

## **BILL ANALYSIS**

Senate Research Center  
86R3141 JES-D

S.B. 1852  
By: Paxton  
Business & Commerce  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

In 2003, the Texas Legislature passed S.B. 541, which created Consumer Choice Plans. These plans allowed insurers and health maintenance organizations to offer policies that, in whole or in part, did not provide state-mandated health benefits, but rather gave consumers (often small employers) the ability to choose which health insurance mandates are added to their policy, offering a lower-cost option.

In Consumer Choice Plans, carriers are required to notify consumers if they are purchasing a consumer choice plan, identify the benefits that have been limited, and receive a signature acknowledgement at the inception of the policy and upon the renewal of the policy. Often obtaining a signature on renewal of a policy, which is often done via e-mail or a phone conversation with an agent, can be difficult.

S.B. 1852 removes the requirement for signature upon each policy renewal to ease the administrative burden currently borne by businesses which participate in the Consumer Choice Insurance Plans. The disclosures will still be provided to the consumers to keep employees informed.

As proposed, S.B. 1852 amends current law relating to disclosures required in connection with the issuance of certain health benefit plans.

### **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 Section 1507.006(b), Insurance Code, as follows:

(b) Requires each applicant for initial coverage, rather than each applicant for initial coverage and each policyholder on renewal of coverage, to sign the disclosure statement provided by the health carrier under Subsection (a) (relating to certain disclosure required of a provider of a standard health benefit plan) and return the statement to the health carrier.

SECTION 2. Amends Section 1507.056(b), Insurance Code, as follows:

(b) Requires each applicant for initial enrollment, rather than each applicant for initial enrollment and each contract holder on renewal, to sign the disclosure statement provided by the health maintenance organization under Subsection (a) (relating to certain disclosure of a health maintenance organization providing a standard health benefit plan) and return the statement to the health maintenance organization.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: September 1, 2019.