

BILL ANALYSIS

H.B. 3185
By: Laubenberg
Federalism & Fiscal Responsibility, Select
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The federal Patient Protection and Affordable Care Act institutes American Health Benefit Exchanges and Small Business Health Options Program (SHOP) Exchanges, which are intended to serve as a conduit for individuals and small businesses to purchase health insurance. Exchanges also serve as a mechanism for distributing federal subsidies to individuals for the purchase of health insurance benefits, which interested parties report are required per the individual mandate of the federal act. However, such parties assert that the insurance plans offered through the exchanges will be limited, and they report that individual insurance premiums will increase, despite initial claims to the contrary.

Interested parties note that states are not required to create an exchange and that in those states the federal government will institute and manage the exchange. Such parties assert that the tax increases on employers and individuals implemented by the federal act are restricted to state-run exchanges. Therefore, the parties contend, by prohibiting any state-based exchanges Texas can shield employers and individuals from tax increases imposed under the federal act and the state can avoid the costs of managing an exchange. H.B. 3185 seeks to protect individuals, businesses, and the state from increased costs under the federal Patient Protection and Affordable Care Act by affirmatively prohibiting the establishment of a state-run exchange under the federal act.

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. 3185 amends the Insurance Code to prohibit Texas or any state agency, or a municipality or other political subdivision of Texas, including a department, bureau, board, commission, office, agency, or council, or a public institution of higher education, from taking measures to implement, establish, or maintain, or from contracting with a person or entity to implement, establish, or maintain, an American Health Benefit Exchange or Small Business Health Options Program (SHOP) Exchange described by the federal Patient Protection and Affordable Care Act.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2013.