

To: Fully insured groups

Re: Implementation of Senate Bill 51\*

In the 79<sup>th</sup> Legislation Session, the Texas Legislature passed Senate Bill 51, Group Premium Payment after Employee Termination, which amended Chapter 843 of the Texas Insurance Code. This legislation applies to fully insured group HMO plans issued, delivered or renewed, on or after, January 1, 2006. The Texas Department of Insurance has adopted regulations that clarify the requirements of this law.

Senate Bill 51 and the TDI regulations provide that:

- Generally, the employer is liable for the enrollee's (including employees and their dependents) premium from the time the individual ceases to be eligible for coverage until the end of the month in which the employer notifies the insurer that the individual is no longer part of the group eligible for coverage.
  - If the event which makes an enrollee ineligible for coverage under the group occurs during the last seven calendar days of the month, the employer has until the third day of the next month to notify the health plan of that enrollee's ineligibility for coverage.
- Subject to the requirements noted above, Baylor Scott & White Health Plan is required to provide coverage for the enrollee or employee, under the policy, until the end of the month in which notification is received.

As an example, if an employee discontinues employment on November 15, 2011 and Baylor Scott & White Health Plan receives notification on December 3, 2011, the employer is responsible for paying the terminated employee's premium for the entire month of December 2011 and the employee will remain covered until the last day of December 2011. However, if the employee had discontinued employment on November 28, 2011, and Baylor Scott & White Health Plan received notification on December 3, 2011, then the December premium would not be owed by the employer, and coverage for that employee and his or her dependents would terminate as of the last day of November.

Notifications shall be considered to be received on the 3<sup>rd</sup> day following the postmark for mailed notices, and when actually received for hand delivery, fax, email or electronically delivered notices. Should you have any questions, please feel free to call Baylor Scott & White Health Plan at 844.633.5325.

Sincerely,

Baylor Scott & White Health Plan  
BSWHealthPlan.com

\*Original notification sent December 2005. Additional notification sent April 2006, January 2010 and January 2012. Still in effect as of this update on September 1, 2022.