

Amend **SB 865** (house committee report) on second reading by adding the following appropriately numbered SECTIONS and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 154.182(b), Family Code, is amended to read as follows:

(b) In determining the manner in which health care coverage for the child is to be ordered, the court shall render its order in accordance with the following priorities, unless a party shows good cause why a particular order would not be in the best interest of the child:

(1) if health insurance is available for the child through a parent's employment or membership in a union, trade association, or other organization at reasonable cost ~~[to the parent]~~, the court shall order that parent to include the child in the parent's health insurance;

(2) if health insurance is not available for the child under Subdivision (1) but is available to a parent at reasonable cost from another source, including the program under Section 154.1826 to provide health insurance in Title IV-D cases ~~[and at a reasonable cost]~~, the court may order that parent to provide health insurance for the child; or

(3) if health insurance coverage is not available for the child under Subdivision (1) or (2), the court shall order the obligor to pay the obligee, in addition to any amount ordered under the guidelines for child support, an amount, not to exceed nine percent of the obligor's annual ~~[monthly]~~ resources, as described by Section 154.062(b), as cash medical support for the child.

SECTION _____. Subchapter D, Chapter 154, Family Code, is amended by adding Sections 154.1826 and 154.1827 to read as follows:

Sec. 154.1826. HEALTH CARE PROGRAM FOR CERTAIN CHILDREN IN TITLE IV-D CASES. (a) In this section:

(1) "Health benefit plan issuer" means an insurer, health maintenance organization, or other entity authorized to provide health benefits coverage under the laws of this state.

(2) "Health care provider" means a physician or other person who is licensed, certified, or otherwise authorized to

provide a health care service in this state.

(3) "Program" means the child health care program developed under this section.

(4) "Reasonable cost" has the meaning assigned by Section 154.181(e).

(5) "Third-party administrator" means a person who is not a health benefit plan issuer or agent of a health benefit plan issuer and who provides administrative services for the program, including processing enrollment of eligible children in the program and processing premium payments on behalf of the program.

(b) In consultation with the Texas Department of Insurance, the Health and Human Services Commission, and representatives of the insurance industry in this state, the Title IV-D agency shall develop and implement a statewide program to address the health care needs of children in Title IV-D cases for whom health insurance is not available to either parent at reasonable cost under Section 154.182(b)(1) or under Section 154.182(b)(2) from a source other than the program.

(c) The director of the Title IV-D agency may establish an advisory committee to consult with the director regarding the implementation and operation of the program. If the director establishes an advisory committee, the director may appoint any of the following persons to the advisory committee:

(1) representatives of appropriate public and private entities, including state agencies concerned with health care management;

(2) members of the judiciary;

(3) members of the legislature; and

(4) representatives of the insurance industry.

(d) The principal objective of the program is to provide basic health care services, including office visits with health care providers, hospitalization, and diagnostic and emergency services, to eligible children in Title IV-D cases at reasonable cost to the parents obligated by court order to provide medical support for the children.

(e) The Title IV-D agency may use available private resources, including gifts and grants, in administering the

program.

(f) The Title IV-D agency shall adopt rules as necessary to implement the program. The Title IV-D agency shall consult with the Texas Department of Insurance and the Health and Human Services Commission in establishing policies and procedures for the administration of the program and in determining appropriate benefits to be provided under the program.

(g) A health benefit plan issuer that participates in the program may not deny health care coverage under the program to eligible children because of preexisting conditions or chronic illnesses. A child who is determined to be eligible for coverage under the program continues to be eligible until the termination of the parent's duty to pay child support as specified by Section 154.006. Enrollment of a child in the program does not preclude the subsequent enrollment of the child in another health care plan that becomes available to the child's parent at reasonable cost, including a health care plan available through the parent's employment or the state child health plan under Chapter 62, Health and Safety Code.

(h) The Title IV-D agency shall contract with an independent third-party administrator to provide necessary administrative services for operation of the program.

(i) A person acting as a third-party administrator under Subsection (h) is not considered an administrator for purposes of Chapter 4151, Insurance Code.

(j) The Title IV-D agency shall solicit applications for participation in the program from health benefit plan issuers that meet requirements specified by the agency. Each health benefit plan issuer that participates in the program must hold a certificate of authority issued by the Texas Department of Insurance.

(k) The Title IV-D agency shall promptly notify the courts of this state when the program has been implemented and is available to provide for the health care needs of children described by Subsection (b). The notification must specify a date beginning on which children may be enrolled in the program.

(l) On or after the date specified in the notification

required by Subsection (k), a court that orders health care coverage for a child in a Title IV-D case shall order that the child be enrolled in the program authorized by this section unless other health insurance is available for the child at reasonable cost, including the state child health plan under Chapter 62, Health and Safety Code.

(m) Payment of premium costs for the enrollment of a child in the program may be enforced by the Title IV-D agency against the obligor by any means available for the enforcement of a child support obligation, including income withholding under Chapter 158.

(n) The program is not subject to any provision of the Insurance Code or other law that requires coverage or the offer of coverage of a health care service or benefit.

(o) Any health information obtained by the program, or by a third-party administrator providing program services, that is subject to the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. Section 1320d et seq.) or Chapter 181, Health and Safety Code, is confidential and not open to public inspection. Any personally identifiable financial information or supporting documentation of a parent whose child is enrolled in the program that is obtained by the program, or by a third-party administrator providing program services, is confidential and not open to public inspection.

Sec. 154.1827. ADMINISTRATIVE ADJUSTMENT OF MEDICAL SUPPORT ORDER. (a) In each Title IV-D case in which a medical support order requires that a child be enrolled in a health care program under Section 154.1826, the Title IV-D agency may administratively adjust the order as necessary on an annual basis to reflect changes in the amount of premium costs associated with the child's enrollment.

(b) The Title IV-D agency shall provide notice of the administrative adjustment to the obligor and the clerk of the court that rendered the order.

SECTION _____. The change in law made by this Act to Section 154.182(b), Family Code, takes effect September 1, 2009.