

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 261
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State Affairs
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Committee Report (Substituted)

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Under current law, the Texas Department of Insurance (TDI) is not required to provide public education on the value of health insurance coverage. Currently, it is not clear whether TDI may accept donations from foundations and regulated entities. According to a new United States Census Bureau report issued in August 2004, 45 million Americans lack health insurance. The census report indicated that Texas leads the nation on the number of uninsured, with one in four Texans without health coverage. Studies have shown that the fastest growing segment of uninsured has been middle- and upper-class families.

C.S.S.B. 261 authorizes TDI to develop public service announcements and a new website to educate consumers about the availability of health coverage in Texas. C.S.S.B. 261 directs TDI to provide public education, including health fairs and brochures, about the value of health insurance coverage. This bill directs the Texas commissioner of insurance to appoint a working group to make recommendations on public service announcements (PSA), and authorizes TDI to accept donations from foundations and regulated entities and to issue a request for proposals to advertising firms for specific PSA services.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Department of Insurance in SECTION 1 (Section 524.005, Insurance Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subtitle B, Title 5, Insurance Code, as effective April 1, 2005, by adding Chapter 524, as follows:

CHAPTER 524. HEALTH COVERAGE AWARENESS AND EDUCATION PROGRAM

Sec. 524.001. PROGRAM ESTABLISHED. Requires the Texas Department of Insurance (department) to develop and implement a health coverage public awareness and education program that complies with this chapter. Sets forth requirements for the program. Authorizes the department to include information about specific health coverage issuers. Prohibits the department from favoring or endorsing one particular issuer over another.

Sec. 524.002. PUBLIC SERVICE ANNOUNCEMENTS. Requires the department to develop and make public service announcements to educate consumers and employers about the availability of health coverage in this state.

Sec. 524.003. INTERNET WEBSITE; PUBLIC EDUCATION. Requires the department to develop an Internet website to educate the public about health coverage in this state and to provide other appropriate education to the public regarding the value of health coverage.

Sec. 524.004. TASK FORCE. Requires the commissioner of insurance (commissioner) to appoint a task force to make recommendations regarding the health coverage public awareness and education program. Sets forth the representatives who compose the task force. Requires the department to consult the task force regarding the content of specific

publications. Authorizes the commissioner to make final decisions as to what the program's materials will contain.

Sec. 524.005. FUNDING. Authorizes the department to accept gifts and grants from any party, including a health benefit plan issuer or a foundation associated with a health benefit plan issuer, to assist with funding the program. Requires the department to adopt rules governing acceptance of donations that are consistent with Chapter 575 (Acceptance of Gift by State Agency), Government Code. Requires the department to take certain actions prior to adopting rules.

SECTION 2. Effective date: upon passage or September 1, 2005.