

## **BILL ANALYSIS**

Senate Research Center

S.B. 990  
By: Sibley  
Business & Commerce  
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As Filed

### **DIGEST AND PURPOSE**

Currently, there are provisions in Chapter 26 of the Insurance Code, governing small and large employer health benefit plans, and in Article 21.53F of the Insurance Code, relating to coverage for minimum inpatient stay in a health care facility following the birth of a child, that do not comply with the Health Insurance Portability and Accountability Act (HIPAA). As proposed, S.B. 990 makes the necessary statutory changes to conform to federal law and to avoid preemption of state law under HIPAA.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subdivisions (10) through (32), Article 26.02, Insurance Code, as follows: Adds a definition for "employee." Redefines "late enrollee" to provide that among those who are not late enrollees is a child of a covered employee who has lost coverage under Title XIX of the Social Security Act (42 U.S.C. Section 1396 et seq.) or under Chapter 62 (Child Health Plan for Certain Low-Income Children), Health and Safety Code, and the request is made within 31 days. Makes conforming and nonsubstantive changes.

SECTION 2. Amends Subsection (a), Article 26.035, Insurance Code, to add to the reasons for which an individual's coverage is creditable. Makes nonsubstantive changes.

SECTION 3. Amends Subsections (a) and (b), Article 26.06, Insurance Code, to add to the reasons for which certain benefit plans are subject to Subchapters C-G of this chapter. Makes nonsubstantive changes.

SECTION 4. Amends Subsections (b) and (e), Article 26.22, Insurance Code, to prohibit a small employer carrier that refuses to issue a small employer health benefit plan in a geographic service area from offering a health benefit plan to a small employer, rather than group of not more than 50 individuals, in the affected service area before the fifth anniversary of the date of the refusal. Makes nonsubstantive changes.

SECTION 5. Amends Subsections (b) and (c), Article 26.23, Insurance Code, to authorize a small employer carrier to refuse to renew the coverage of a covered, rather than an eligible, employee or dependent for fraud or intentional misrepresentation of a material fact by that individual. Makes a conforming change.

SECTION 6. Amends Subsection (a), Article 26.81, Insurance Code, to make conforming and nonsubstantive changes.

SECTION 7. Amends Section 3(b), Article 21.53F, Insurance Code, as added by Chapter 832, Acts

of the 75th Legislature, Regular Session, 1997, to delete text regarding a small employer health benefit plan to which this Article does not apply. Makes nonsubstantive changes.

SECTION 8. Effective date: September 1, 2001.

Makes application of this Act prospective.