



Texas Legislature Extends Period for Newborn Enrollment

Issued date: 08/14/25

On June 20, 2025, Senate Bill 896 (“SB 896”) was signed into law. The new legislation extends the automatic period that newborns are covered and gives parents 60 days to request a continuation of that coverage under a Texas medical plan. The legislation applies to plans issued or renewed on or after January 1, 2026.

■ Background

Under existing law, a Texas plan automatically covers a newborn child of a covered employee beginning on the date of birth and ending on the 32nd day after the date of the child’s birth unless, not later than the 31st day after the date of birth, the carrier receives:

1. notice of the birth; and
2. any required additional premium.

This means that a newborn is automatically covered for 31 days with no notice or premium required. To continue coverage past that date, the employee must timely provide notice and any additional premium.

This rule does not apply to self-funded plans other than multiple employer welfare arrangements (“MEWAs”).

■ SB 896

Key points about the new Texas insurance mandate for newborns:

- **Purpose of the law:** The law aims to give parents more time to enroll their newborns and ensures they have continuous coverage.

- **Covered Plans:** The law applies only to:
 - fully insured plans issued in Texas; and
 - MEWAs as to Texas residents only.
- **Extended Enrollment Period:** The law extends the automatic period for newborn enrollment from 31 to 60 days.
- **Notification and Premium Payment:** The carrier must receive notice of the birth and any required additional premium within those 60 days to maintain coverage beyond the 60 days.
- **Effective Date:** The law applies to plans delivered or renewed on or after January 1, 2026.

Employer Action

Carriers are responsible for compliance and must include this mandate in certificates of coverage for plans issued on or after January 1, 2026. Note that they may go further than the law requires, including children other than newborns.

As employees are entitled to rights under this law, plan sponsors are responsible for understanding it and passing on any notice and additional premium from the employee to the carrier. Plan sponsors must also amend their cafeteria plans for this change before it goes into effect (by December 31, 2025, for a 2026 calendar year plan).