

BILL ANALYSIS

Senate Research Center
77R7060 AJA-D

H.B. 2127
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Business & Commerce
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Engrossed

DIGEST AND PURPOSE

Under current law, health coverage providers are legally able to deny benefits to an applicant enlisted in another health benefit plan until the applicant's membership in the previous plan is terminated. This conduct may cause complications for a person trying to change health insurance plans. H.B. 2127 prohibits a health benefit plan provider from refusing to cover a member of another health benefit plan.

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 Chapter 21E, Insurance Code, by adding Article 21.52L, as follows:

Art. 21.52L. DENIAL OF HEALTH BENEFIT PLAN ENROLLMENT BASED ON EXISTING COVERAGE PROHIBITED

Sec. 1. **APPLICABILITY OF ARTICLE.** (a) Provides that this article applies only to a health benefit plan that provides benefits for medical or surgical expenses incurred as a result of a health condition, accident, or sickness, including an individual, group, blanket, or franchise insurance policy or insurance agreement, a group hospital service contract, or an individual or group evidence of coverage or similar coverage document that is offered by certain groups.

(b) Provides that this article applies to a small employer health benefit plan written under Chapter 26 of this code.

(c) Provides that this article does not apply to certain plans.

Sec. 2. **PROHIBITION.** Prohibits the issuer of a health benefit plan from refusing to enroll a person in the plan solely because the person is enrolled in another health benefit plan at the time the person applies for the coverage.

Sec. 3. **VIOLATION.** Provides that an issuer of a health benefit plan who violates the article engages in unfair discrimination under Article 21.21-8 of this code.

SECTION 2. Effective date: September 1, 2001.