

## BILL ANALYSIS

Senate Research Center  
80R9680 DLF-D

C.S.S.B. 23  
By: Nelson  
State Affairs  
4/13/2007  
Committee Report (Substituted)

### AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, the Texas Department of Insurance (TDI) does limited business and consumer outreach and assistance regarding access to health insurance. TDI does assist in community efforts to provide employer-based insurance options. Due to the lack of access to information and assistance with navigating health insurance options, there is a high uninsured rate, particularly among small businesses.

C.S.S.B. 23 creates "TexLink," an office within TDI, to provide access to information and assistance in educating the public about the importance of health coverage and about the numerous insurance options.

### RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the commissioner of insurance in SECTION 2.04 (Section 1501.2525, Insurance Code) and SECTION 3.01 (Section 4054.308, Insurance Code) of this bill.

### SECTION BY SECTION ANALYSIS

#### ARTICLE 1. TEXLINK TO HEALTH COVERAGE PROGRAM

SECTION 1.01. Amends Chapter 524, Insurance Code, as follows:

CHAPTER 524. New heading: TEXLINK TO HEALTH COVERAGE PROGRAM

##### SUBCHAPTER A. GENERAL PROVISIONS

Sec. 524.001. DEFINITIONS. Defines "division" and "program."

Sec. 524.002. DIVISION RESPONSIBILITIES. Provides that the division of the Texas Department of Insurance that administers the TexLink to Health Coverage Program (division) implements this chapter under the direction of the commissioner of insurance (commissioner).

Sec. 524.003. New heading: TEXLINK TO HEALTH COVERAGE PROGRAM ESTABLISHED. Requires the Texas Department of Insurance (TDI) to develop and implement a health coverage program, rather than a public awareness and education program, that complies with this chapter. Sets forth specific objectives the TexLink to Health Coverage Program (program) must achieve. Requires the program to include a public awareness and education component.

[Reserves Sections 524.004-524.050 for expansion.]

##### SUBCHAPTER B. PUBLIC AWARENESS AND EDUCATION

Sec. 524.051. INFORMATION ABOUT SPECIFIC HEALTH BENEFIT PLAN ISSUERS. Authorizes the division, rather than TDI, to include information about specific health benefit plan issuers, rather than coverage issuers, in materials produced for the program, but prohibits the division from favoring or endorsing one particular issuer over another.

Sec. 524.052. PUBLIC SERVICE ANNOUNCEMENTS. Redesignates existing Section 524.002 to Section 524.052. Requires the division, rather than TDI, to develop and make public service announcements to educate consumer and employers about the availability of health coverage in this state.

Sec. 524.053. New heading: INTERNET WEBSITE; PRINTED MATERIALS; NEWSLETTER. Redesignates existing Section 524.003 to Section 524.053. (a) Requires the division to develop an Internet website and printed materials designed to educate small employers, individuals, and other seeking to purchase health coverage, rather than the public, about health coverage in accordance with Section 524.003(a). Deletes text providing that such Internet website and printed materials include information about health savings accounts and compatible high deductible health benefit plans. Makes a conforming change.

(b) Requires the division to make the printed materials produced under the program available to small employers, individuals, and other seeking to purchase health coverage. Authorizes the division to distribute the printed materials through certain specified facilities and use other distribution methods the division selects.

(c) Authorizes the division to produce a newsletter to provide updated information about health coverage to subscribers who elect to receive the newsletter. Authorizes the division to produce a newsletter under this subsection for small employers, individuals, or other purchasers of health coverage; to distribute the newsletter on a monthly, quarterly, or other basis; and to distribute the newsletter as a printed document or electronically.

Sec. 524.054. TOLL-FREE TELEPHONE HOTLINE; ACCESS TO INFORMATION. (a) Authorizes the division to operate a toll-free telephone hotline to respond to inquiries and provide information and technical assistance concerning health coverage products.

(b) Authorizes the Health and Human Services Commission (HHSC), through its 2-1-1 telephone number for access to human services, to disseminate information regarding health coverage products provided to HHSC by TDI and authorizes HHSC to refer inquires regarding health coverage products to the toll-free telephone hotline. Authorizes TDI to provide information to HHSC as necessary to implement this subsection.

Sec. 524.055. EDUCATION FOR HIGH SCHOOL STUDENTS. Authorizes the division to develop educational materials and a curriculum to be used in high school economics classes that educate students about the importance and value of health coverage, comparing health benefit plans, and understanding basic provisions contained in health benefit plans. Authorizes the division to consult with the Texas Education Agency (TEA) in developing educational materials and a curriculum under this section.

Sec. 524.056. HEALTH COVERAGE FAIRS. Authorizes the division to conduct health coverage fairs to provide small employers, individuals, and others seeking to purchase health coverage the opportunity to obtain information about health coverage from division employees and from health benefit plan issuers and agents that elect to participate. Requires the division to seek to obtain funding for health coverage fairs conducted under this section through gifts and grants obtained in accordance with Subchapter D.

Sec. 524.057. COMMUNITY EVENTS. Authorizes the division to participate in events held in this state to promote awareness of the importance and value of health coverage and to educate small employers, individuals, and others seeking to purchase health coverage about health coverage in accordance with Section 524.003(a).

Sec. 524.058. HEALTH COVERAGE PROVIDED THROUGH COLLEGES AND UNIVERSITIES. Authorizes the division to cooperate with a public or private college or

university to promote enrollment in health coverage programs sponsored by or through the college or university.

Sec. 524.059. SUPPORT FOR COMMUNITY-BASED PROJECTS. Authorizes the division to provide support and assistance to individuals and organizations seeking to develop community-based health coverage plans for uninsured individuals.

Sec. 524.060. OTHER EDUCATION. Authorizes the division, rather than requires TDI, to provide other appropriate education to the public regarding health coverage and the importance and value of health coverage in accordance with Section 524.003(a). Makes a conforming change.

Sec. 524.061. TASK FORCE. Redesignates existing Section 524.004 to Section 524.061. (a) Authorizes, rather than requires, the commissioner to appoint a task force to make recommendations regarding the division's duties under this subchapter. Sets forth the composition of the task force, if appointed. Makes a conforming change.

(b) Authorizes the commissioner to select to serve on any task force one or more individuals, in addition to the individuals listed in Subsection (a), with experience in public relations, marketing, or another related field of professional services.

(c) Authorizes the division, rather than requires TDI, to consult the task force regarding the content for the public service announcements, Internet website, printed materials, and other education materials required or authorized by this subchapter, rather than chapter.

[Reserves Sections 524.062-524.100 for expansion.]

#### SUBCHAPTER C. ASSISTANCE FOR CERTAIN BUSINESSES

Sec. 524.101. FEDERAL TAX "TOOL KIT" FOR CERTAIN BUSINESSES. Authorizes the division to produce materials that provide information about obtaining health coverage in a manner that qualifies for favorable treatment under federal tax laws.

Sec. 524.102. ASSISTANCE FOR SMALL EMPLOYERS AND SINGLE-EMPLOYEE BUSINESSES. Authorizes division staff to respond to telephone inquiries regarding health coverage options for small employers and single-employee businesses and to speak at events to provide information about health coverage options for small employers and single-employee businesses and about the importance and value of health coverage.

Sec. 524.103. COOPERATIVES FOR SMALL AND LARGE EMPLOYERS. Authorizes the division to provide information regarding the formation of or participation in private purchasing cooperatives and health group cooperatives in accordance with Subchapter B (Coalitions and Cooperatives), Chapter 1501.

Sec. 524.104. ACCOUNTANT. Authorizes the division to consult an accountant with experience in federal tax law and the purchase of group health coverage as necessary to implement this subchapter.

[Reserves Sections 524.105-524.150 for expansion.]

#### SUBCHAPTER D. FUNDING

Sec. 524.151. FUNDING. Redesignates existing Section 524.005 to Section 524.151. Makes conforming changes.

### ARTICLE 2. CHILDREN'S HEALTH BENEFIT PLAN FOR SMALL EMPLOYERS

SECTION 2.01. Amends Section 1501.002, Insurance Code, by adding Subdivision (1-a) and amending Subdivision (15), to define "children's health benefit plan" and redefine "small employer health benefit plan."

SECTION 2.02. Amends Section 1501.003, Insurance Code, as follows:

Sec. 1501.003. **APPLICABILITY: SMALL EMPLOYER HEALTH BENEFIT PLANS.** (a) Creates this subsection from existing text.

(b) Provides that a children's health benefit plan is a small employer benefit plan and, except as specifically provided by Section 1501.2525, is subject to Subchapters C-H in the same manner as any other small employer health benefit plan.

SECTION 2.03. Amends Section 1501.154(b), Insurance Code, to update the requirements of small employer health benefit plans to include any children's health benefit plan if the employer offers multiple plans.

SECTION 2.04. Amends Subchapter F, Chapter 1501, Insurance Code, by adding Section 1501.2525, as follows:

Sec. 1501.2525. **CHILDREN'S HEALTH BENEFIT PLAN.** (a) Authorizes a small employer health benefit plan issuer to offer to a small employer a children's health benefit plan in accordance with this section.

(b) Provides eligibility requirements for a children's health benefit plan.

(c) Prohibits a children's health benefit plan from providing coverage to an eligible employee or the spouse of an eligible employee.

(d) Requires the commissioner, by rule, to adopt minimum benefits required to be provided under a children's health benefit plan. Provides that this subchapter (Coverage Under Small Employer Health Benefit Plans) applies to a children's health benefit plan except to the extent the commissioner by rule determines that a provision of this subchapter is inappropriate as applied to a children's health benefit plan.

SECTION 2.05. Amends Subchapter B, Chapter 1502, Insurance Code, by adding Section 1502.054, as follows:

Sec. 1502.054. **INAPPLICABILITY OF OTHER LAW.** Provides that a children's health benefit plan offered under this chapter (Health Benefit Plans for Children) is not subject to Section 1501.2525.

SECTION 2.06. Requires the commissioner to adopt any rules necessary to implement the change in law made by this article not later than December 1, 2007. Prohibits a small employer health benefit plan issuer from offering a children's health benefit plan under Section 1501.2525, Insurance Code, as added by this article, before January 1, 2008.

### ARTICLE 3. SPECIALTY CERTIFICATION FOR CERTAIN LIFE, ACCIDENT, AND HEALTH AGENTS

SECTION 3.01. Amends Chapter 4054, Insurance Code, by adding Subchapter G, as follows:

#### SUBCHAPTER G. SPECIALTY CERTIFICATION FOR AGENTS SERVING CERTAIN EMPLOYER GROUPS

Sec. 4054.301. **CERTIFICATION PROGRAM.** Requires TDI to establish a voluntary specialty certification program for individuals who market small employer health benefit plans in accordance with Chapter 1501.

Sec. 4054.302. QUALIFICATIONS. (a) Sets forth certain eligibility requirements to receive a specialty certification under this subchapter.

(b) Requires an individual to continue to hold a general life, accident, and health license under this chapter (Life, Accident, and Health Agents) to maintain a specialty certification under this subchapter.

Sec. 4054.303. TRAINING. (a) Requires that an individual first complete training in the law, including TDI rules, applicable to small employer health benefit plans offered under Chapter 1501, to be certified under this subchapter.

(b) Requires an individual seeking specialty certification under this subchapter to complete a course applicable to small employer health benefit plans under Chapter 1501, as prescribed and approved by the commissioner. Provides that an individual, except as provided by Subsection (c), is not eligible for the specialty certification unless, on completion of the course, certain information is certified to the commissioner as required by TDI.

(c) Provides that an individual seeking specialty certification under this chapter is not required to complete the course and examination required by Subsection (b) if the individual demonstrates to TDI, in the manner described by TDI, that the individual holds certain designations.

Sec. 4054.304. CONTINUING EDUCATION REQUIREMENTS. Requires an individual to complete five hours of continuing education applicable to small employer benefit plans during the two-year certification period in order to renew a specialty certification under this subchapter. Authorizes each hour of continuing education completed in accordance with this section to be used to satisfy an hour of a continuing education requirement otherwise applicable to the agent under this title (Regulation of Professionals).

Sec. 4054.305. OFFER OF SERVICES TO ALL GROUP SIZES. Requires an individual to agree to market small employer health benefit plans to small employers that satisfy the requirement of Chapter 1501 without regard to the number of employees to be covered under the plan in order to hold a specialty certification under this subchapter.

Sec. 4054.306. ADVERTISING. Authorizes an agent who holds a specialty certification to advertise, in the manner specified by TDI rule, that the agent is specially trained to serve small employers.

Sec. 4054.307. LIST MAINTAINED BY DEPARTMENT; WEBSITE. Requires TDI to maintain a list of all individuals who hold a specialty certification under this chapter, together with the business address and phone number of each individual and a general description of the individual's service area. Requires TDI to publish the list on the TDI website.

Sec. 4054.308. RULES. Authorizes the commissioner, in accordance with Section 36.001 (General Rulemaking Authority), to adopt rules as necessary to administer this subchapter.

SECTION 302. Amends Section 4001.002, Insurance Code, by adding Subsection (a-1), to provide that this title applies to each individual who holds a specialty certification under Subchapter G, Chapter 4054, except as otherwise provided by this code.

SECTION 303. Authorizes TDI to begin issuing specialty certifications not later than January 1, 2008, under Subchapter G, Chapter 4054, Insurance Code, as added by this article.

#### ARTICLE 4. EFFECTIVE DATE

SECTION 4.01. Effective date: September 1, 2007.