

1-1 By: Nelson S.B. No. 23
1-2 (In the Senate - Filed November 13, 2006; January 23, 2007,
1-3 read first time and referred to Committee on State Affairs;
1-4 April 17, 2007, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 7, Nays 0; April 17, 2007,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 23 By: Carona

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to promoting the purchase and availability of health
1-11 coverage.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 ARTICLE 1. TEXLINK TO HEALTH COVERAGE PROGRAM

1-14 SECTION 1.01. Chapter 524, Insurance Code, is amended to
1-15 read as follows:

1-16 CHAPTER 524. TEXLINK TO HEALTH COVERAGE [AWARENESS AND EDUCATION]
1-17 PROGRAM

1-18 SUBCHAPTER A. GENERAL PROVISIONS

1-19 Sec. 524.001. DEFINITIONS. In this chapter:

1-20 (1) "Division" means the division of the department
1-21 that administers the TexLink to Health Coverage Program.

1-22 (2) "Program" means the TexLink to Health Coverage
1-23 Program established in accordance with this chapter.

1-24 Sec. 524.002. DIVISION RESPONSIBILITIES. Under the
1-25 direction of the commissioner, the division implements this
1-26 chapter.

1-27 Sec. 524.003. TEXLINK TO HEALTH COVERAGE PROGRAM
1-28 ESTABLISHED. (a) The department shall develop and implement a
1-29 health coverage [public awareness and education] program that
1-30 complies with this chapter. The program must:

1-31 (1) educate the public about the importance and value
1-32 of health coverage;

1-33 (2) promote personal responsibility for health care
1-34 through the purchase of health coverage;

1-35 (3) assist small employers, individuals, and others
1-36 seeking to purchase health coverage with technical information
1-37 necessary to understand available health coverage products;

1-38 (4) promote and facilitate the development and
1-39 availability of new health coverage options;

1-40 (5) increase public awareness of health coverage
1-41 options available in this state; and

1-42 (6) ~~(2) educate the public on the value of health~~
1-43 ~~coverage; and~~

1-44 ~~(3)] provide information on health coverage options,~~
1-45 ~~including health savings accounts and compatible high deductible~~
1-46 ~~health benefit plans.~~

1-47 (b) The program must include a public awareness and
1-48 education component.

1-49 [Sections 524.004-524.050 reserved for expansion]

1-50 SUBCHAPTER B. PUBLIC AWARENESS AND EDUCATION

1-51 Sec. 524.051. INFORMATION ABOUT SPECIFIC HEALTH BENEFIT
1-52 PLAN ISSUERS. In materials produced for the program, the division
1-53 [~~(b) The department~~] may include information about specific health
1-54 benefit plan [~~coverage~~] issuers but may not favor or endorse one
1-55 particular issuer over another.

1-56 Sec. 524.052. [~~524.002.~~] PUBLIC SERVICE ANNOUNCEMENTS. The
1-57 division [~~department~~] shall develop and make public service
1-58 announcements to educate consumers and employers about the
1-59 availability of health coverage in this state.

1-60 Sec. 524.053. [~~524.003.~~] INTERNET WEBSITE; PRINTED
1-61 MATERIALS; NEWSLETTER [~~PUBLIC EDUCATION~~]. (a) The division
1-62 [~~department~~] shall develop an Internet website and printed
1-63 materials designed to educate small employers, individuals, and

2-1 others seeking to purchase health coverage [~~the public~~] about [~~the~~
2-2 ~~availability of~~] health coverage in accordance with Section
2-3 524.003(a) [~~this state, including information about health savings~~
2-4 ~~accounts and compatible high deductible health benefit plans~~].

2-5 (b) The division shall make the printed materials produced
2-6 under the program available to small employers, individuals, and
2-7 others seeking to purchase health coverage. The division may:

2-8 (1) distribute the printed materials through
2-9 facilities such as libraries, health care facilities, and schools
2-10 as well as other venues the division selects; and

2-11 (2) use other distribution methods the division
2-12 selects.

2-13 (c) The division may produce a newsletter to provide updated
2-14 information about health coverage to subscribers who elect to
2-15 receive the newsletter. The division may:

2-16 (1) produce a newsletter under this subsection for
2-17 small employers, for individuals, or for other purchasers of health
2-18 coverage;

2-19 (2) distribute the newsletter on a monthly, quarterly,
2-20 or other basis; and

2-21 (3) distribute the newsletter as a printed document or
2-22 electronically.

2-23 Sec. 524.054. TOLL-FREE TELEPHONE HOTLINE; ACCESS TO
2-24 INFORMATION. (a) The division may operate a toll-free telephone
2-25 hotline to respond to inquiries and provide information and
2-26 technical assistance concerning health coverage products.

2-27 (b) The Health and Human Services Commission, through its
2-28 2-1-1 telephone number for access to human services, may
2-29 disseminate information regarding health coverage products
2-30 provided to the commission by the department and may refer
2-31 inquiries regarding health coverage products to the toll-free
2-32 telephone hotline. The department may provide information to the
2-33 Health and Human Services Commission as necessary to implement this
2-34 subsection.

2-35 Sec. 524.055. EDUCATION FOR HIGH SCHOOL STUDENTS. (a) The
2-36 division may develop educational materials and a curriculum to be
2-37 used in high school classes that educate students about:

2-38 (1) the importance and value of health coverage;

2-39 (2) comparing health benefit plans; and

2-40 (3) understanding basic provisions contained in
2-41 health benefit plans.

2-42 (b) The division may consult with the Texas Education Agency
2-43 in developing educational materials and a curriculum under this
2-44 section.

2-45 Sec. 524.056. HEALTH COVERAGE FAIRS. (a) The division may
2-46 conduct health coverage fairs to provide small employers,
2-47 individuals, and others seeking to purchase health coverage the
2-48 opportunity to obtain information about health coverage from
2-49 division employees and from health benefit plan issuers and agents
2-50 that elect to participate.

2-51 (b) The division shall seek to obtain funding for health
2-52 coverage fairs conducted under this section through gifts and
2-53 grants obtained in accordance with Subchapter D.

2-54 Sec. 524.057. COMMUNITY EVENTS. The division may
2-55 participate in events held in this state to promote awareness of the
2-56 importance and value of health coverage and to educate small
2-57 employers, individuals, and others seeking to purchase health
2-58 coverage about health coverage in accordance with Section
2-59 524.003(a).

2-60 Sec. 524.058. HEALTH COVERAGE PROVIDED THROUGH COLLEGES AND
2-61 UNIVERSITIES. The division may cooperate with a public or private
2-62 college or university to promote enrollment in health coverage
2-63 programs sponsored by or through the college or university.

2-64 Sec. 524.059. SUPPORT FOR COMMUNITY-BASED PROJECTS. The
2-65 division may provide support and assistance to individuals and
2-66 organizations seeking to develop community-based health coverage
2-67 plans for uninsured individuals.

2-68 Sec. 524.060. OTHER EDUCATION. The division may [~~department~~
2-69 ~~shall~~] provide other appropriate education to the public regarding

3-1 health coverage and the importance and value of health coverage in
3-2 accordance with Section 524.003(a).

3-3 Sec. 524.061. [524.004.] TASK FORCE. (a) The commissioner
3-4 may [shall] appoint a task force to make recommendations regarding
3-5 the division's duties under this subchapter [health coverage public
3-6 awareness and education program]. If appointed, the [The] task
3-7 force must be [is] composed of:

3-8 (1) one representative from each of the following
3-9 groups or entities:

- 3-10 (A) health [~~benefit~~] coverage consumers;
- 3-11 (B) small employers;
- 3-12 (C) employers generally;
- 3-13 (D) insurance agents;
- 3-14 (E) the office of public insurance counsel;
- 3-15 (F) the Texas Health Insurance Risk Pool;
- 3-16 (G) physicians;
- 3-17 (H) advanced practice nurses;
- 3-18 (I) hospital trade associations; and
- 3-19 (J) medical units of institutions of higher

3-20 education;
3-21 (2) a representative of the Health and Human Services
3-22 Commission responsible for programs under Medicaid and the
3-23 children's health insurance program; and

3-24 (3) one or more representatives of health benefit plan
3-25 issuers.

3-26 (b) In addition to the individuals listed in Subsection (a),
3-27 the commissioner may select to serve on any task force one or more
3-28 individuals with experience in public relations, marketing, or
3-29 another related field of professional services.

3-30 (c) The division may [department shall] consult the task
3-31 force regarding the content for the public service announcements,
3-32 Internet website, printed materials, and other educational
3-33 materials required or authorized by this subchapter [chapter]. The
3-34 commissioner has authority to make final decisions as to what the
3-35 program's materials will contain.

3-36 [Sections 524.062-524.100 reserved for expansion]

3-37 SUBCHAPTER C. ASSISTANCE FOR CERTAIN BUSINESSES

3-38 Sec. 524.101. FEDERAL TAX "TOOL KIT" FOR CERTAIN
3-39 BUSINESSES. The division may produce materials that provide
3-40 information about obtaining health coverage in a manner that
3-41 qualifies for favorable treatment under federal tax laws.

3-42 Sec. 524.102. ASSISTANCE FOR SMALL EMPLOYERS AND
3-43 SINGLE-EMPLOYEE BUSINESSES. Division staff may respond to
3-44 telephone inquiries regarding health coverage options for small
3-45 employers and single-employee businesses and may speak at events to
3-46 provide information about health coverage options for small
3-47 employers and single-employee businesses and about the importance
3-48 and value of health coverage.

3-49 Sec. 524.103. COOPERATIVES FOR SMALL AND LARGE EMPLOYERS.
3-50 The division may provide information regarding the formation of or
3-51 participation in private purchasing cooperatives and health group
3-52 cooperatives in accordance with Subchapter B, Chapter 1501.

3-53 Sec. 524.104. ACCOUNTANT. The division may consult an
3-54 accountant with experience in federal tax law and the purchase of
3-55 group health coverage as necessary to implement this subchapter.

3-56 [Sections 524.105-524.150 reserved for expansion]

3-57 SUBCHAPTER D. FUNDING

3-58 Sec. 524.151 [524.005]. FUNDING. The department may accept
3-59 gifts and grants from any party, including a health benefit plan
3-60 issuer or a foundation associated with a health benefit plan
3-61 issuer, to assist with funding the program. The department shall
3-62 adopt rules governing acceptance of donations that are consistent
3-63 with Chapter 575, Government Code. Before adopting rules under
3-64 this section [subsection], the department shall:

3-65 (1) submit the proposed rules to the Texas Ethics
3-66 Commission for review; and

3-67 (2) consider the commission's recommendations
3-68 regarding the regulations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) who are dependents of eligible employees; and

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

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

(d) The commissioner by rule shall adopt minimum benefits required to be provided under a children's health benefit plan. This subchapter 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. Subchapter B, Chapter 1502, Insurance Code, is amended by adding Section 1502.054 to read as follows:

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

SECTION 2.06. The commissioner of insurance shall adopt any rules necessary to implement the change in law made by this article not later than December 1, 2007. A small employer health benefit

5-1 plan issuer may not offer a children's health benefit plan under
5-2 Section 1501.2525, Insurance Code, as added by this article, before
5-3 January 1, 2008.

5-4 ARTICLE 3. SPECIALTY CERTIFICATION FOR CERTAIN LIFE, ACCIDENT, AND
5-5 HEALTH AGENTS

5-6 SECTION 3.01. Chapter 4054, Insurance Code, is amended by
5-7 adding Subchapter G to read as follows:

5-8 SUBCHAPTER G. SPECIALTY CERTIFICATION FOR AGENTS SERVING CERTAIN
5-9 EMPLOYER GROUPS

5-10 Sec. 4054.301. CERTIFICATION PROGRAM. The department shall
5-11 establish a voluntary specialty certification program for
5-12 individuals who market small employer health benefit plans in
5-13 accordance with Chapter 1501.

5-14 Sec. 4054.302. QUALIFICATIONS. (a) To be eligible to
5-15 receive a specialty certification under this subchapter, an
5-16 individual must:

5-17 (1) hold a general life, accident, and health license
5-18 under this chapter;

5-19 (2) satisfy the requirements of this subchapter; and

5-20 (3) submit evidence of completion of training to the
5-21 department in the manner prescribed by the commissioner.

5-22 (b) To maintain a specialty certification under this
5-23 subchapter, an individual must continue to hold a general life,
5-24 accident, and health license under this chapter.

5-25 Sec. 4054.303. TRAINING. (a) To be certified under this
5-26 subchapter, an individual must first complete training in the law,
5-27 including department rules, applicable to small employer health
5-28 benefit plans offered under Chapter 1501.

5-29 (b) An individual seeking specialty certification under
5-30 this subchapter must complete a course applicable to small employer
5-31 health benefit plans under Chapter 1501, as prescribed and approved
5-32 by the commissioner. Except as provided by Subsection (c), an
5-33 individual is not eligible for the specialty certification unless,
5-34 on completion of the course, it is certified to the commissioner as
5-35 required by the department that the individual has:

5-36 (1) completed the course; and

5-37 (2) passed an examination testing the individual's
5-38 knowledge and qualification.

5-39 (c) An individual seeking specialty certification under
5-40 this chapter is not required to complete the course and examination
5-41 required by Subsection (b) if the individual demonstrates to the
5-42 department, in the manner prescribed by the department, that the
5-43 individual holds a designation as:

5-44 (1) a Registered Health Underwriter (RHU);

5-45 (2) a Certified Employee Benefit Specialist (CEBS); or

5-46 (3) a Registered Employee Benefits Consultant (REBC).

5-47 Sec. 4054.304. CONTINUING EDUCATION REQUIREMENTS. (a) To
5-48 renew a specialty certification under this subchapter, the
5-49 individual must complete five hours of continuing education
5-50 applicable to small employer health benefit plans during the
5-51 two-year certification period.

5-52 (b) Each hour of continuing education completed in
5-53 accordance with this section may be used to satisfy an hour of a
5-54 continuing education requirement otherwise applicable to the agent
5-55 under this title.

5-56 Sec. 4054.305. OFFER OF SERVICES TO ALL GROUP SIZES. To
5-57 hold a specialty certification under this subchapter, an individual
5-58 must agree to market small employer health benefit plans to small
5-59 employers that satisfy the requirements of Chapter 1501 without
5-60 regard to the number of employees to be covered under the plan.

5-61 Sec. 4054.306. ADVERTISING. An individual who holds a
5-62 specialty certification may advertise, in the manner specified by
5-63 department rule, that the individual is specially trained to serve
5-64 small employers.

5-65 Sec. 4054.307. LIST MAINTAINED BY DEPARTMENT; WEBSITE. The
5-66 department shall maintain a list of all individuals who hold a
5-67 specialty certification under this chapter, together with the
5-68 business address and phone number of each individual and a general
5-69 description of the individual's service area. The department shall

6-1 publish the list on the department website.

6-2 Sec. 4054.308. RULES. The commissioner, in accordance with
6-3 Section 36.001, may adopt rules as necessary to administer this
6-4 subchapter.

6-5 SECTION 3.02. Section 4001.002, Insurance Code, is amended
6-6 by adding Subsection (a-1) to read as follows:

6-7 (a-1) Except as otherwise provided by this code, this title
6-8 applies to each individual who holds a speciality certification
6-9 under Subchapter G, Chapter 4054.

6-10 SECTION 3.03. Not later than January 1, 2008, the Texas
6-11 Department of Insurance may begin issuing specialty certifications
6-12 under Subchapter G, Chapter 4054, Insurance Code, as added by this
6-13 article.

6-14 ARTICLE 4. EFFECTIVE DATE

6-15 SECTION 4.01. This Act takes effect September 1, 2007.

6-16

* * * * *