

BILL ANALYSIS

Senate Research Center
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S.B. 781
By: Watson
State Affairs
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Three-Share plan (plan) is a limited coverage plan that does not adequately cover the needs of individuals who otherwise qualify for the Texas Health Insurance Risk Pool (pool). Some businesses may be hesitant to purchase the plan because they have full-time employees who need coverage through the pool, but would be considered ineligible for the pool if their employer purchases the plan. If small businesses decide not to purchase a plan so that employees can remain eligible for the pool, the rest of the employees get nothing.

Current language in Section 1506.153 (Ineligibility for Coverage), Insurance Code, does not specifically address plans and could therefore be interpreted to include coverage through such plans. As a result, employees who work for small businesses that purchase plans may not be able to participate in the pool. S.B. 781 clarifies that participation in a plan does not exclude one from participation in the pool.

As proposed, S.B. 781 provides that an individual who is covered under a plan or whose employer participates in a program to provide health insurance coverage through a plan is not ineligible for coverage from the Texas Health Insurance Risk Pool.

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 Subchapter D, Chapter 1506, Insurance Code, by adding Section 1506.1531, as follows:

Sec. 1506.1531. CERTAIN REGIONAL OR LOCAL HEALTH CARE PLANS NOT DISQUALIFYING. Provides that, notwithstanding Section 1506.152 (Eligibility for Coverage) or 1506.153 (Ineligibility for Coverage) or another provision of this chapter, an individual is not ineligible for coverage from the Texas Health Insurance Risk Pool solely because the individual's employer participates in a program operated in accordance with Chapter 75 (Regional or Local Health Care Programs for Employees of Small Employers), Health and Safety Code, or a program operated on a similar basis, as determined by the board; or the individual receives health care services or benefits under the program.

SECTION 2. Effective date: upon passage or September 1, 2009.