

BILL ANALYSIS

Senate Research Center
78R4243 PB-D

S.B. 467
By: Averitt
State Affairs
4/5/2003
As Filed

DIGEST AND PURPOSE

Currently, Texans who cannot obtain insurance through a private health insurance company can obtain insurance through the Texas Health Insurance Risk Pool. Health insurance companies which issue certain types of health insurance policies are required to contribute funds to support the pool, but many companies do not issue those types of policies. As proposed, S.B. 467 expands the list of covered policies and lowers the premium cap to 150 percent of the standard rate.

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 2, Article 3.77, Insurance Code, by amending Subsections (7) and (10) and adding Subsection (6-a), to define "health benefit plan," and redefine "health insurance" and insured."

SECTION 2. Amends Section 4(c), Article 3.77, Insurance Code, to eliminate individuals licensed as or employed by or affiliated with a physician, hospital, or other health care provider from the individuals who may be selected as members of the board of directors of the pool (board).

SECTION 3. Amends Section 6(b), Article 3.77, Insurance Code, to authorize the Texas Health Insurance Risk Pool (pool) to issue medicare supplemental health insurance for persons age 65 and older who are eligible for Medicare.

SECTION 4. Amends Section 7(g), Article 3.77, Insurance Code, to make a conforming change.

SECTION 5. Amends Section 9(d), Article 3.77, Insurance Code, to delete language referencing the rate requirements for initial pool rates. Requires the premium rates to be established to provide for the expected costs of claims. Decreases from 200 percent to 150 percent the amount of rates applicable to individual standard risks which pool rates can not exceed.

SECTION 6. Amends Sections 10(e) and (f), Article 3.77, Insurance Code, as follows:

(e) Includes an individual imprisoned in a federal prison as a person not eligible for coverage from the pool.

(f) Requires pool coverage to cease under certain conditions.

SECTION 7. Amends Section 11(a), Article 3.77, Insurance Code, to require the pool to offer pool coverage consistent with major medical expense coverage to each eligible person who is under the age of 65, rather than not eligible for Medicare.

SECTION 8. Amends Section 13, Article 3.77, Insurance Code, by amending Subsections (c) and (d) and by adding Subsections (d-1) and (d-2), as follows:

(c) Requires each insurer to report to the board the number of certain individuals enrolled in state offered insurer's health benefit plans, including those individuals for whom a premium is paid and coverage is provided under an excess loss, stop-loss, or reinsurance policy issued by the insurer to an employer or group health plan in this state, as of December 31 of the previous year. Authorizes the insurer providing stop-loss insurance, excess loss insurance, or reinsurance to exclude from its count the number of dependents and, from the number of employees or retired employees or individual policyholders or subscribers, those persons who have been counted by the primary carrier or primary reinsurer. Requires each insurer's assessment to be determined annually by the board based on annual statements, the insurer's annual report to the board, and any other reports required by and filed with the board.

(d) Requires the assessment imposed against each insurer to be determined by the number of employees and retired employees or individual policyholders or subscribers enrolled in the insurer's health benefit plans offered in this state, including the number of employees or retired employees for whom a premium is paid and coverage is provided under an excess loss, stop-loss, or reinsurance policy issued by the insurer to an employer or group health plan in this state, as of December 31 of the previous year. Requires the assessment, if any, determined by the board to be assessed by a certain method.

(d-1) Creates this Subsection from existing text in Subsection (d).

(d-2) Provides that for purposes of the assessment under this section, a health benefit plan does not include certain items.

SECTION 9. Amends Section 15(a), Article 3.77, Insurance Code, to authorize, rather than require, the state auditor to conduct an annual special audit. Makes conforming changes.

SECTION 10. Makes application of this Act prospective.

SECTION 11. Effective date: upon passage or September 1, 2003.