

BILL ANALYSIS

Senate Research Center
79R3120 DLF-D

H.B. 407
By: Uresti (Madla)
Education
5/17/2005
Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Current Texas law, under the Administrative Code, does not allow two married individuals working for the same employer to be eligible for coverage as a dependent. A married couple with children are not eligible for coverage as one member family coverage. Both individuals are required to carry separate coverage with one of the spouses adding the children as dependents. This causes an increase in health insurance premiums for the family.

H.B. 407 authorizes spouses who both work in a school district to either elect to be the dependent or the other employee or to obtain separate coverage.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the commissioner of insurance in SECTION 1 (Section 1501.0095, Insurance Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter A, Chapter 1501, Insurance Code, as effective April 1, 2005, by adding Section 1501.0095, as follows:

Sec. 1501.0095. SCHOOL DISTRICT EMPLOYEE ELECTION. (a) Authorizes a school district employee who is eligible for coverage under a large or small employer health plan benefit providing coverage to the school district's employees and who is the spouse of another school district employee covered under the plan, notwithstanding any other provision of this chapter, to elect whether to be treated as an employee or the dependent of the other employee under the plan.

(b) Requires the commissioner of insurance to adopt rules under Section 1501.010 governing the manner in which an election under this section must be made.

SECTION 2. Makes application of this Act prospective to the 2005-2006 school year.

SECTION 3. Effective date: April 1, 2005, or September 1, 2005.