By: Rodriguez of Travis H.B. No. 224

A BILL TO BE ENTITLED

AN ACT

relating to health benefit plan coverage of preexisting conditions.

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

SECTION 1. Subtitle G, Title 8, Insurance Code, is amended by adding Chapter 1509 to read as follows:

CHAPTER 1509. COVERAGE OF PREEXISTING CONDITIONS

Sec. 1509.001. DEFINITION. In this chapter, "preexisting condition" means a condition present before the effective date of an individual's coverage under a health benefit plan.

Sec. 1509.002. APPLICABILITY OF CHAPTER. (a) This chapter applies only to a health benefit plan, including a small employer health benefit plan written under Chapter 1501 or coverage provided through a health group cooperative under Subchapter B of that chapter, 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:

(1) an insurance company;

(2) a group hospital service corporation operating under Chapter 842;

(3) a fraternal benefit society operating under Chapter 885;

(4) a Lloyd's plan operating under Chapter 941;

(5) a stipulated premium insurance company operating under Chapter 884;

(6) a reciprocal exchange operating under Chapter 942;

(7) a health maintenance organization operating under Chapter 843;

(8) a multiple employer welfare arrangement that holds a certificate of authority under Chapter 846; or

(9) an approved nonprofit health corporation that holds a certificate of authority under Chapter 844.

(b) This chapter applies to coverage under a group health benefit plan described by Subsection (a) provided to a resident of this state, regardless of whether the group policy, agreement, or contract is delivered, issued for delivery, or renewed within or outside this state.

(c) This chapter applies to group health coverage made available by a school district in accordance with Section 22.004, Education Code.

(d) This chapter applies to a self-funded health benefit plan sponsored by a professional employer organization under Chapter 91, Labor Code.

(e) Notwithstanding Section 22.409, Business Organizations Code, or any other law, this chapter applies to health benefits provided by or through a church benefits board under Subchapter I, Chapter 22, Business Organizations Code.

(f) Notwithstanding Sections 157.008 and 157.106, Local Government Code, or any other law, this chapter applies to a county

employee health benefit plan provided under Chapter 157, Local Government Code.

(g) Notwithstanding Section 75.104, Health and Safety Code, or any other law, this chapter applies to a regional or local health care program operated under that section.

(h) Notwithstanding Section 172.014, Local Government Code, or any other law, this chapter applies to health and accident coverage provided by a risk pool created under Chapter 172, Local Government Code.

(i) Notwithstanding any provision in Chapter 1551, 1575, 1579, or 1601 or any other law, this chapter applies to:

(1) a basic coverage plan under Chapter 1551;

(2) a basic plan under Chapter 1575;

(3) a primary care coverage plan under Chapter 1579; and

(4) basic coverage under Chapter 1601.

(j) Notwithstanding any other law, a standard health benefit plan provided under Chapter 1507 must provide the coverage required by this chapter.

(k) To the extent allowed by federal law, the child health plan program operated under Chapter 62, Health and Safety Code, the state Medicaid program, and a managed care organization that contracts with the Health and Human Services Commission to provide health care services to recipients through a managed care plan shall provide the coverage required under this chapter to a recipient.

Sec. 1509.003. EXCEPTIONS. (a) This chapter does not apply

to:

(1) a plan that provides coverage:

(A) for wages or payments in lieu of wages for a period during which an employee is absent from work because of sickness or injury;

(B) as a supplement to a liability insurance policy;

(C) for credit insurance;

(D) only for dental or vision care;

(E) only for hospital expenses; or

(F) only for indemnity for hospital confinement;

(2) a Medicare supplemental policy as defined by Section 1882(g)(1), Social Security Act (42 U.S.C. Section 1395ss(g)(1));

(3) a workers' compensation insurance policy;

(4) medical payment insurance coverage provided under a motor vehicle insurance policy; or

(5) a long-term care policy, including a nursing home fixed indemnity policy, unless the commissioner determines that the policy provides benefit coverage so comprehensive that the policy is a health benefit plan as described by Section 1509.002.

(b) This chapter does not apply to an individual health benefit plan issued on or before March 23, 2010, that has not had any significant changes since that date that reduce benefits or increase costs to the individual.

Sec. 1509.004. PREEXISTING CONDITION RESTRICTIONS PROHIBITED. Notwithstanding any other law, a health benefit plan

issuer may not:

(1) deny an individual's application for coverage or refuse to enroll an individual in a group health benefit plan due to a preexisting condition;

(2) limit or exclude coverage under the health benefit plan for the treatment of a preexisting condition otherwise covered under the plan; or

(3) charge the individual more for coverage than the health benefit plan issuer charges an individual who does not have a preexisting condition.

SECTION 2. The change in law made by this Act applies only to a health benefit plan that is delivered, issued for delivery, or renewed on or after January 1, 2018. A health benefit plan that is delivered, issued for delivery, or renewed before January 1, 2018, is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 3. This Act takes effect September 1, 2017.