

BILL ANALYSIS

Senate Research Center
87R5684 MWC-F

S.B. 874
By: Hancock
Business & Commerce
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The 79th Texas Legislature created the Texas Health Insurance Pool (pool) to provide health insurance to eligible Texans unable to obtain health insurance due to health conditions. The 83rd Texas Legislature passed S.B. 1367 to dissolve the pool due to changes in federal law that generally prohibited carriers from rejecting applicants with serious and/or pre-existing health conditions.

The 85th and 86th Texas Legislatures passed legislation to provide a "safety net" for Texas should federal action allow for or require state risk or reinsurance pools to cover individuals with high cost medical conditions, or provide reinsurance, thus allowing carriers to reduce health insurance premiums. Federal action may be taken and/or federal funding may become available before the next Texas legislative session, so provisions must be made in state law this session to permit the Texas Department of Insurance to access the possible federal funds on an interim basis. S.B. 874 continues the chapter enacted by S.B. 1940 from the 86th Legislative Session.

As proposed, S.B. 874 amends current law relating to the reporting and expiration dates of a temporary health insurance risk pool administered by the commissioner of insurance.

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 1510.012(a), Insurance Code, as follows:

(a) Requires the Texas Department of Insurance, beginning June 1, 2022, rather than June 1, 2020, not later than June 1 of each year, to submit a report of temporary health insurance risk pool activities to the governor, lieutenant governor, and the speaker of the house of representatives.

SECTION 2. Amends Section 1510.013, Insurance Code, as follows:

Sec. 1510.013. EXPIRATION OF CHAPTER. Provides that Chapter 1510 (Temporary Health Insurance Risk Pool) expires August 31, 2023, rather than August 31, 2021.

SECTION 3. Effective date: upon passage or September 1, 2021.