

## **BILL ANALYSIS**

Senate Research Center

H.B. 2969  
By: Averitt (Sibley)  
Economic Development  
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Engrossed

### **DIGEST**

Currently, several issues regarding the required listing of insurance coverage, a notification of discontinuance, and participation requirements, subject to the provisions of Chapter 26, Insurance Code, are inconsistent, ineffective, and unclear. For example: a large employer health carrier can require a large employer to meet minimum participation requirements; however, employers are not explicitly authorized to require participation from their employees and dependents. H.B. 2969 makes several statutory modifications to clarify and unify regulations which govern small and large employer health plan certification, discontinuance, and dependent participation requirements.

### **PURPOSE**

As proposed, H.B. 2629 makes several statutory modifications to clarify and unify regulations which govern small and large employer health plan certification, discontinuance, and dependent participation requirements.

### **RULEMAKING AUTHORITY**

Rulemaking authority is granted to the commissioner of insurance in SECTION 1 (Article 26.07(a), Insurance Code) and SECTION 3 (Article 26.82(a), Insurance Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Article 26.07, Insurance Code, to require each health carrier to certify, in accordance with the commissioner of insurance's (commissioner) rules, that the health carrier is offering certain aspects of a health benefit to or through a small employer in Texas. Requires a health carrier to submit a revised certification to the commissioner, under certain circumstances. Requires the health carrier to comply with this chapter. Deletes text regarding dates, and certification, and makes conforming changes.

SECTION 2. Amends Article 26.24(d), Insurance Code, to authorize a small employer carrier to take certain action if it provides notice of the discontinuation to the employer and the commissioner. Makes conforming changes.

SECTION 3. Amends Article 26.82, Insurance Code, to make conforming changes.

SECTION 4. Amends Article 26.83(e), Insurance Code, to authorize the participation requirements to determine the percentage of eligible employees who meet the participation criteria established by the employer. Authorizes a large employer carrier to apply participation requirements to certain employees, but is prohibited from applying those same requirements to eligible dependents. Deletes text regarding participation criteria.

SECTION 5. Amends Article 26.87(d), Insurance Code, to make conforming changes.

SECTION 6. (a) Effective date: September 1, 1999.

(b) Requires the commissioner of insurance to adopt necessary rules by January 1, 2000.

(c) Requires certain health carriers to provide required certification by March 1, 2000.

SECTION 7. Emergency clause.

