

BILL ANALYSIS

S.B. 922
By: Watson
Public Health
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Many small employers are unable to afford the cost of providing health insurance to their employees. According to the Texas Department of Insurance (TDI), 73 percent of Texas businesses are small employers, and only 37 percent of those small employers offer health insurance. Additionally, a 2004 TDI survey of small employers indicated that their number one reason for not offering health insurance was its high cost. A regional or local health care program specifically aimed at small employers may help to manage health insurance costs and to increase the number of employees of small employers in Texas who receive coverage.

S.B. 922 authorizes a county or counties, as applicable, to establish a regional or local health care program for employees of small business owners. This bill also establishes funding for such a program by requiring cost sharing by participating employers, employees, and the state, by authorizing the governing body of a program to seek, accept, and use additional funding, and by authorizing the Health and Human Services Commission to establish a grant program toward starting and operating a demonstration project in one or more regions of the state. This bill additionally authorizes a county to design its program in a way that best meets the needs of that county.

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

S.B. 922 sets forth general provisions of the bill, including purpose and defines the terms "Employee," "Governing Body," "Local health care program," "Regional health care program," and "Small employer."

S.B. 922 authorizes the commissioners court of a county to establish or participate in a local health care program. The commissioners courts of two or more counties may, by joint order, establish or participate in a regional health care program.

S.B. 922 sets out 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 participating county or counties, joint council, tax-exempt nonprofit entities, or other entity.

S.B. 922 states that a regional or local health care program provides health care services or benefits to the employees of participating small employers who are located within the boundaries of the participating county or counties, as applicable. A program may also provide services or benefits to the dependents of those employees. S.B. 922 provides flexibility for participating county or counties to design a regional or local program that is determined by the local entities to best meet the needs of their particular area. Authorizes a program to provide a health insurance product, or to provide health care services, and authorizes the use or facilitation of self-funded health plans, health savings accounts, and high-deductible plans. Requires a regional or local health care program to allow any individual who receives state premium assistance to buy into the health benefit plan offered by the program. A governing body operating a regional or local health care program under this legislation would not be considered an insurer or health

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maintenance organization, and the program would not be subject to regulation under the Texas Department of Insurance.

S.B. 922 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 governing body, and a regional or local health care program established under this Act to apply for and use funds from the health opportunity pool. Defines the Texas 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. 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.

S.B. 922 authorizes the Texas Health and Human Services Commission to establish a grant program and to establish criteria to be used in determining grant awards and measuring performance of grantees. Requires that at least one grant go to a regional health care program. Grant funds would be used for the initial establishment and operation of one or more regional or local health care programs as demonstration projects. Requires the Texas Health and Human Services Commission 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.

EFFECTIVE DATE

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