

Close a Costly Loophole in Health Insurance Premiums for Texas Employers

Support HB 2583 (Hull) & SB 1332 (Hancock)

Outdated Texas law forces employers to pay health insurance premiums for ex-employees who may not need or want continued coverage. The proposed legislation strikes a balance to ensure patient protections so coverage isn't canceled unfairly but employers also aren't forced to make unnecessary extra payments that offer no real benefit yet drive up costs.

Background: What the Bill Does?

- **Premium Payment Waivers:** Allows insurers to waive employer premium payments for former employees, currently illegal under outdated regulations if employers miss state mandated notification timelines.
- **Protects Employees:** If a former employee did use health services before the plan was notified, the employer still must pay the premium—ensuring any legitimate claim is covered and patients aren't uninsured by surprise.

Why do we need HB 2583 & SB 1332?

- **Stops Wasteful Spending:** Employers avoid paying for coverage ex-employees no longer need or expect.
- **Closes a Loophole:** A simple fix that prevents an unintentional penalty caused by delays in paperwork.
- **Frees Up Resources:** Money previously wasted on unused premiums can instead be put toward wages, benefits, or other priorities.

The Bottom Line: HB 2583 & SB 1332 offer a straightforward solution to clean up an outdated government mandate that unnecessarily adds cost and waste for Texas businesses while still ensuring patient coverage protections. By supporting these bills, Texas lawmakers can reduce administrative waste, save employers money, and maintain essential consumer protections.

Broad Support: Health insurers, consumer advocates, and the business community all endorse this commonsense fix, ensuring employers no longer pay unnecessary premiums for unused coverage.

