

BILL ANALYSIS

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S.B. 575
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Patient Protection and Affordable Care Act (PPACA) allows for states to set their own parameters for abortion coverage for qualified health plans offered through the exchange marketplace. S.B. 575 prohibits any qualified health plan offered through the Texas state exchange from providing health benefit coverage for elective abortions, except in the case of a medical emergency as defined in Chapter 171.002 (Definitions), Health and Safety Code.

Secondly, S.B. 575 prohibits elective abortions from being covered in private health insurance plans as well as various state employees' health benefit plans, except in the case of a medical emergency. S.B. 575 clarifies that insurance coverage for elective abortion is available to consumers through separate, supplemental plans.

As proposed, S.B. 575 amends current law relating to health plan and health benefit plan coverage for abortions.

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 Title 8, Insurance Code, by adding Subtitle L, as follows:

SUBTITLE L. FEDERAL PATIENT PROTECTION AND AFFORDABLE CARE ACT

CHAPTER 1691. LEGISLATIVE CONSIDERATIONS

Sec. 1691.001. CONSTITUTIONALITY OF PATIENT PROTECTION AND AFFORDABLE CARE ACT. Provides that this subtitle does not constitute an acknowledgment by the legislature of the legitimacy of the Patient Protection and Affordable Care Act (Pub. L. No. 111-148) as a constitutional exercise of the power of the United States Congress.

CHAPTER 1692. COVERAGE FOR ABORTION; PROHIBITIONS AND REQUIREMENTS

Sec. 1692.001. DEFINITIONS. Defines "abortion," "health benefit exchange," and "qualified health plan."

Sec. 1692.002. PROHIBITED COVERAGE THROUGH HEALTH BENEFIT EXCHANGE. (a) Prohibits a qualified health plan offered through a health benefit exchange from providing coverage for an abortion other than coverage for an abortion performed when a life-threatening physical condition exists, based on reasonable medical judgment, that complicates the medical condition of the pregnant woman or pregnant minor to an extent that the abortion of her pregnancy is necessary to prevent her death or a serious risk of substantial and irreversible physical impairment of a major bodily function of the woman or minor, other than a psychological or emotional condition.

(b) Provides that Subsection (a) does not authorize coverage for an abortion based on a potential future medical condition that may result from a voluntary act of the woman or minor.

(c) Provides that this section does not prevent a person from purchasing optional or supplemental coverage for abortions under a health benefit plan other than a qualified health plan offered through a health benefit exchange.

SECTION 2. Amends Subtitle A, Title 8, Insurance Code, by adding Chapter 1218, as follows:

CHAPTER 1218. COVERAGE FOR ABORTION; PROHIBITIONS AND REQUIREMENTS

Sec. 1218.001. DEFINITION. Defines “abortion.”

Sec. 1218.002. APPLICABILITY OF CHAPTER. (a) Provides that this chapter applies only to a health benefit plan that provides benefits for medical or surgical expenses incurred as a result of a health condition, accident, or sickness, including an individual, group, blanket, or franchise insurance policy or insurance agreement, a group hospital service contract, or an individual or group evidence of coverage or similar coverage document that is offered by certain health care-related and insurance-related entities as set forth.

(b) Provides that this chapter applies to group health coverage made available by a school district in accordance with Section 22.004 (Group Health Benefits for School Employees), Education Code.

(c) Provides that this chapter applies to a basic coverage plan under Chapter 1551 (Texas Employees Group Benefits Act), a basic plan under Chapter 1575 (Texas Public School Employees Group Benefits Program), a primary coverage plan under Chapter 1579 (Texas School Employees Uniform Group Health Coverage), and basic coverage under Chapter 1601 (Uniform Insurance Benefits Act for Employees of The University of Texas System and the Texas A&M University System), notwithstanding any provision of those chapters or any other law.

(d) Provides that, notwithstanding Section 1501.251 (Exception From Certain Mandated Benefit Requirements), this chapter applies to coverage under a small or large employer health benefit plan subject to Chapter 1501 (Health Insurance Portability and Availability Act).

(e) Provides that, notwithstanding Section 1507.003 (State-Mandated Health Benefits) or 1507.053 (State-Mandated Health Benefits), this chapter applies to a standard health benefit plan provided under Chapter 1507 (Consumer Choice of Benefits Plans).

Sec. 1218.003. COVERAGE BY HEALTH BENEFIT PLAN. (a) Authorizes a health benefit plan, except as provided by Subsection (b), to provide coverage for abortion only if the coverage is provided to an enrollee separately from other health benefit plan coverage offered by the health benefit plan issuer, an enrollee pays separately from, and in addition to, the premium for other health benefit plan coverage a premium for coverage for abortion, and an enrollee provides a signature for coverage for abortion, separately and distinct from the signature required for other health benefit plan coverage offered by the health benefit plan issuer.

(b) Authorizes a health benefit plan, notwithstanding Subsection (a), to provide coverage for an abortion performed when a life-threatening physical condition exists, based on the performing physician’s reasonable medical judgment, that complicates the medical condition of a pregnant enrollee to the extent that the abortion of her pregnancy is necessary to prevent her death or a serious risk of substantial and irreversible physical impairment of a major bodily function of the enrollee, other than a psychological or emotional condition.

(c) Provides that Subsection (b) does not authorize coverage for an abortion based on a potential future medical condition that may result from a voluntary act of the enrollee.

Sec. 1218.004. CALCULATION OF PREMIUM. (a) Requires a health benefit plan issuer that provides coverage for abortion to calculate the premium for the coverage so that the premium fully covers the estimated cost of abortion per enrollee, determined on an average actuarial basis.

(b) Prohibits the health benefit plan issuer, in calculating the premium under Subsection (a), from taking into account any cost savings in other health benefit plan coverage offered by the health benefit plan issuer that is estimated to result from coverage for abortion, including costs associated with prenatal care, delivery or postnatal care.

(c) Prohibits a health benefit plan issuer that provides coverage other than coverage for abortion from providing a premium discount to or reducing the premium for an enrollee for coverage other than coverage for abortion on the basis that the enrollee has health benefit plan coverage for abortion.

Sec. 1218.005. NOTICE BY ISSUER. Requires a health benefit plan issuer that provides coverage for abortion to, at the time of enrollment in the health benefit plan, provide each enrollee with a notice that coverage for abortion is optional and separate from other health benefit plan coverage offered by the health benefit plan issuer, the premium cost for coverage for abortion is a premium paid separately from, and in addition to, the premium for other health benefit plan coverage offered by the health benefit plan issuer, and the enrollee may enroll in a health benefit plan that provides coverage other than coverage for abortion without obtaining coverage for abortion.

Sec. 1218.006. ACCEPTANCE OR REJECTION OF SUPPLEMENTAL COVERAGE BY EMPLOYEES AND GROUP MEMBERS. Requires the employer offering the employee health benefit plan or the entity offering the group health benefit plan, if a small or large employer health benefit plan or group health benefit plan offers coverage for abortion, to provide each employee or group member with an opportunity to accept or reject supplemental coverage for abortion at the beginning of employment or when the group member's coverage begins, as applicable, and at least one time in each calendar year after the first year of employment or group coverage.

SECTION 3. Makes application of this Act prospective to January 1, 2016.

SECTION 4. Effective date: September 1, 2015.