

## **BILL ANALYSIS**

Senate Research Center

C.S.S.B. 497  
By: Shapleigh  
Economic Development  
4/22/1999  
Committee Report (Substituted)

### **DIGEST**

Currently, the Texas Insurance Code allows an individual to enroll in a health benefit plan within 63 days of the lapse of their prior coverage in order to avoid being subject to a preexisting condition waiting period. Recent statistics compiled by the Texas Workforce Commission indicate that the average worker who loses their job is out of work for an average of 105 days before finding a new job. C.S.S.B. 497 increases the allowable coverage from 63 days to 105 days before a preexisting condition waiting period is instituted.

### **PURPOSE**

As proposed, C.S.S.B. 497 sets forth provisions regarding the application of the preexisting condition provisions of certain health benefit plans.

### **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 1(H)(4)(a), Article 3.70-1, Insurance Code, to prohibit a preexisting condition from applying to an individual who was continuously covered for 18 months by coverage that was in effect up to a date not more than 105 days, rather than 63 days, before the effective date of the individual coverage.

SECTION 2. Amends Section 10(a), Article 3.77, Insurance Code, to make a conforming change.

SECTION 3. Amends Section 12(b), Article 3.77, Insurance Code, to make conforming changes.

SECTION 4. Amends Article 3.95-4.8(e), Insurance Code, to make a conforming change.

SECTION 5. Amends Article 26.49(e), Insurance Code, to make a conforming change.

SECTION 6. Amends Article 26.90(e), Insurance Code, to make a conforming change.

SECTION 7. Effective date: September 1, 1999.  
Makes application of this Act prospective to January 1, 2000.

SECTION 8. Emergency clause.

### **SUMMARY OF COMMITTEE CHANGES**

#### SECTION 1.

Amends Section 1(H)(4)(a), Article 3.70-1, Insurance Code, to prohibit a preexisting condition from applying to an individual who was continuously covered for 18 months by coverage that was in effect up to a date not more than 105 days, rather than the proposed 110 days, before the effective date of the individual coverage.

#### SECTION 2.

Amends Section 10(a), Article 3.77, Insurance Code, to make a conforming change.

SECTION 3.

Amends Section 12(b), Article 3.77, Insurance Code, to make conforming changes.

SECTION 4.

Amends Article 3.95-4.8(e), Insurance Code, to make a conforming change.

SECTION 5.

Amends Article 26.49(e), Insurance Code, to make a conforming change.

SECTION 6.

Amends Article 26.90(e), Insurance Code, to make a conforming change.