

BILL ANALYSIS

Senate Research Center

H.B. 1440
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Business & Commerce
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Engrossed

DIGEST AND PURPOSE

Current law allows a health insurance plan to terminate coverage for children of enrollees at the age of 19, or 23 if the dependent child is a student. The 18-24 age group represents a large segment of the uninsured population in Texas. The Texas Health and Human Services Commission reports that, between 1996 and 1998, 42 percent of Texans aged 18 to 24 were uninsured. One possible solution for this problem is raising the age limits for the dependent children and grandchildren of health plan enrollees. H.B. 1440 raises to 24 the age limit for the coverage of dependents.

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. 1440 amends the Insurance Code to provide that individual or group health benefit coverage for children of policyholders extends to children under 25 years of age. A health benefit plan may not condition coverage for a child younger than 25 years of age on the child's being enrolled at an educational institution (Secs. 2 and 3, Art. 21.24-2). The bill changes the age of full-time students that may be covered as dependents from under 23 years of age to 25 years of age and older (Secs. 2 and 10, Art. 3.77; Secs. 2 and 3, Art. 21.24-2; and Art. 26.02). A health insurance policy that provides coverage for a child of the policyholder must provide coverage for any unmarried grandchild of the policyholder if the grandchild is under 25 years of age and is claimed as a dependent by the policyholder for federal income tax purposes at the time application for coverage of the grandchild is made (Sec. 3E, Art. 3.51-6; Sec. 2, Art. 3.70-2; Sec. 9H, Art. 20A.09; and Art. 26.02). Coverage for a grandchild may not be terminated solely because the covered child is no longer a dependent of the policyholder for federal income tax purposes (Sec. 3E, Art. 3.51-6; Sec. 2, Art. 3.70-2). The bill prohibits a group or individual accident and sickness insurance policy that provides coverage for children of an insured from excluding or discontinuing service for or setting a different premium for a child of the policyholder's spouse regardless of whether the child resides with the policyholder (Sec. 2, Art. 3.70-2).

Effective date: September 1, 2001. This Act applies only to a policy, plan, contract, or evidence of coverage delivered, issued for delivery, or renewed on or after January 1, 2002.