

BILL ANALYSIS

H.B. 535
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State Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

According to the U.S. Census Bureau, almost one-quarter of Texas residents are uninsured, which is the largest percentage of any state in the nation. As health care costs have risen in Texas, so has the percentage of uninsured Texans. Over five million Texans are an accident or major illness away from bankruptcy. The widespread lack of health insurance not only hurts these individuals, but also raises the cost of health care for all Texans because of the emergency care the uninsured must seek at public hospitals.

H.B. 535 uses the market power of the state government to encourage employers to provide health care coverage to their employees. The bill directs state purchasing entities to choose vendors that pay for 100 percent of the health insurance premiums of their full-time employees, and 75 percent of the premiums for the dependents of their employees, over those vendors that do not provide such health care coverage, if costs are comparable and a potential vendor's goods meet quality standards.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 535 amends the Government Code to require the comptroller of public accounts and all state agencies procuring goods or services to give preference to goods or services of a vendor who provides health benefits coverage, at least equivalent to a standard health benefit plan, as defined by the law regarding consumer choice of benefits plans, to each of the vendor's full-time employees and their dependents. The bill applies the preference requirement if the vendor pays 100 percent of the health insurance premiums for each full-time employee participating in the program, the vendor pays at least 75 percent of the premiums for each dependent of a participating full-time employee who elects dependent coverage, the goods or services meet state specifications regarding quantity and quality, and the cost of the goods or services does not exceed the ultimate cost to the comptroller or state agency that would result if similar goods or services were procured from a vendor who does not provide such health benefits coverage.

EFFECTIVE DATE

September 1, 2009.