

## **BILL ANALYSIS**

H.B. 897  
By: Woolley  
Insurance  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

In 1993 the Texas Legislature permitted small employers to join together in private nonprofit health insurance purchasing alliances or small employer health coalitions. Some insurers have canceled policies with small employer health coalitions because they do not consider a coalition to be a single employer. House Bill 897 clarifies that a small employer health coalition is a single small employer for all purposes under the Insurance Code.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

House Bill 897 amends the Insurance Code to provide that a small employer health coalition that otherwise meets the description of a small employer is considered a single small employer for all purposes under the Insurance Code. The bill defines small employer health coalition as a private purchasing cooperative composed solely of small employers. The bill prohibits a cooperative from limiting, restricting, or conditioning an employer's or employee's choice among benefit plans based on health status related factors, duration of coverage, or any similar characteristic related to the health status or experience of a group or of any member of a group.

The bill deletes the exception for purchasing cooperatives from the provision authorizing small employer carriers to elect not to offer health benefit plans to an employer who offers multiple health benefit plans.

### **EFFECTIVE DATE**

September 1, 2003.