

By: Nelson

S.B. No. 23

A BILL TO BE ENTITLED

AN ACT

relating to promoting the purchase and availability of health coverage.

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

ARTICLE 1. TEXLINK TO HEALTH COVERAGE PROGRAM

SECTION 1.01. Chapter 524, Insurance Code, is amended to read as follows:

CHAPTER 524. TEXLINK TO HEALTH COVERAGE [~~AWARENESS AND EDUCATION~~]  
PROGRAM

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 524.001. DEFINITIONS. In this chapter:

(1) "Division" means the division of the department that administers the TexLink to Health Coverage Program.

(2) "Program" means the TexLink to Health Coverage Program established in accordance with this chapter.

Sec. 524.002. DIVISION RESPONSIBILITIES. Under the direction of the commissioner, the division implements this chapter.

Sec. 524.003. TEXLINK TO HEALTH COVERAGE PROGRAM ESTABLISHED. (a) The department shall develop and implement a health coverage [~~public awareness and education~~] program that complies with this chapter. The program must:

(1) educate the public about the importance and value of health coverage;

1           (2) promote personal responsibility for health care  
2 through the purchase of health coverage;

3           (3) assist small employers, individuals, and others  
4 seeking to purchase health coverage with technical information  
5 necessary to understand available health coverage products;

6           (4) promote and facilitate the development and  
7 availability of new health coverage options;

8           (5) increase public awareness of health coverage  
9 options available in this state; and

10          (6) [~~(2)~~ educate the public on the value of health  
11 coverage; and

12          ~~[(3)]~~ provide information on health coverage options,  
13 including health savings accounts and compatible high deductible  
14 health benefit plans.

15          (b) The program must include a public awareness and  
16 education component.

17           [Sections 524.004-524.050 reserved for expansion]

18           SUBCHAPTER B. PUBLIC AWARENESS AND EDUCATION

19          Sec. 524.051. INFORMATION ABOUT SPECIFIC HEALTH BENEFIT  
20 PLAN ISSUERS. In materials produced for the program, the division  
21 [~~(b) The department~~] may include information about specific health  
22 benefit plan [coverage] issuers but may not favor or endorse one  
23 particular issuer over another.

24          Sec. 524.052. [~~524.002.~~] PUBLIC SERVICE ANNOUNCEMENTS. The  
25 division [department] shall develop and make public service  
26 announcements to educate consumers and employers about the  
27 availability of health coverage in this state.

1           Sec. 524.053. [~~524.003.~~]   INTERNET   WEBSITE;   PRINTED  
2 MATERIALS; NEWSLETTER [~~PUBLIC EDUCATION~~].   (a) The division  
3 [~~department~~] shall develop an Internet website and printed  
4 materials designed to educate small employers, individuals, and  
5 others seeking to purchase health coverage [~~the public~~] about [~~the~~  
6 ~~availability of~~] health coverage in accordance with Section  
7 524.003(a) [~~this state, including information about health savings~~  
8 ~~accounts and compatible high deductible health benefit plans~~].

9           (b) The division shall make the printed materials produced  
10 under the program available to small employers, individuals, and  
11 others seeking to purchase health coverage. The division may:

12                   (1) distribute the printed materials through  
13 facilities such as libraries, health care facilities, and schools  
14 as well as other venues the division selects; and

15                   (2) use other distribution methods the division  
16 selects.

17           (c) The division may produce a newsletter to provide updated  
18 information about health coverage to subscribers who elect to  
19 receive the newsletter. The division may:

20                   (1) produce a newsletter under this subsection for  
21 small employers, for individuals, or for other purchasers of health  
22 coverage;

23                   (2) distribute the newsletter on a monthly, quarterly,  
24 or other basis; and

25                   (3) distribute the newsletter as a printed document or  
26 electronically.

27           Sec. 524.054. TOLL-FREE TELEPHONE HOTLINE; ACCESS TO

1 INFORMATION. (a) The division may operate a toll-free telephone  
2 hotline to respond to inquiries and provide information and  
3 technical assistance concerning health coverage products.

4 (b) The Health and Human Services Commission, through its  
5 2-1-1 telephone number for access to human services, may  
6 disseminate information regarding health coverage products  
7 provided to the commission by the department and may refer  
8 inquiries regarding health coverage products to the toll-free  
9 telephone hotline. The department may provide information to the  
10 Health and Human Services Commission as necessary to implement this  
11 subsection.

12 Sec. 524.055. EDUCATION FOR HIGH SCHOOL STUDENTS. (a) The  
13 division may develop educational materials and a curriculum to be  
14 used in high school classes that educate students about:

- 15 (1) the importance and value of health coverage;  
16 (2) comparing health benefit plans; and  
17 (3) understanding basic provisions contained in  
18 health benefit plans.

19 (b) The division may consult with the Texas Education Agency  
20 in developing educational materials and a curriculum under this  
21 section.

22 Sec. 524.056. HEALTH COVERAGE FAIRS. (a) The division may  
23 conduct health coverage fairs to provide small employers,  
24 individuals, and others seeking to purchase health coverage the  
25 opportunity to obtain information about health coverage from  
26 division employees and from health benefit plan issuers and agents  
27 that elect to participate.

1        (b) The division shall seek to obtain funding for health  
2 coverage fairs conducted under this section through gifts and  
3 grants obtained in accordance with Subchapter D.

4        Sec. 524.057. COMMUNITY EVENTS. The division may  
5 participate in events held in this state to promote awareness of the  
6 importance and value of health coverage and to educate small  
7 employers, individuals, and others seeking to purchase health  
8 coverage about health coverage in accordance with Section  
9 524.003(a).

10        Sec. 524.058. HEALTH COVERAGE PROVIDED THROUGH COLLEGES AND  
11 UNIVERSITIES. The division may cooperate with a public or private  
12 college or university to promote enrollment in health coverage  
13 programs sponsored by or through the college or university.

14        Sec. 524.059. SUPPORT FOR COMMUNITY-BASED PROJECTS. The  
15 division may provide support and assistance to individuals and  
16 organizations seeking to develop community-based health coverage  
17 plans for uninsured individuals.

18        Sec. 524.060. OTHER EDUCATION. The division may [~~department~~  
19 ~~shall~~] provide other appropriate education to the public regarding  
20 health coverage and the importance and value of health coverage in  
21 accordance with Section 524.003(a).

22        Sec. 524.061. [~~524.004.~~] TASK FORCE. (a) The commissioner  
23 may [~~shall~~] appoint a task force to make recommendations regarding  
24 the division's duties under this subchapter [~~health coverage public~~  
25 ~~awareness and education program~~]. If appointed, the [~~The~~] task  
26 force must be [~~is~~] composed of:

- 27            (1) one representative from each of the following

1 groups or entities:

- 2 (A) health [~~benefit~~] coverage consumers;
- 3 (B) small employers;
- 4 (C) employers generally;
- 5 (D) insurance agents;
- 6 (E) the office of public insurance counsel;
- 7 (F) the Texas Health Insurance Risk Pool;
- 8 (G) physicians;
- 9 (H) advanced practice nurses;
- 10 (I) hospital trade associations; and
- 11 (J) medical units of institutions of higher  
12 education;

13 (2) a representative of the Health and Human Services  
14 Commission responsible for programs under Medicaid and the  
15 children's health insurance program; and

16 (3) one or more representatives of health benefit plan  
17 issuers.

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

22 (c) The division may [~~department shall~~] consult the task  
23 force regarding the content for the public service announcements,  
24 Internet website, printed materials, and other educational  
25 materials required or authorized by this subchapter [~~chapter~~]. The  
26 commissioner has authority to make final decisions as to what the  
27 program's materials will contain.

1 [Sections 524.062-524.100 reserved for expansion]

2 SUBCHAPTER C. ASSISTANCE FOR CERTAIN BUSINESSES

3 Sec. 524.101. FEDERAL TAX "TOOL KIT" FOR CERTAIN  
4 BUSINESSES. The division may produce materials that provide  
5 information about obtaining health coverage in a manner that  
6 qualifies for favorable treatment under federal tax laws.

7 Sec. 524.102. ASSISTANCE FOR SMALL EMPLOYERS AND  
8 SINGLE-EMPLOYEE BUSINESSES. Division staff may respond to  
9 telephone inquiries regarding health coverage options for small  
10 employers and single-employee businesses and may speak at events to  
11 provide information about health coverage options for small  
12 employers and single-employee businesses and about the importance  
13 and value of health coverage.

14 Sec. 524.103. COOPERATIVES FOR SMALL AND LARGE EMPLOYERS.  
15 The division may provide information regarding the formation of or  
16 participation in private purchasing cooperatives and health group  
17 cooperatives in accordance with Subchapter B, Chapter 1501.

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

21 [Sections 524.105-524.150 reserved for expansion]

22 SUBCHAPTER D. FUNDING

23 Sec. ~~524.151~~ [524.005]. FUNDING. The department may accept  
24 gifts and grants from any party, including a health benefit plan  
25 issuer or a foundation associated with a health benefit plan  
26 issuer, to assist with funding the program. The department shall  
27 adopt rules governing acceptance of donations that are consistent

1 with Chapter 575, Government Code. Before adopting rules under  
2 this section [~~subsection~~], the department shall:

3 (1) submit the proposed rules to the Texas Ethics  
4 Commission for review; and

5 (2) consider the commission's recommendations  
6 regarding the regulations.

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

8 SECTION 2.01. Section 1501.002, Insurance Code, is amended  
9 by adding Subdivision (1-a) and amending Subdivision (15) to read  
10 as follows:

11 (1-a) "Children's health benefit plan" means a health  
12 benefit plan offered in accordance with Section 1501.2525.

13 (15) "Small employer health benefit plan" means a  
14 health benefit plan developed by the commissioner under Subchapter  
15 F or any other health benefit plan offered to a small employer in  
16 accordance with Section 1501.252(c) or 1501.255. The term includes  
17 a children's health benefit plan.

18 SECTION 2.02. Section 1501.003, Insurance Code, is amended  
19 to read as follows:

20 Sec. 1501.003. APPLICABILITY: SMALL EMPLOYER HEALTH  
21 BENEFIT PLANS. (a) An individual or group health benefit plan is a  
22 small employer health benefit plan subject to Subchapters C-H if it  
23 provides health care benefits covering two or more eligible  
24 employees of a small employer and:

25 (1) the employer pays a portion of the premium or  
26 benefits;

27 (2) the employer or a covered individual treats the



1 health benefit plan as part of a plan or program for purposes of  
2 Section 106 or 162, Internal Revenue Code of 1986 (26 U.S.C. Section  
3 106 or 162); or

4 (3) the health benefit plan is an employee welfare  
5 benefit plan under 29 C.F.R. Section 2510.3-1(j).

6 (b) A children's health benefit plan is a small employer  
7 benefit plan and, except as specifically provided by Section  
8 1501.2525, is subject to Subchapters C-H in the same manner as any  
9 other small employer health benefit plan.

10 SECTION 2.03. Subsection (b), Section 1501.154, Insurance  
11 Code, is amended to read as follows:

12 (b) If a small employer offers multiple health benefit  
13 plans, the collective participation in those plans, including any  
14 children's health benefit plan, must be at least:

15 (1) 75 percent of the employer's eligible employees;  
16 or

17 (2) if applicable, the lower participation level  
18 offered by the small employer health benefit plan issuer under  
19 Section 1501.155.

20 SECTION 2.04. Subchapter F, Chapter 1501, Insurance Code,  
21 is amended by adding Section 1501.2525 to read as follows:

22 Sec. 1501.2525. CHILDREN'S HEALTH BENEFIT PLAN. (a) A  
23 small employer health benefit plan issuer may offer to a small  
24 employer a children's health benefit plan in accordance with this  
25 section.

26 (b) A children's health benefit plan provides coverage to  
27 children younger than 25 years of age:

1 (1) who are dependents of eligible employees; and

2 (2) whose family income is at or below 400 percent of  
3 the federal poverty level as determined by rules adopted by the  
4 commissioner.

5 (c) A children's health benefit plan may not provide  
6 coverage to an eligible employee or the spouse of an eligible  
7 employee.

8 (d) The commissioner by rule shall adopt minimum benefits  
9 required to be provided under a children's health benefit plan.  
10 This subchapter applies to a children's health benefit plan except  
11 to the extent the commissioner by rule determines that a provision  
12 of this subchapter is inappropriate as applied to a children's  
13 health benefit plan.

14 SECTION 2.05. Subchapter B, Chapter 1502, Insurance Code,  
15 is amended by adding Section 1502.054 to read as follows:

16 Sec. 1502.054. INAPPLICABILITY OF OTHER LAW. A children's  
17 health benefit plan offered under this chapter is not subject to  
18 Section 1501.2525.

19 SECTION 2.06. The commissioner of insurance shall adopt any  
20 rules necessary to implement the change in law made by this article  
21 not later than December 1, 2007. A small employer health benefit  
22 plan issuer may not offer a children's health benefit plan under  
23 Section 1501.2525, Insurance Code, as added by this article, before  
24 January 1, 2008.

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

27 SECTION 3.01. Chapter 4054, Insurance Code, is amended by

1 adding Subchapter G to read as follows:

2 SUBCHAPTER G. SPECIALTY CERTIFICATION FOR AGENTS SERVING CERTAIN  
3 EMPLOYER GROUPS

4 Sec. 4054.301. CERTIFICATION PROGRAM. The department shall  
5 establish a voluntary specialty certification program for  
6 individuals who market small employer health benefit plans in  
7 accordance with Chapter 1501.

8 Sec. 4054.302. QUALIFICATIONS. (a) To be eligible to  
9 receive a specialty certification under this subchapter, an  
10 individual must:

11 (1) hold a general life, accident, and health license  
12 under this chapter;

13 (2) satisfy the requirements of this subchapter; and

14 (3) submit evidence of completion of training to the  
15 department in the manner prescribed by the commissioner.

16 (b) To maintain a specialty certification under this  
17 subchapter, an individual must continue to hold a general life,  
18 accident, and health license under this chapter.

19 Sec. 4054.303. TRAINING. (a) To be certified under this  
20 subchapter, an individual must first complete training in the law,  
21 including department rules, applicable to small employer health  
22 benefit plans offered under Chapter 1501.

23 (b) An individual seeking specialty certification under  
24 this subchapter must complete a course applicable to small employer  
25 health benefit plans under Chapter 1501, as prescribed and approved  
26 by the commissioner. Except as provided by Subsection (c), an  
27 individual is not eligible for the specialty certification unless,

1 on completion of the course, it is certified to the commissioner as  
2 required by the department that the individual has:

3 (1) completed the course; and

4 (2) passed an examination testing the individual's  
5 knowledge and qualification.

6 (c) An individual seeking specialty certification under  
7 this chapter is not required to complete the course and examination  
8 required by Subsection (b) if the individual demonstrates to the  
9 department, in the manner prescribed by the department, that the  
10 individual holds a designation as:

11 (1) a Registered Health Underwriter (RHU);

12 (2) a Certified Employee Benefit Specialist (CEBS); or

13 (3) a Registered Employee Benefits Consultant (REBC).

14 Sec. 4054.304. CONTINUING EDUCATION REQUIREMENTS. (a) To  
15 renew a specialty certification under this subchapter, the  
16 individual must complete five hours of continuing education  
17 applicable to small employer health benefit plans during the  
18 two-year certification period.

19 (b) Each hour of continuing education completed in  
20 accordance with this section may be used to satisfy an hour of a  
21 continuing education requirement otherwise applicable to the agent  
22 under this title.

23 Sec. 4054.305. OFFER OF SERVICES TO ALL GROUP SIZES. To  
24 hold a specialty certification under this subchapter, an individual  
25 must agree to market small employer health benefit plans to small  
26 employers that satisfy the requirements of Chapter 1501 without  
27 regard to the number of employees to be covered under the plan.

1       Sec. 4054.306. ADVERTISING. An individual who holds a  
2 specialty certification may advertise, in the manner specified by  
3 department rule, that the individual is specially trained to serve  
4 small employers.

5       Sec. 4054.307. LIST MAINTAINED BY DEPARTMENT; WEBSITE. The  
6 department shall maintain a list of all individuals who hold a  
7 specialty certification under this chapter, together with the  
8 business address and phone number of each individual and a general  
9 description of the individual's service area. The department shall  
10 publish the list on the department website.

11       Sec. 4054.308. RULES. The commissioner, in accordance with  
12 Section 36.001, may adopt rules as necessary to administer this  
13 subchapter.

14       SECTION 3.02. Section 4001.002, Insurance Code, is amended  
15 by adding Subsection (a-1) to read as follows:

16       (a-1) Except as otherwise provided by this code, this title  
17 applies to each individual who holds a specialty certification  
18 under Subchapter G, Chapter 4054.

19       SECTION 3.03. Not later than January 1, 2008, the Texas  
20 Department of Insurance may begin issuing specialty certifications  
21 under Subchapter G, Chapter 4054, Insurance Code, as added by this  
22 article.

23                                   ARTICLE 4. EFFECTIVE DATE

24       SECTION 4.01. This Act takes effect September 1, 2007.