

By: Burnam

H.B. No. 2737

A BILL TO BE ENTITLED

AN ACT

relating to universal health coverage for Texans.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

ARTICLE 1. UNIVERSAL HEALTH COVERAGE

SECTION 1.01. The Health and Safety Code is amended by adding Title 13 to read as follows:

TITLE 13. UNIVERSAL HEALTH COVERAGE FOR TEXANS

SUBTITLE A. GOVERNANCE

CHAPTER 2001. GENERAL PROVISIONS

Sec. 2001.001. DEFINITIONS. In this title:

(1) "Commission" means the Health and Human Services Commission.

(2) "Executive commissioner" means the executive commissioner of the Health and Human Services Commission.

(3) "System" means the Texas Health Coverage System.

CHAPTER 2002. GOVERNANCE OF TEXAS HEALTH COVERAGE SYSTEM

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 2002.001. DUTIES OF COMMISSION. The Health and Human Services Commission administers the Texas Health Coverage System under this title.

Sec. 2002.002. GRANTS; FEDERAL FUNDING. The commission may accept gifts, grants, and donations, including grants from the federal government, to administer this title and provide health coverage through the system.

1 [Sections 2002.003-2002.050 reserved for expansion]

2 SUBCHAPTER B. EXECUTIVE COMMISSIONER

3 Sec. 2002.051. POWERS AND DUTIES OF EXECUTIVE COMMISSIONER.

4 (a) The executive commissioner is responsible for administering
5 the system.

6 (b) The executive commissioner may:

7 (1) set rates for payment by and to the system,
8 including premium payments owed to the system, and establish the
9 budget for the system;

10 (2) establish system objectives, priorities, and
11 standards;

12 (3) define the scope of services provided by the
13 system;

14 (4) employ personnel for the system, including
15 actuaries, accountants, and other necessary experts;

16 (5) establish guidelines for evaluating the
17 performance of the system;

18 (6) establish guidelines for ensuring public input;

19 (7) establish procedures for redress of grievances;

20 and

21 (8) allocate system resources in accordance with this
22 title.

23 (c) The executive commissioner shall establish, within the
24 system:

25 (1) an office of patient advocacy, under the direction
26 of a deputy commissioner for patient advocacy, to represent the
27 interests of eligible residents entitled to receive health care

1 services through the system;

2 (2) an office of health care planning, under the
3 direction of a deputy commissioner for health care planning, to
4 plan for the short-term and long-term health care needs of eligible
5 residents of this state in accordance with this title and the
6 policies established by the executive commissioner; and

7 (3) an office of inspector general, under the
8 direction of an inspector general for health coverage, to
9 investigate fraud and other illegal or inappropriate conduct within
10 the system.

11 (d) The executive commissioner may adopt rules to
12 administer the system and implement this title in accordance with
13 Subchapter B, Chapter 2001, Government Code.

14 Sec. 2002.052. HEALTH COVERAGE ADVISORY COMMITTEE. (a)
15 The health coverage advisory committee advises the executive
16 commissioner concerning the implementation of the system.

17 (b) The health coverage advisory committee is composed of 12
18 members appointed by the governor, including three public members.

19 (c) Members of the committee, other than public members,
20 must be selected to represent the interests of physicians, nurses,
21 hospitals, dentists, pharmacists, mental health providers, and
22 other health care practitioners and facilities.

23 Sec. 2002.053. DISCRIMINATION PROHIBITED. The members of
24 the health coverage advisory committee shall be appointed without
25 regard to the race, color, disability, sex, religion, age, or
26 national origin.

27 Sec. 2002.054. ELIGIBILITY. (a) A person may not be a

1 public member of the health coverage advisory committee if the
2 person or the person's spouse:

3 (1) is registered, certified, or licensed by a
4 regulatory commission in the field of health care, health
5 insurance, pharmaceuticals, or medical equipment;

6 (2) is employed by or participates in the management
7 of a business entity or other organization regulated by or
8 receiving money from the commission;

9 (3) owns or controls, directly or indirectly, more
10 than a 10 percent interest in a business entity or other
11 organization regulated by or receiving money from the commission;
12 or

13 (4) uses or receives a substantial amount of tangible
14 goods, services, or money from the commission other than
15 compensation or reimbursement authorized by law for committee
16 membership, attendance, or expenses.

17 (b) A person may not be a member of the health coverage
18 advisory committee if:

19 (1) the person is an officer, employee, or paid
20 consultant of a Texas trade association in the field of health care,
21 health insurance, pharmaceuticals, or medical equipment; or

22 (2) the person's spouse is an officer, manager, or paid
23 consultant of a Texas trade association in the field of health care,
24 health insurance, pharmaceuticals, or medical equipment.

25 (c) It is a ground for removal from the health coverage
26 advisory committee that a member:

27 (1) is ineligible for membership under this

1 subchapter;

2 (2) cannot, because of illness or disability,
3 discharge the member's duties for a substantial part of the member's
4 term; or

5 (3) is absent from more than half of the regularly
6 scheduled committee meetings that the member is eligible to attend
7 during a calendar year without an excuse approved by a majority
8 vote of the committee.

9 (d) A person may not serve as a member of the health coverage
10 advisory committee if the person is required to register as a
11 lobbyist under Chapter 305, Government Code, because of the
12 person's activities for compensation on behalf of a profession
13 related to the operation of the system.

14 (e) If the executive commissioner has knowledge that a
15 potential ground for removal exists, the executive commissioner
16 shall notify the presiding officer of the committee of the
17 potential ground. The presiding officer shall then notify the
18 governor and the attorney general that a potential ground for
19 removal exists. If the potential ground for removal involves the
20 presiding officer, the executive commissioner shall notify the next
21 highest ranking officer of the committee who shall then notify the
22 governor and the attorney general that a potential ground for
23 removal exists.

24 Sec. 2002.055. TRAINING. (a) A person who is appointed to
25 and qualifies for office as a member of the health care advisory
26 committee may not vote, deliberate, or be counted as a member in
27 attendance at a meeting of the committee until the person completes

1 a training program that complies with this section.

2 (b) The training program must provide the person with
3 information regarding:

4 (1) this title;

5 (2) the programs, functions, rules, and budget of the
6 system;

7 (3) the results of the most recent formal audit of the
8 system;

9 (4) the requirements of laws relating to open
10 meetings, public information, administrative procedure, and
11 conflicts of interest; and

12 (5) any applicable ethics policies adopted by the
13 commission or the Texas Ethics Commission.

14 (c) A person appointed to the health care advisory committee
15 is entitled to reimbursement, as provided by the General
16 Appropriations Act, for the travel expenses incurred in attending
17 the training program regardless of whether the attendance at the
18 program occurs before or after the person qualifies for office.

19 Sec. 2002.056. COMPENSATION; REIMBURSEMENT. A person
20 appointed to the health coverage advisory committee is not entitled
21 to compensation for service on the committee but is entitled to
22 reimbursement, as provided by the General Appropriations Act, for
23 the expenses incurred in attending committee meetings or performing
24 other official functions of the committee.

25 Sec. 2002.057. APPLICABILITY OF OTHER LAW. Chapter 2110,
26 Government Code, does not apply to the health coverage advisory
27 committee.

1 [Sections 2002.058-2002.100 reserved for expansion]

2 SUBCHAPTER C. HEALTH CARE DELIVERY REGIONS

3 Sec. 2002.101. HEALTH CARE DELIVERY REGIONS. The executive
4 commissioner may establish health care delivery regions to
5 facilitate and administer the delivery of health care in regions of
6 this state.

7 CHAPTER 2003. FISCAL MANAGEMENT

8 SUBCHAPTER A. HEALTH COVERAGE FUND

9 Sec. 2003.001. FUND. The health coverage fund is a fund in
10 the state treasury. The fund is composed of:

- 11 (1) federal money allocated to the fund; and
12 (2) other money allocated to the fund under law.

13 Sec. 2003.002. ADMINISTRATION OF FUND. The executive
14 commissioner administers the fund.

15 Sec. 2003.003. USE OF FUND. Money in the fund may be used in
16 accordance with the General Appropriations Act to pay claims for
17 health care services provided through the system and the
18 administrative costs of the system.

19 Sec. 2003.004. LEGISLATIVE APPROPRIATION REQUEST. Not
20 later than November 1 of each even-numbered year, the executive
21 commissioner shall submit to the Legislative Budget Board:

22 (1) an estimate of projected system revenue under this
23 title and other law;

24 (2) an estimate of projected system liabilities for
25 the succeeding fiscal biennium; and

26 (3) a legislative appropriation request for the
27 succeeding fiscal biennium.

1 Sec. 2003.005. DUTY TO MONITOR SYSTEM SOLVENCY. The
2 executive commissioner shall monitor the solvency of the system.

3 [Sections 2003.006-2003.050 reserved for expansion]

4 SUBCHAPTER B. FEDERAL FUNDING

5 Sec. 2003.051. APPLICATION FOR FEDERAL FUNDING. The
6 executive commissioner, through applications for appropriate
7 waivers from the Centers for Medicare and Medicaid Services or
8 other appropriate funding sources, shall seek federal funding for
9 the operation of the system.

10 [Sections 2003.052-2003.100 reserved for expansion]

11 SUBCHAPTER C. CLAIMS PAYMENT

12 Sec. 2003.101. RATES AND TERMS OF PAYMENT. The executive
13 commissioner shall establish the rate and terms applicable to
14 payment of claims for health care services provided to eligible
15 residents under the system.

16 SUBTITLE B. TEXAS HEALTH COVERAGE SYSTEM

17 CHAPTER 2101. ELIGIBILITY

18 SUBCHAPTER A. GENERAL ELIGIBILITY REQUIREMENTS

19 Sec. 2101.001. RESIDENT. Each resident of this state is
20 eligible for health coverage provided through the system.

21 Sec. 2101.002. EXCEPTION. Notwithstanding Section
22 2101.001, the executive commissioner may exclude from eligibility a
23 resident of this state the commissioner finds has adequate health
24 coverage from another source.

25 [Sections 2101.003-2101.050 reserved for expansion]

26 SUBCHAPTER B. ELIGIBILITY DETERMINATIONS

27 Sec. 2101.051. VERIFICATION OF ELIGIBILITY. The executive

1 commissioner by rule shall adopt procedures for verifying residence
2 to establish eligibility for health coverage provided through the
3 system.

4 Sec. 2101.052. EVIDENCE OF COVERAGE. The system may issue
5 an identification card or other evidence of coverage to be used by
6 an eligible resident to show proof that the resident is eligible for
7 health coverage provided through the system.

8 CHAPTER 2102. HEALTH CARE SERVICES

9 Sec. 2102.001. COVERAGE FOR HEALTH CARE SERVICES. The
10 system must provide health coverage for all services the executive
11 commissioner determines are reasonably needed to maintain good
12 health and that are medically necessary for the eligible resident.

13 CHAPTER 2103. COST SHARING

14 Sec. 2103.001. PREMIUM. The executive commissioner by rule
15 shall establish requirements for the payment of premium for
16 participation in the system.

17 Sec. 2103.002. COPAYMENTS AUTHORIZED. The executive
18 commissioner may establish copayment amounts to be paid at the
19 point of service by an eligible resident receiving health care
20 services for which coverage is provided through the system.

21 Sec. 2103.003. DEDUCTIBLE AMOUNTS. The executive
22 commissioner may establish deductible amounts that an eligible
23 resident receiving health care services is responsible to pay
24 before coverage is provided through the system.

25 CHAPTER 2104. HEALTH CARE PROVIDER

26 Sec. 2104.001. CREDENTIALING. The executive commissioner
27 by rule may establish standards for participation in the system as a

1 physician, health care practitioner, or health care facility.

2 Sec. 2104.002. PRIMARY CARE PROVIDER; REQUIRED REFERRAL.

3 The executive commissioner by rule may establish requirements under
4 which an eligible resident must designate a primary care provider
5 and must obtain a referral from that provider to obtain coverage for
6 specialty care services.

7 ARTICLE 2. CONFORMING AMENDMENTS

8 SECTION 2.01. Subchapter A, Chapter 531, Government Code,
9 is amended by adding Section 531.0001 to read as follows:

10 Sec. 531.0001. COORDINATION WITH TEXAS HEALTH COVERAGE
11 SYSTEM. (a) Notwithstanding any provision of this chapter or any
12 other law of this state, on and after January 1, 2010, the Texas
13 Health Coverage System is responsible for administering the system
14 for providing health coverage and health care services in this
15 state.

16 (b) Each health and human services agency remains
17 responsible for safety and licensing functions within the
18 jurisdiction of the agency before January 1, 2010, but functions of
19 the agency relating to the provision of health coverage or health
20 care services are transferred to the Texas Health Coverage System
21 in accordance with Title 13, Health and Safety Code.

22 SECTION 2.02. Chapter 30, Insurance Code, is amended by
23 adding Section 30.005 to read as follows:

24 Sec. 30.005. COORDINATION WITH TEXAS HEALTH COVERAGE
25 SYSTEM. Notwithstanding any provision of this code or any other law
26 of this state, on and after January 1, 2010, an insurer, health
27 maintenance organization, or other entity may not offer a health

1 benefits plan in this state to the extent that plan duplicates
2 coverage provided under the Texas Health Coverage System.

3 ARTICLE 3. TRANSITION PLAN

4 SECTION 3.01. (a) Not later than January 1, 2008, the
5 executive commissioner of the Health and Human Services Commission
6 shall appoint a transition advisory group. The transition advisory
7 group must include representatives of the public, the health care
8 industry, issuers of health benefit plans, and other experts
9 identified by the executive commissioner.

10 (b) In consultation with the transition advisory group, the
11 executive commissioner of the Health and Human Services Commission
12 shall develop a plan for the orderly implementation of Title 13,
13 Health and Safety Code, as added by this Act.

14 SECTION 3.02. The Texas Health Coverage System shall become
15 effective to provide coverage in accordance with Title 13, Health
16 and Safety Code, as added by this Act, not later than January 1,
17 2010.

18 SECTION 3.03. (a) In this section, "affected state agency"
19 means:

20 (1) the Health and Human Services Commission;
21 (2) the Texas Department of Insurance; and
22 (3) any health and human services agency described by
23 Section 531.001, Government Code, that is designated as affected by
24 the executive commissioner of the Health and Human Services
25 Commission.

26 (b) Effective January 1, 2010, or on an earlier date
27 specified by the executive commissioner of the Health and Human

1 Services Commission:

2 (1) each affected state agency shall transfer any
3 property or records of the state agency related to the
4 administration of health coverage, health benefits, or health care
5 services within the jurisdiction of the Texas Health Coverage
6 System to the Texas Health Coverage System to assist the Health and
7 Human Services Commission to begin administering Title 13, Health
8 and Safety Code, as added by this Act, as efficiently as
9 practicable;

10 (2) all powers, duties, functions, activities,
11 obligations, rights, contracts, records, property, and
12 appropriations or other money of the affected state agency related
13 to the administration of health coverage, health benefits, or
14 health care services within the jurisdiction of the Texas Health
15 Coverage System are transferred to the Health and Human Services
16 Commission;

17 (3) a rule or form adopted by each affected state
18 agency related to the administration of health coverage, health
19 benefits, or health care services within the jurisdiction of the
20 Texas Health Coverage System is a rule or form of the Health and
21 Human Services Commission and remains in effect until altered by
22 that commission; and

23 (4) a reference in law or an administrative rule to an
24 affected state agency that relates to the administration of health
25 coverage, health benefits, or health care services within the
26 jurisdiction of the Texas Health Coverage System means the Health
27 and Human Services Commission.

1 (c) Until the date of the transfer specified by Subsection
2 (b) of this section, and subject to the transition plan adopted by
3 the executive commissioner of the Health and Human Services
4 Commission under this article, each affected state agency shall
5 continue to exercise the powers and perform the duties assigned to
6 the state agency under the law as it existed immediately before the
7 effective date of this Act or as modified by another Act of the 80th
8 Legislature, Regular Session, 2007, that becomes law, and the
9 former law is continued in effect for that purpose.

10 ARTICLE 4. EFFECTIVE DATE

11 SECTION 4.01. This Act takes effect immediately if it
12 receives a vote of two-thirds of all the members elected to each
13 house, as provided by Section 39, Article III, Texas Constitution.
14 If this Act does not receive the vote necessary for immediate
15 effect, this Act takes effect September 1, 2007.