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S.B. No. 922

A BILL TO BE ENTITLED

AN ACT

relating to regional or local health care programs for employees of small employers.

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

SECTION 1. Subtitle C, Title 2, Health and Safety Code, is amended by adding Chapter 75 to read as follows:

CHAPTER 75. REGIONAL OR LOCAL HEALTH CARE PROGRAMS FOR EMPLOYEES OF SMALL EMPLOYERS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 75.001. PURPOSE. The purpose of this chapter is to:

(1) improve the health of employees of small employers and their families by improving the employees' access to health care and by reducing the number of those employees who are uninsured;

(2) reduce the likelihood that those employees and their families will require services from state-funded entitlement programs such as Medicaid;

(3) contribute to economic development by helping small businesses remain competitive with a healthy workforce and health care benefits that will attract employees; and

(4) encourage innovative solutions for providing and funding health care services and benefits.

Sec. 75.002. DEFINITIONS. In this chapter:

(1) "Employee" means an individual employed by an

1 employer. The term includes a partner of a partnership and the
2 proprietor of a sole proprietorship.

3 (2) "Governing body" means:

4 (A) the commissioners courts of the counties
5 participating in a regional health care program;

6 (B) the commissioners court of a county
7 participating in a local health care program; or

8 (C) the governing body of the joint council,
9 nonprofit entity exempt from federal taxation, or other entity that
10 operates a regional or local health care program.

11 (3) "Local health care program" means a local health
12 care program operating in one county and established for the
13 benefit of the employees of small employers under Subchapter B.

14 (4) "Regional health care program" means a regional
15 health care program operating in two or more counties and
16 established for the benefit of the employees of small employers
17 under Subchapter B.

18 (5) "Small employer" means a person who employed an
19 average of at least two employees but not more than 50 employees on
20 business days during the preceding calendar year and who employs at
21 least two employees on the first day of the plan year.

22 [Sections 75.003-75.050 reserved for expansion]

23 SUBCHAPTER B. REGIONAL OR LOCAL HEALTH CARE PROGRAM

24 Sec. 75.051. ESTABLISHMENT OF PROGRAM; MULTICOUNTY
25 COOPERATION. (a) The commissioners court of a county may, by
26 order, establish or participate in a local health care program
27 under this subchapter.

1 (b) The commissioners courts of two or more counties may, by
2 joint order, establish or participate in a regional health care
3 program under this subchapter.

4 Sec. 75.052. GOVERNANCE OF PROGRAM. (a) A regional health
5 care program may be operated subject to the direct governance of the
6 commissioners courts of the participating counties. A local health
7 care program may be operated subject to the direct governance of the
8 commissioners court of the participating county. A regional or
9 local health care program may be operated by a joint council,
10 tax-exempt nonprofit entity, or other entity that:

11 (1) operates the program under a contract with the
12 commissioners court or courts, as applicable; or

13 (2) is an entity in which the county or counties
14 participate or that is established or designated by the
15 commissioners court or courts, as applicable, to operate the
16 program.

17 (b) In selecting an entity described by Subsection (a)(1) or
18 (2) to operate a regional or local health care program, the
19 commissioners court or courts, as applicable, shall require, to the
20 extent possible, that the entity be authorized under federal law to
21 accept donations on a basis that is tax-deductible or otherwise
22 tax-advantaged for the contributor.

23 Sec. 75.053. OPERATION OF PROGRAM. A regional or local
24 health care program provides health care services or benefits to
25 the employees of participating small employers who are located
26 within the boundaries of the participating county or counties, as
27 applicable. A program may also provide services or benefits to the

1 dependents of those employees.

2 Sec. 75.054. PARTICIPATION BY SMALL EMPLOYERS; SHARE OF
3 COST. Subject to Section 75.153, the governing body may establish
4 criteria for participation in a regional or local health care
5 program by small employers, the employees of the small employers,
6 and their dependents. The criteria must require that participating
7 employers and participating employees pay a share of the premium or
8 other cost of the program.

9 Sec. 75.055. ADDITIONAL FUNDING. (a) A governing body may
10 accept and use a gift, grant, or donation from any source to operate
11 the regional or local health care program and to provide services or
12 benefits under the program.

13 (b) A governing body may apply for and receive funding from
14 the health opportunity pool under Subchapter D.

15 (b-1) A governing body may apply for and receive a grant
16 under Subchapter E to support a regional or local health care
17 program. This subsection expires September 1, 2009.

18 (c) A governing body shall actively solicit gifts, grants,
19 and donations to:

20 (1) fund services and benefits provided under the
21 regional or local health care program; and

22 (2) reduce the cost of participation in the program
23 for small employers and their employees.

24 [Sections 75.056-75.100 reserved for expansion]

25 SUBCHAPTER C. HEALTH CARE SERVICES AND BENEFITS

26 Sec. 75.101. ALTERNATIVE PROGRAMS AUTHORIZED; PROGRAM
27 OBJECTIVES. In developing a regional or local health care program,

1 a governing body may provide health care services or benefits as
2 described by this subchapter or may develop another type of program
3 to accomplish the purposes of this chapter. A regional or local
4 health care program must be developed, to the extent practicable,
5 to:

6 (1) reduce the number of individuals without health
7 benefit plan coverage within the boundaries of the participating
8 county or counties;

9 (2) address rising health care costs and reduce the
10 cost of health care services or health benefit plan coverage for
11 small employers and their employees within the boundaries of the
12 participating county or counties;

13 (3) promote preventive care and reduce the incidence
14 of preventable health conditions, such as heart disease, cancer,
15 and diabetes and low birth weight in infants;

16 (4) promote efficient and collaborative delivery of
17 health care services;

18 (5) serve as a model for the innovative use of health
19 information technology to promote efficient delivery of health care
20 services, reduce health care costs, and improve the health of the
21 community; and

22 (6) provide fair payment rates for health care
23 providers.

24 Sec. 75.102. HEALTH BENEFIT PLAN COVERAGE. (a) A regional
25 or local health care program may provide health care benefits to the
26 employees of small employers by purchasing or facilitating the
27 purchase of health benefit plan coverage for those employees from a

1 health benefit plan issuer, including coverage under:

2 (1) a small employer health benefit plan offered under
3 Chapter 1501, Insurance Code;

4 (2) a standard health benefit plan offered under
5 Chapter 1507, Insurance Code; or

6 (3) any other health benefit plan available in this
7 state.

8 (b) The governing body may form one or more cooperatives
9 under Subchapter B, Chapter 1501, Insurance Code.

10 (c) Notwithstanding Chapter 1251, Insurance Code, an
11 insurer may issue a group accident and health insurance policy,
12 including a group contract issued by a group hospital service
13 corporation, to cover the employees of small employers
14 participating in a regional or local health care program. The group
15 policyholder of a policy issued in accordance with this subsection
16 is the governing body or the designee of the governing body.

17 (d) A health maintenance organization may issue a health
18 care plan to cover the employees of small employers participating
19 in a regional or local health care program. The group contract
20 holder of a contract issued in accordance with this subsection is
21 the governing body or the designee of the governing body.

22 Sec. 75.103. OTHER HEALTH BENEFIT PLANS OR PROGRAMS. To the
23 extent authorized by federal law, the governing body may establish
24 or facilitate the establishment of self-funded health benefit plans
25 or may facilitate the provision of health benefit coverage through
26 health savings accounts and high-deductible health plans.

27 Sec. 75.104. HEALTH CARE SERVICES. (a) A regional or

1 local health care program may contract with health care providers
2 within the boundaries of the participating county or counties to
3 provide health care services directly to the employees of
4 participating small employers and the dependents of those
5 employees.

6 (b) A regional or local health care program shall allow any
7 individual who receives state premium assistance to buy into the
8 health benefit plan offered by the regional or local health care
9 program.

10 (c) A governing body that operates a regional or local
11 health care program under this section may require that
12 participating employees and dependents obtain health care services
13 only from health care providers that contract to provide those
14 services under the program and may limit the health care services
15 provided under the program to services provided within the
16 boundaries of the participating county or counties.

17 (d) A governing body operating a regional or local health
18 care program operated under this section is not an insurer or health
19 maintenance organization and the program is not subject to
20 regulation by the Texas Department of Insurance.

21 [Sections 75.105-75.150 reserved for expansion]

22 SUBCHAPTER D. TEXAS HEALTH OPPORTUNITY POOL

23 Sec. 75.151. DEFINITION. In this subchapter, "health
24 opportunity pool" means the pooled fund of state money and federal
25 money established and used in accordance with a waiver under
26 Section 1115 of the federal Social Security Act (42 U.S.C. Section
27 1315) to the state Medicaid plan.

1 Sec. 75.152. FUNDING AUTHORIZED. Notwithstanding any other
2 law, a regional or local health care program may apply for funding
3 from the health opportunity pool and the pool may provide funding in
4 accordance with this subchapter.

5 Sec. 75.153. ELIGIBILITY FOR POOL FUNDS; STATEWIDE
6 ELIGIBILITY CRITERIA. To be eligible for funding from money in the
7 health opportunity pool that is provided subject to a federal
8 waiver, a regional or local health care program must comply with any
9 requirement imposed under the waiver, including, to the extent
10 applicable, any requirement that health care benefits or services
11 provided under the program be provided in accordance with statewide
12 eligibility criteria.

13 [Sections 75.154-75.200 reserved for expansion]

14 SUBCHAPTER E. GRANTS FOR DEMONSTRATION PROJECTS

15 Sec. 75.201. DEFINITIONS. In this subchapter:

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

18 (2) "Executive commissioner" means the executive
19 commissioner of the commission.

20 Sec. 75.202. GRANT PROGRAM. (a) The executive
21 commissioner may establish a grant program to support the initial
22 establishment and operation of one or more regional or local health
23 care programs as demonstration projects.

24 (b) In selecting grant recipients, the executive
25 commissioner shall consider the extent to which the regional or
26 local health care program proposed by the applicant accomplishes
27 the purposes of this chapter and meets the objectives established

1 under Section 75.101. If the executive commissioner establishes a
2 grant program under this subchapter, the executive commissioner
3 must select at least one grant recipient operating a regional
4 health care program to receive a grant.

5 (c) The commission shall establish performance objectives
6 for a grant recipient and shall monitor the performance of the grant
7 recipient.

8 Sec. 75.203. REVIEW OF DEMONSTRATION PROJECT; REPORT. Not
9 later than December 1, 2008, the commission shall complete a review
10 of each regional or local health care program that receives a grant
11 under this subchapter and shall submit to the governor, the
12 lieutenant governor, and the speaker of the house of
13 representatives a report that includes:

14 (1) an evaluation of the success of regional and local
15 health care programs in accomplishing the purposes of this chapter;
16 and

17 (2) the commission's recommendations for any
18 legislation needed to facilitate or improve regional and local
19 health care programs.

20 Sec. 75.204. EXPIRATION. This subchapter expires September
21 1, 2009.

22 SECTION 2. The heading to Subtitle C, Title 2, Health and
23 Safety Code, is amended to read as follows:

24 SUBTITLE C. PROGRAMS PROVIDING [~~INDIGENT~~] HEALTH CARE BENEFITS AND
25 SERVICES

26 SECTION 3. This Act takes effect immediately if it receives
27 a vote of two-thirds of all the members elected to each house, as

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1 provided by Section 39, Article III, Texas Constitution. If this
2 Act does not receive the vote necessary for immediate effect, this
3 Act takes effect September 1, 2007.