

## **BILL ANALYSIS**

Senate Research Center

H.B. 2191  
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### **DIGEST AND PURPOSE**

The Texas Health Insurance Risk Pool (pool) was created to provide access to quality health care for Texans facing critical problems with the availability and cost of health care coverage. The pool is how Texas meets the requirements of the federal Health Insurance Portability and Accountability Act. Some sections of the Insurance Code may need to be amended to clarify how the pool applies to persons eligible for coverage under HIPAA and to ensure fair and efficient administration of the pool. H.B. 2191 modifies provisions regarding eligibility requirements and the administration of the Texas Health Insurance Risk Pool.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, agency, or institution.

### **SECTION BY SECTION ANALYSIS**

H.B. 2191 amends the Insurance Code to add to the list of persons eligible for health benefit plan coverage under the Texas Health Insurance Risk Pool (pool) a Texas resident who provides to the pool evidence that the resident had health insurance coverage under another state's qualified Health Insurance Portability and Accountability Act health program that was terminated not more than 63 days prior to application. The bill also provides that if a resident has been a permanent resident of the United States for at least three continuous years, the resident is eligible under existing eligibility requirements.

The bill provides that a person is not eligible for coverage from the pool if the person has had prior coverage with the pool terminated during the 12 months immediately preceding the date of application for nonpayment of premiums or has had prior coverage with the pool terminated for fraud. The bill requires that coverage of a person who ceases to meet the eligibility requirements be terminated on the earlier of the premium due date that follows the date the pool determines the person does not meet the eligibility requirements or the first day of the month that follows the month in which the pool determines the person does not meet the eligibility requirements. The pool has sole discretion to determine that a person does not meet the eligibility requirements.

The bill provides that a person who is eligible for health insurance benefits sponsored by an employer is not eligible for pool coverage. An insurer, agent, third party administrator, or other person licensed under this code is prohibited from attempting placement in the pool of a person who is eligible for employer sponsored health insurance for the purpose of separating the person from the employer-sponsored health insurance benefits.

The bill provides that a violation of this provision is an unfair method of competition and an unfair or deceptive act or practice (Sec. 10, Art. 3.77). The bill provides that an assessment imposed against an insurer is due on a date specified by the board of directors of the pool that may not be earlier than the 30th day after the date on which prior written notice of the assessment due is transmitted to the insurer. Interest accrues on the unpaid amount at a rate equal to the prime lending rate plus three percent.

Effective date: September 1, 2001.