

TEXAS HEALTH INSURANCE RISK POOL

1701 Directors Blvd., #120 • Austin, Texas 78744 • Phone 512-441-7665 • Fax 512-441-7690
Web Site www.txhealthpool.org

MEMORANDUM

DATE: February 29, 2008

TO: **Individual Health Underwriting Department**
Group Health COBRA Notice Department

FROM: Steve Browning
Executive Director

SUBJECT: Required Notices of Availability of Coverage Under the Texas Health Insurance Risk Pool

As a reminder, Section 21.2303 of the Texas Administrative Code, as amended by revisions to §1506.152 of the Texas Insurance Code, requires health insurers to provide a written notice of Health Pool availability to an individual who has applied for substantially similar individual health insurance coverage from the health carrier, if the health carrier: (1) refuses to issue coverage to the individual; or (2) offers coverage to the individual with riders excluding a medical condition or illness of the individual, from coverage by that policy.

The notice must be sent with the written notice of the action taken or proposed to be taken by the health insurer on the individual's application for coverage from the health carrier. The current version of this notice form, Individual Policy Health Pool Notice, is provided on the reverse side of this page. Please review your company's procedure on declinations and riders to ensure that the current version of this notice is used.

In addition, section 16 of Senate Bill 1731, 80th Legislative Session, amended Section 1506.007 of the Texas Insurance Code to add requirements for Health Pool notices for individuals eligible for COBRA continuation. Subsection (a-1) of section 1506.007 requires a notice of Health Pool availability to be provided at the same time as the required notice of COBRA continuation rights. Subsection (a-2) requires a second notice of Health Pool availability to be provided at least 45 days before the scheduled date of termination of COBRA coverage. Suggested notices are attached for your reference. Form Initial COBRA/Pool Notice is suggested for the first notice and form Term COBRA/Pool Notice is suggested for the notice before the scheduled termination of COBRA.

Please contact me if you have any questions about these notices or the Health Pool. Thank you.

(See Reverse Side)

NOTICE OF AVAILABILITY OF COVERAGE UNDER THE TEXAS HEALTH INSURANCE RISK POOL

This notice is to advise you that you may be eligible for coverage from the Texas Health Insurance Risk Pool (Health Pool).

To be eligible for Health Pool coverage, you must have documentation of at least one of the following:

- A written refusal or rejection, based on health reasons, by a health carrier, for substantially similar individual hospital, medical, or surgical coverage.
- A certification from an agent or salaried representative of a health carrier on the Health Pool's certification form, stating that the agent or salaried representative is unable to obtain substantially similar individual hospital, medical, or surgical coverage for you from a health carrier the agent or salaried representative represents because, based on that health carrier's underwriting guidelines, you will be declined for coverage as a result of a medical condition.
- An offer of substantially similar individual hospital, medical, or surgical coverage with riders excluding certain health conditions you have. (For example, a health carrier will provide coverage to you with an exclusion of coverage of your diabetes, heart disease, cancer, etc.).
- Diagnosis of one of the medical conditions specified by the Texas Health Pool Board of Directors.
- Proof that health coverage has been maintained for the previous 18 months with no gap in coverage greater than 63 days, with the most recent coverage through an employer health plan, provided by a U.S. private employer, church, or governmental entity.

For additional information concerning eligibility, coverages, cost, limitations, exclusions, and termination provisions, call or write:

**Texas Health Insurance Risk Pool
P.O. Box 6089
Abilene, TX 79608-6089
1-888-398-3927
www.txhealthpool.org**

Hearing and speech impaired users may call: 1-800-735-2989.

**This is the number for Relay Texas
(A public service of the Texas Public Utility Commission).**

**NOTICE OF AVAILABILITY OF COVERAGE
UNDER THE TEXAS HEALTH INSURANCE RISK POOL**

AT TIME OF INITIAL COBRA ELIGIBILITY

This notice is to advise you that, in addition to eligibility for continuation of coverage under COBRA (Title X, Consolidated Omnibus Budget Reconciliation Act of 1985), you may also be eligible for coverage from the Texas Health Insurance Risk Pool (Health Pool).

You are eligible to apply for Health Pool coverage if you were eligible for continuation under COBRA and either did not elect COBRA continuation or if your elected COBRA coverage has lapsed or been cancelled.

If you elect Health Pool coverage, you will be subject to a pre-existing condition exclusion limitation period of at least 180 days from the Health Pool coverage effective date, regardless of your prior creditable coverage.

For additional information concerning eligibility, coverages, cost, limitations, exclusions, and termination provisions, call or write:

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**NOTICE OF AVAILABILITY OF COVERAGE
UNDER THE TEXAS HEALTH INSURANCE RISK POOL**

WHEN THE PERIOD OF COBRA CONTINUATION EXPIRES

Please note that your COBRA continuation period will expire within the next 45 days. At that time, you may be eligible for coverage from the Texas Health Insurance Risk Pool (Health Pool).

You are eligible for Health Pool coverage if health coverage has been maintained for the previous 18 months or more, with no gap in coverage greater than 63 days and the most recent coverage through an employer health plan, provided by a U.S. private employer, church or governmental entity. COBRA coverage would be considered coverage under an employer plan and would qualify you for the Health Pool. Because of your prior COBRA coverage, the Health Pool's 12-month pre-existing condition limitation period should not apply to you.

For additional information concerning eligibility, coverages, cost, limitations, exclusions, and termination provisions, call or write:

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