of a preexisting condition of an adopted child.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 3D(b), Article 3.51-6, Insurance Code, to require an insurer that provides a health insurance policy to a person that includes coverage for the immediate family or children of the person insured, to provide full coverage under the policy to the adopted child without limiting coverage of a preexisting condition if an application for coverage for the child is made not later than 31st day after the date on which the adoption is final.

SECTION 2. Amends Chapter 20A, V.T.C.S. (The Texas Health Maintenance Organization Act), V.T.C.S. by adding Section 9A, as follows:

Sec. 9A. **REQUIRED COVERAGE FOR NEWBORNS; ADOPTED CHILDREN.** Requires each health maintenance organization (HMO) that provides coverage for health care services for the dependents of an enrollee to include full coverage for the newborn child of an enrollee if the child is enrolled in the health care plan not later than the 31st day after the date of the child's birth. Prohibits an HMO that provides coverage for the immediate family or children of an enrollee from excluding from coverage or limiting coverage to a child of an enrollee solely because the child is adopted. Requires the HMO to provide full coverage under the plan to the child without limiting coverage of a preexisting condition if the child is enrolled in the plan not later than the 31st day after the date on which the adoption is final.

SECTION 3. Makes Section 3D(b), Article 3.51-6, Insurance Code, as amended by Section 1 of this Act, prospective to January 1, 1998.

SECTION 4. Makes Section 9A, Chapter 20A, V.T.C.S., as added by Section 2 of this Act, prospective to January 1, 1998.

SECTION 5. Effective date: September 1, 1997.

SECTION 6. Emergency clause.