

By: Watson

S.B. No. 922

A BILL TO BE ENTITLED

AN ACT

relating to regional 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 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 the commissioners courts of  
4 the counties participating in a regional health care program or the  
5 governing body of the joint council, nonprofit entity exempt from  
6 federal taxation, or other entity that operates the program in  
7 accordance with this chapter.

8 (3) "Regional health care program" means a regional  
9 health care program established for the benefit of the employees of  
10 small employers under Subchapter B.

11 (4) "Small employer" means a person who employed an  
12 average of at least two employees but not more than 50 employees on  
13 business days during the preceding calendar year and who employs at  
14 least two employees on the first day of the plan year.

15 [Sections 75.003-75.050 reserved for expansion]

16 SUBCHAPTER B. REGIONAL HEALTH CARE PROGRAM

17 Sec. 75.051. MULTICOUNTY COOPERATION. The commissioners  
18 courts of two or more counties may, by joint order, establish or  
19 participate in a regional health care program under this  
20 subchapter.

21 Sec. 75.052. GOVERNANCE OF PROGRAM. (a) A regional health  
22 care program may be operated subject to the direct governance of the  
23 commissioners courts of the participating counties, or the program  
24 may be operated by a joint council, tax-exempt nonprofit entity, or  
25 other entity that:

26 (1) operates the program under a contract with the  
27 commissioners courts; or

1           (2) is an entity in which the counties participate or  
2 that is established or designated by the commissioners courts to  
3 operate the program.

4           (b) In selecting an entity described by Subsection (a)(1) or  
5 (2) to operate a regional health care program, the commissioners  
6 courts of the participating counties shall require, to the extent  
7 possible, that the entity be authorized under federal law to accept  
8 donations on a basis that is tax-deductible or otherwise  
9 tax-advantaged for the contributor.

10           Sec. 75.053. OPERATION OF PROGRAM. A regional health care  
11 program provides health care services or benefits to the employees  
12 of participating small employers who are located within the  
13 boundaries of the participating counties. A program may also  
14 provide services or benefits to the dependents of those employees.

15           Sec. 75.054. PARTICIPATION BY SMALL EMPLOYERS; SHARE OF  
16 COST. The governing body may establish criteria for participation  
17 in a regional health care program by small employers, the employees  
18 of the small employers, and their dependents. The criteria must  
19 require that participating employers and participating employees  
20 pay a share of the premium or other cost of the program.

21           Sec. 75.055. ADDITIONAL FUNDING. (a) A governing body may  
22 accept and use a gift, grant, or donation from any source to operate  
23 the regional health care program and to provide services or  
24 benefits under the program.

25           (a-1) A governing body may apply for and receive a grant  
26 under Subchapter D to support a regional health care program. This  
27 subsection expires September 1, 2009.

1           (b) A governing body shall actively solicit gifts, grants,  
2 and donations to:

3           (1) fund services and benefits provided under the  
4 regional health care program; and

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

7           [Sections 75.056-75.100 reserved for expansion]

8           SUBCHAPTER C. HEALTH CARE SERVICES AND BENEFITS

9           Sec. 75.101. ALTERNATIVE PROGRAMS AUTHORIZED; PROGRAM  
10 OBJECTIVES. In developing a regional health care plan, a governing  
11 body may provide health care services or benefits as described by  
12 this subchapter or may develop another type of program to  
13 accomplish the purposes of this chapter. A regional health care  
14 program must be developed, to the extent practicable, to:

15           (1) reduce the number of individuals without health  
16 benefit plan coverage within the boundaries of participating  
17 counties;

18           (2) address rising health care costs and reduce the  
19 cost of health care services or health benefit plan coverage for  
20 small employers and their employees within the boundaries of the  
21 participating counties;

22           (3) promote preventative care and reduce the incidence  
23 of preventable health conditions, such as heart disease, cancer,  
24 diabetes, and infants with low birth weight;

25           (4) promote efficient and collaborative delivery of  
26 health care services;

27           (5) serve as a model for the innovative use of health

1 information technology to promote efficient delivery of health care  
2 services, reduce health care costs, and improve the health of the  
3 community; and

4 (6) provide fair payment rates for health care  
5 providers.

6 Sec. 75.102. HEALTH BENEFIT PLAN COVERAGE. (a) A regional  
7 health care program may provide health care benefits to the  
8 employees of small employers by purchasing or facilitating the  
9 purchase of health benefit plan coverage for those employees from a  
10 health benefit plan issuer, including coverage under:

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

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

15 (3) any other health benefit plan available in this  
16 state.

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

19 (c) Notwithstanding Chapter 1251, Insurance Code, an  
20 insurer may issue a group accident and health insurance policy,  
21 including a group contract issued by a group hospital service  
22 corporation, to cover the employees of small employers  
23 participating in a regional health care program. The group  
24 policyholder of a policy issued in accordance with this subsection  
25 is the governing body or the designee of the governing body.

26 (d) A health maintenance organization may issue a health  
27 care plan to cover the employees of small employers participating

1 in a regional health care program. The group contract holder of a  
2 contract issued in accordance with this subsection is the governing  
3 body or the designee of the governing body.

4 Sec. 75.103. OTHER HEALTH BENEFIT PLANS OR PROGRAMS. To the  
5 extent authorized by federal law, the governing body may establish  
6 or facilitate the establishment of self-funded health benefit plans  
7 or may facilitate the provision of health benefit coverage through  
8 health savings accounts and high-deductible health plans.

9 Sec. 75.104. HEALTH CARE SERVICES. (a) A regional health  
10 care program may contract with health care providers within the  
11 boundaries of the participating counties to provide health care  
12 services directly to the employees of participating small employers  
13 and the dependents of those employees.

14 (b) A governing body that operates a regional health care  
15 program under this section may require that participating employees  
16 and dependents obtain health care services only from health care  
17 providers that contract to provide those services under the program  
18 and may limit the health care services provided under the program to  
19 services provided within the boundaries of the participating  
20 counties.

21 (c) A governing body operating a regional health care  
22 program operated under this section is not an insurer or health  
23 maintenance organization and the program is not subject to  
24 regulation by the Texas Department of Insurance.

25 [Sections 75.105-75.150 reserved for expansion]

26 SUBCHAPTER D. GRANTS FOR DEMONSTRATION PROJECTS

27 Sec. 75.151. DEFINITIONS. In this subchapter:

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

3           (2) "Executive commissioner" means the executive  
4 commissioner of the commission.

5           Sec. 75.152. GRANT PROGRAM. (a) The executive  
6 commissioner may establish a grant program to support the initial  
7 establishment and operation of a regional health care program as a  
8 demonstration project in one or more regions of this state.

9           (b) In selecting grant recipients, the executive  
10 commissioner shall consider the extent to which the regional health  
11 care program proposed by the applicant accomplishes the purposes of  
12 this chapter and meets the objectives established under Section  
13 75.101.

14           (c) The commission shall establish performance objectives  
15 for a grant recipient and shall monitor the performance of the grant  
16 recipient.

17           Sec. 75.153. REVIEW OF DEMONSTRATION PROJECT; REPORT. Not  
18 later than December 1, 2008, the commission shall complete a review  
19 of each regional health care program that receives a grant under  
20 this subchapter and shall submit to the governor, lieutenant  
21 governor, and speaker of the house of representatives a report that  
22 includes:

23           (1) an evaluation of the success of regional health  
24 care programs in accomplishing the purposes of this chapter; and

25           (2) the commission's recommendations for any  
26 legislation needed to facilitate or improve regional health care  
27 programs.

1 Sec. 75.154. EXPIRATION. This subchapter expires September  
2 1, 2009.

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

5 SUBTITLE C. PROGRAMS PROVIDING [~~INDIGENT~~] HEALTH CARE BENEFITS AND  
6 SERVICES

7 SECTION 3. This Act takes effect immediately if it receives  
8 a vote of two-thirds of all the members elected to each house, as  
9 provided by Section 39, Article III, Texas Constitution. If this  
10 Act does not receive the vote necessary for immediate effect, this  
11 Act takes effect September 1, 2007.