

## **BILL ANALYSIS**

C.S.H.B. 882  
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Public Health  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

According to the U.S. Census Bureau, 2005, Texas has the highest percentage of individuals without health insurance in the nation. Contributing to the high rate of uninsured are small business employers who are unable to afford the cost of providing health insurance benefits to their employees. Only 37% of employers with 50 or fewer employees provide health insurance to their workers.

CSHB 882 would help to reduce the number of uninsured working Texans by establishing a grant program at the Texas Health and Human Services Commission to fund initial start-up and operating costs of regional or local health care demonstration programs.

The legislation would authorize one or more counties to establish a local or regional health care program for employees of small business employers, and would require a three-share approach of covering the cost of employees' premiums.

### **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**

CSHB 882 authorizes one or more counties to establish a regional or local health care program for employees of small business employers. The bill defines employee, governing body, local health care program, regional health care program, and small employer.

CSHB 882 sets forth the procedure for creating and the governance requirements of a regional or local health care program established under this legislation. A program may be governed by the commissioners court or courts of a participating county or counties, the governing body of a joint council, tax-exempt nonprofit entities, or other entity that operates a regional or local health care program.

CSHB 882 establishes guidelines for the operation of the program, and allows the governing body to establish criteria for participation by small employers, the employees of small employers, and their dependents. The bill establishes that the criteria must require that participating employers and participating employees pay a share of the premium or other cost of the program.

CSHB 882 authorizes alternative programs to be established, and sets forth objectives of the program, including to reduce the number of individuals without health plan coverage, address rising health care costs, promote preventive care, promote efficient and collaborative delivery of health care services, serve as a model for innovative use of health information technology, and provide fair payment rates for health care providers. The bill authorizes a program to provide a health insurance product or to contract with health care providers to provide health care services directly, and authorizes the use or facilitation of self-funded health plans, health savings accounts, and high-deductible plans. A governing body operating a regional or local health care program under this legislation would not be considered an insurer or health maintenance organization, and the program would not be subject to regulation under the Texas Department of Insurance.

CSHB 882 authorizes a program to accept and use grants, gifts, and donations from any source, including grants under a grant program established under this legislation. Authorizes a regional or local health care program established under this bill to apply for funding from the health opportunity pool and provides that the pool may provide funding. The bill defines health opportunity pool as the pooled fund of state and federal money established and used in accordance with a Medicaid 1115 waiver to the state Medicaid plan. The legislation requires a regional or local health care program to comply with waiver requirements and statewide eligibility requirements in order to be eligible for health opportunity pool funding.

The bill authorizes the Texas Health and Human Services Commission to establish a grant program to support the initial establishment and operation of one or more programs as demonstration projects and establishes criteria to be used in selecting grant recipients. The bill requires the HHSC to establish performance objectives and monitor the performance of grantees. If the executive commissioner of HHSC establishes a grant program under the subchapter, the bill requires that at least one grant go to a regional health care program.

CSHB 882 requires HHSC to complete a review of each regional or local program receiving a grant and to submit a report with evaluations and recommendations to the governor, lieutenant governor, and the speaker of the house by December 1, 2008.

The bill provides that subchapter D (Texas Health Opportunity Pool) expires September 1, 2009.

#### **EFFECTIVE DATE**

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2007.

#### **COMPARISON OF ORIGINAL TO SUBSTITUTE**

CSHB 882 allows for a single county to establish a health care demonstration program and apply for grant funding.

CSHB 882 establishes and defines health opportunity pool. It authorizes a regional or local health care program, or its governing board, to apply for funding from the health opportunity pool and requires the program to comply with any waiver requirements, including statewide eligibility requirements, in order to be eligible to receive health opportunity pool funding. The bill allows the health opportunity pool to provide funding in accordance with the subchapter.

CSHB 882 requires the executive commissioner to select at least one grant recipient operating a regional health care program if a grant program is established.