

BILL ANALYSIS

C.S.H.B. 1246
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State Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

A significant number of Texas residents have no health insurance coverage. Some studies indicate that almost one-fourth of Texans are uninsured, which would rank Texas among the states with the highest percentage of residents without health insurance. Currently, the city of El Paso is believed to be the most uninsured city in the nation, with other cities in Texas, including Houston and Dallas, also having very high percentages of uninsured residents.

Employers nationwide are increasingly dropping health care coverage for workers. In 2002, the number of U.S. residents insured by their employers dropped by over one million to just over 60 percent of the total population. In 2004, the estimated total percentage of Texans who had employer-based insurance dropped to just over 50 percent. More than 75 percent of uninsured persons are believed to be full-time workers, and approximately one-half of the uninsured live in households earning \$75,000 or more.

C.S.H.B. 1246 gives school districts and state agencies the option to give preference, when making purchasing decisions, to vendors that provide certain health care benefits or equivalent health savings benefits to their employees, provided that the goods or services meet agency specifications regarding quantity and quality and that the cost of the goods or services does not substantially exceed the cost of other similar goods or services.

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

A statutory reference in this bill to the Texas Building and Procurement Commission is a reference to the comptroller of public accounts as the successor agency to the Texas Building and Procurement Commission for these purposes.

C.S.H.B. 1246 amends the Education Code to require a school district, in applying a best value standard for purchases in awarding a contract, to consider whether a vendor pays at least 50 percent of the premium for the health care benefits of each participating employee or deposits in a health savings account for each participating employee an amount equal to at least 50 percent of the health care benefit premium the vendor would pay for each participating employee if the vendor provided health care benefits.

C.S.H.B. 1246 amends the Government Code to authorize the comptroller of public accounts and each state agency, in applying a best value standard for purchases in awarding a contract, to consider whether a vendor pays at least 50 percent of the premium for the health care benefits of each participating employee or deposits in a health savings account for each participating employee an amount equal to at least 50 percent of the health care benefit premium the vendor would pay for each participating employee if the vendor provided health care benefits.

C.S.H.B. 1246 amends those codes to require a school district, the comptroller, and all state agencies procuring goods or services to give preference to goods or services of a vendor who provides such health benefits, if the goods or services meet school district or state specifications, as applicable, regarding quantity and quality, and if the cost of the goods or services does not exceed the cost of similar goods or services produced by a vendor who does not demonstrate that the vendor provides health care benefits or equivalent health savings benefits to the vendor's employees. The bill requires a contract awarded to a vendor using such a preference to include terms that allow the district, comptroller, or state agency, as applicable, to terminate the contract if the vendor at any time during the life of the contract does not continue to provide health benefits at a level comparable to the level the vendor claimed to provide in its demonstration.

EFFECTIVE DATE

September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 1246 differs from the original by referring, in all provisions relating to contracting considerations or procurement preferences, not to whether a vendor provides health care benefits or equivalent health savings benefits to the vendor's employees, as in the original, but specifically to whether a vendor pays at least 50 percent of the premium for the health care benefits of each participating employee or deposits in a health savings account for each participating employee an amount equal to at least 50 percent of the health care benefit premium the vendor would pay for each participating employee if the vendor provided health care benefits.