

BILL ANALYSIS

Senate Research Center
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H.B. 3584
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Economic Development
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Engrossed

DIGEST

H.B. 3584 requires a plan that provides coverage for a child who is a dependent of an enrollee to provide coverage for the child, including an adopted child, stepchild, foster child, or other child who is in a regular parent-child relationship with the enrollee, for as long as the child is younger than age 25 and unmarried. This bill also prohibits the required benefits from being made subject to a deductible, coinsurance, or copayment requirement that exceeds the deductible, coinsurance, or copayment requirements applicable to other similar benefits provided under the health benefit plan.

PURPOSE

As proposed, H.B. 3584 establishes provisions regarding dependent coverage under certain group health benefit plans.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the commissioner of insurance in SECTION 1 (Section 5, Article 21.53M, Insurance Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter E, Chapter 21, Insurance Code, by adding Article 21.53M, as follows:

ARTICLE 21.53M. DEPENDENT COVERAGE DEFINED

Sec. 1. **DEFINITIONS.** Defines "enrollee" and "health benefit plan."

Sec. 2. **SCOPE OF ARTICLE.** (a) Specifies that Article 21.53M applies only to a health benefit plan (plan) that provides benefits for medical or surgical expenses incurred because of a health condition, accident, or sickness. These types of plans include an individual, group, blanket, or franchise insurance policy or insurance agreement, a group hospital service contract, and individual or group coverage. Specifies that these plans are offered by an insurance company; a group hospital service corporation; a fraternal benefit society; a stipulated premium insurance company; a reciprocal exchange; a health maintenance organization; a multiple employer welfare arrangement; and an approved nonprofit health corporation.

(b) Provides that Article 21.53M does not apply to a plan that provides coverage only for a specific disease or other limited benefit; only for accidental death or dismemberment; for wages or payments for a period during which an employee is absent from work because of sickness or injury; as a supplement to liability insurance; for credit insurance; only for dental or vision care; only for hospital expenses; or only for indemnity for hospital confinement. Also excluded is a small employer health benefit plan; a Medicare supplemental policy; workers' compensation insurance coverage; medical payment insurance coverage issued as part of a motorvehicle insurance policy; or a long-term care policy.

Sec. 3. **CHILD COVERAGE REQUIRED.** Requires a plan that provides coverage for a child who is a dependent of an enrollee to provide coverage for the child, including an adopted child, stepchild, foster child, or other child who is in a regular parent-child relationship with the enrollee, for as long as the child is younger than age 25 and unmarried.

Sec. 4. **DEDUCTIBLE, COINSURANCE, AND COPAYMENT REQUIREMENTS.** Prohibits

the benefits required under this article from being made subject to a deductible, coinsurance, or copayment requirement that exceeds the deductible, coinsurance, or copayment requirements applicable to other similar benefits provided under the plan.

Sec. 5. RULES. Requires the commissioner of insurance to adopt rules as necessary to administer this article.

SECTION 2. Effective date: September 1, 1999.

Makes application of this Act prospective for a plan that is delivered, issued for delivery, or renewed on or after January 1, 2000.

SECTION 3. Emergency clause.