

Chapter 1217

AN ACT

1
2 relating to requirements regarding employer liability for certain
3 group health benefit plan premiums and to a health benefits study to
4 be conducted by the Texas Department of Insurance.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 843.210, Insurance Code, is amended to
7 read as follows:

8 Sec. 843.210. TERMS OF ENROLLEE ELIGIBILITY. (a) A
9 contract between a health maintenance organization and a group
10 contract holder must provide that:

11 (1) in addition to any other premiums for which the
12 group contract holder is liable, the group contract holder is
13 liable for an enrollee's premiums from the time the enrollee is no
14 longer part of the group eligible for coverage under the contract
15 until the end of the month in which the contract holder notifies the
16 health maintenance organization that the enrollee is no longer part
17 of the group eligible for coverage by the contract; and

18 (2) the enrollee remains covered by the contract until
19 the end of that period.

20 (b) Each health maintenance organization that enters into a
21 contract described by Subsection (a) shall notify the group
22 contract holder periodically as provided by this section that the
23 contract holder is liable for premiums on an enrollee who is no
24 longer part of the group eligible for coverage under the contract

1 until the health maintenance organization receives notification of
2 termination of the enrollee's eligibility for that coverage.

3 (c) If the health maintenance organization charges the
4 group contract holder on a monthly basis for the coverage premiums,
5 the health maintenance organization shall include the notice
6 required by Subsection (b) in each monthly statement sent to the
7 group contract holder. If the health maintenance organization
8 charges the group contract holder on other than a monthly basis for
9 the premiums, the health maintenance organization shall notify the
10 group contract holder periodically in the manner prescribed by the
11 commissioner by rule.

12 (d) The notice required by Subsection (b) must include a
13 description of methods preferred by the health maintenance
14 organization for notification by a group contract holder of an
15 enrollee's termination from coverage eligibility.

16 SECTION 2. Section 1301.0061, Insurance Code, is amended to
17 read as follows:

18 Sec. 1301.0061. TERMS OF ENROLLEE ELIGIBILITY. (a) A
19 contract between an insurer and a group policyholder under a
20 preferred provider benefit plan must provide that:

21 (1) in addition to any other premiums for which the
22 group policyholder is liable, the group policyholder is liable for
23 an individual insured's premiums from the time the individual is no
24 longer part of the group eligible for coverage under the policy
25 until the end of the month in which the policyholder notifies the
26 insurer that the individual is no longer part of the group eligible
27 for coverage under the policy; and

1 (2) the individual remains covered under the policy
2 until the end of that period.

3 (b) Each insurer that enters into a contract described by
4 Subsection (a) shall notify the group policyholder periodically as
5 provided by this section that the policyholder is liable for
6 premiums on an individual who is no longer part of the group
7 eligible for coverage until the insurer receives notification of
8 termination of the individual's eligibility for coverage.

9 (c) If the insurer charges the group policyholder on a
10 monthly basis for the premiums, the insurer shall include the
11 notice required by Subsection (b) in each monthly statement sent to
12 the group policyholder. If the insurer charges the group
13 policyholder on other than a monthly basis for the premiums, the
14 insurer shall notify the group policyholder periodically in the
15 manner prescribed by the commissioner by rule.

16 (d) The notice required by Subsection (b) must include a
17 description of methods preferred by the insurer for notification by
18 a group policyholder of an individual's termination from coverage
19 eligibility.

20 SECTION 3. Subchapter B, Chapter 32, Insurance Code, is
21 amended by adding Section 32.0221, to read as follows:

22 Sec. 32.0221. TEXAS HEALTH BENEFITS STUDY. (a) The
23 department shall study the disparity in patient copayments between
24 orally and intravenously administered chemotherapies, the reasons
25 for the disparity, and the patient benefits in establishing
26 copayment parity between oral and infused chemotherapy agents.

27 (b) Not later than August 1, 2010, the department shall

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1 submit to the governor, the lieutenant governor, the speaker of the
2 house of representatives, and the appropriate standing committees
3 of the legislature a report regarding the results of the study
4 conducted under Subsection (a), together with any recommendation
5 for legislation.

6 SECTION 4. The change in law made by Section 1 and 2 of this
7 Act applies only to a contract between an insurer or health
8 maintenance organization and a group policy or contract holder that
9 is entered into or renewed on or after January 1, 2010. A contract
10 entered into or renewed before January 1, 2010, is governed by the
11 law in effect immediately before the effective date of this Act, and
12 that law is continued in effect for that purpose.

13 SECTION 5. This Act takes effect September 1, 2009.

S.B. No. 1143

David Newkum

President of the Senate

Jim Strawn

Speaker of the House

I hereby certify that S.B. No. 1143 passed the Senate on April 2, 2009, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendment on May 30, 2009, by the following vote: Yeas 31, Nays 0.

Aetsy Saw

Secretary of the Senate

I hereby certify that S.B. No. 1143 passed the House, with amendment, on May 26, 2009, by the following vote: Yeas 111, Nays 31, two present not voting.

Robert Haney

Chief Clerk of the House

Approved:

19 JUN '09

Date

Rick Perry

Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
2 PM O'CLOCK

JUN 19 2009

Colby Shuter III