

By: Martinez

H.B. No. 2881

A BILL TO BE ENTITLED

AN ACT

relating to the establishment of the Texas Affordable Health Care Benefit Program.

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

SECTION 1. Subtitle G, Title 8, Insurance Code, is amended by adding Chapter 1536 to read as follows:

CHAPTER 1536. TEXAS AFFORDABLE HEALTH CARE BENEFIT PROGRAM

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1536.001. APPLICABILITY OF CHAPTER. This chapter applies only to an entity authorized to issue an individual, group, blanket, or franchise insurance policy or insurance agreement, a group hospital service contract, or an individual or group evidence of coverage or similar coverage document that provides benefits for medical or surgical expenses incurred as a result of a health condition, accident, or sickness, including:

(1) an insurance company;

(2) a group hospital service corporation operating under Chapter 842;

(3) a fraternal benefit society operating under Chapter 885;

(4) a stipulated premium company operating under Chapter 884;

(5) a reciprocal exchange operating under Chapter 942;

(6) a Lloyd's plan operating under Chapter 941;

1 (7) a health maintenance organization operating under
2 Chapter 843;

3 (8) a multiple employer welfare arrangement that holds
4 a certificate of authority under Chapter 846; or

5 (9) an approved nonprofit health corporation that
6 holds a certificate of authority under Chapter 844.

7 Sec. 1536.002. DEFINITIONS. In this chapter:

8 (1) "Health benefit plan issuer" means an entity
9 described by Section 1536.001.

10 (2) "Program" means the Texas Affordable Health Care
11 Benefit Program established under Subchapter B.

12 Sec. 1536.003. CERTAIN EMPLOYER ACTIONS PROHIBITED. An
13 employer in this state that offers health benefit plan coverage to
14 employees may not:

15 (1) cease to offer health benefit coverage only to
16 individuals who are otherwise eligible to purchase health benefit
17 plan coverage under the program; or

18 (2) require employees who are eligible to purchase
19 health benefit plan coverage under the program to purchase that
20 coverage.

21 Sec. 1536.004. RULES. The commissioner shall adopt rules
22 as necessary to implement this chapter.

23 [Sections 1536.005-1536.050 reserved for expansion]

24 SUBCHAPTER B. PROGRAM ESTABLISHMENT AND REQUIREMENTS

25 Sec. 1536.051. PROGRAM ESTABLISHMENT; FUNDING. (a) The
26 department shall establish the Texas Affordable Health Care Benefit
27 Program to provide affordable health benefit plan coverage in this

1 state.

2 (b) Each health benefit plan issuer in this state shall
3 participate in the program.

4 (c) The program is funded through assessments levied by the
5 commissioner under Subchapter C.

6 Sec. 1536.052. APPLICATION PROCESS. (a) The department
7 shall develop a procedure through which individuals and families
8 may apply for health benefit plan coverage under the program.

9 (b) The application procedure developed under Subsection
10 (a) must include:

11 (1) an Internet website that provides comparative
12 information concerning the premiums for and levels of coverage
13 provided under health benefit plans issued under the program; and

14 (2) a process through which a hospital or other
15 institutional health care provider:

16 (A) may assist an individual in applying to
17 purchase health benefit plan coverage under the program; and

18 (B) at the time of application, receive a
19 precertification or preauthorization to treat the patient under the
20 terms of the health benefit plan for which the patient has applied.

21 Sec. 1536.053. ELIGIBILITY TO PURCHASE COVERAGE. (a)
22 Subject to Subsection (b), the following individuals may purchase
23 health benefit plan coverage under the program:

24 (1) each member of a family with a household annual
25 income of \$100,000 or less who is not eligible for coverage under a
26 health benefit plan issued, sponsored, or paid for by an employer of
27 a member of the family and has not been eligible for that coverage

1 in the 12 months immediately preceding the date of application for
2 coverage issued under the program; and

3 (2) an individual other than an individual described
4 by Subdivision (1) who has an annual income of \$55,000 or less and
5 is not eligible for coverage under a health benefit plan issued,
6 sponsored, or paid for by an employer and has not been eligible for
7 that coverage in the 12 months immediately preceding the date of
8 application for coverage issued under the program.

9 (b) An individual who is eligible for health benefit
10 coverage under Medicaid or a program operated by the United States
11 Department of Veterans Affairs may not purchase health benefit plan
12 coverage under the program.

13 Sec. 1536.054. PREMIUMS. (a) The commissioner by rule
14 shall establish a sliding scale for premiums to be charged by health
15 benefit plan issuers for health benefit plan coverage under the
16 program.

17 (b) The sliding scale established under Subsection (a):

18 (1) subject to Subdivision (2), must require an
19 individual or family to pay not less than \$20 per month per person
20 and not more than \$100 per month per person for health benefit plan
21 coverage under the program; and

22 (2) must provide a maximum aggregated premium of \$400
23 per month per family.

24 Sec. 1536.055. POLICY PERIOD. The policy period for a
25 health benefit plan issued under the program is one year.

26 Sec. 1536.056. DEDUCTIBLES AND COPAYMENTS. (a) A health
27 benefit plan issued under the program may not have an annual

1 deductible that exceeds \$1,000.

2 (b) A health benefit plan issued under the program may not
3 have copayments that exceed \$20 per person per visit.

4 Sec. 1536.057. REQUIRED COVERAGE. A health benefit plan
5 issued under the program must provide coverage:

6 (1) for prescription drugs in a manner that complies
7 with Chapter 1369; and

8 (2) at a level that is equal to or greater than the
9 level of coverage provided under a health plan issued under Chapter
10 62, Health and Safety Code.

11 [Sections 1536.058-1536.100 reserved for expansion]

12 SUBCHAPTER C. ASSESSMENTS

13 Sec. 1536.101. ANNUAL REPORT TO DEPARTMENT. On September 1
14 of each calendar year, a health benefit plan issuer shall report to
15 the department:

16 (1) the number of individuals covered under a health
17 benefit plan issued by the issuer under the program during the
18 period beginning on September 1 of the previous calendar year and
19 ending on August 31 of the calendar year in which the report is
20 made; and

21 (2) the gross premiums collected by the health benefit
22 plan issuer for health benefit plans issued under the program
23 during the period described by Subdivision (1).

24 Sec. 1536.102. ASSESSMENT. (a) The commissioner shall
25 assess a health benefit plan issuer an amount that is equal to one
26 percent of the gross premiums collected by the health benefit plan
27 issuer for health benefit plans issued under the program, as

1 reported by the health benefit plan issuer under Section
2 1536.101(2).

3 (b) The commissioner may levy assessments in addition to
4 those required under Subsection (a) as necessary to fully fund the
5 operation of the program. An assessment levied against a health
6 benefit plan issuer under this subsection must be proportional to
7 the number of health benefit plans written by the issuer under the
8 program to the total number of health benefit plans issued under the
9 program.

10 (c) A health benefit plan issuer may pay assessments made
11 under this section in equal monthly installments or in a lump sum on
12 a date determined by the commissioner by rule.

13 Sec. 1536.103. USE OF ASSESSMENT. Assessments paid and
14 collected under this subchapter may be used only to:

- 15 (1) fund the operation of the program; and
16 (2) reimburse health benefit plan issuers for any
17 losses incurred as a direct result of participating in the program.

18 SECTION 2. The Texas Department of Insurance shall ensure
19 that the Texas Affordable Health Care Benefit Program described by
20 Chapter 1536, Insurance Code, as added by this Act, is fully
21 operational not later than September 1, 2010.

22 SECTION 3. This Act takes effect September 1, 2009.