

BILL ANALYSIS

S.B. 1057
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Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

There is concern that although the Department of State Health Services (DSHS) strives to be the payor of last resort in administering its safety net programs, there is no effort to ensure that individuals applying to those programs do not have access to private coverage. Interested parties observe that the new health insurance exchange that is being established by the federal government next year in accordance with the Affordable Care Act will allow some individuals who are eligible for DSHS programs to receive those services through a private insurer, rather than relying on the state.

In an effort to encourage enrollment in private insurance coverage and ensure that the state is the payor of last resort for benefits, services, and assistance provided by DSHS, S.B. 1057 seeks to raise awareness among certain applicants about coverage and subsidies available under health insurance exchanges and also requires applicants to notify DSHS regarding their access to private insurance coverage.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the executive commissioner of the Health and Human Services Commission in SECTION 1 of this bill.

ANALYSIS

S.B. 1057 amends the Health and Safety Code to prohibit the Department of State Health Services (DSHS) from providing health or mental health benefits, services, or assistance provided by DSHS that DSHS anticipates will be impacted by a health insurance exchange, defined by the bill as an American Health Benefit Exchange administered or created by the federal government, unless the individual applying to receive the benefits, services, or assistance submits to DSHS on the form prescribed by DSHS a statement by the individual or the individual's legally authorized representative attesting that the individual does not have access to private health care insurance that provides coverage for the benefit, service, or assistance or, if the individual has access to private health care insurance that provides coverage for the benefit, service, or assistance, the information and authorization necessary for DSHS to submit a claim for reimbursement from the insurer for the benefit, service, or assistance. The bill includes the following programs among those to which the prohibition applies:

- community primary health care services provided under the Texas Primary Health Care Services Act;
- women's and children's health services provided under the Maternal and Infant Health Improvement Act;
- services for children with special health care needs provided under the Children with Special Health Care Needs Services Act;
- certain epilepsy program assistance;

- certain hemophilia program assistance;
- kidney health care services provided under the Texas Kidney Health Care Act;
- human immunodeficiency virus infection and sexually transmitted disease prevention programs and services provided under the Human Immunodeficiency Virus Services Act;
- certain immunization programs;
- programs and services provided by the Rio Grande State Center under statutory provisions relating to intermediate care facilities for persons with mental retardation;
- mental health services for adults, mental health services for children, and the NorthSTAR Behavioral Health Program provided under statutory provisions relating to community services;
- programs and services provided by community mental health hospitals and state mental health hospitals under statutory provisions relating to state hospitals; and
- any other health or mental health program or service designated by DSHS.

S.B. 1057 authorizes DSHS to waive the prohibition for an individual or for applicable health or mental health benefits, services, or assistance if DSHS determines that the benefit, service, or assistance is necessary during a crisis or emergency. The bill authorizes DSHS to develop informational materials regarding health care insurance coverage and subsidies available under a health insurance exchange. The bill requires DSHS to provide the informational materials to an individual or the individual's legally authorized representative who applies to receive applicable health or mental health benefits, services, or assistance and who has an income above 100 percent of the federal poverty level. The bill requires the executive commissioner of the Health and Human Services Commission to adopt rules necessary to implement the bill's provisions. The bill requires DSHS to prescribe the form regarding an individual's access to private health care insurance coverage as soon as practicable after the bill's effective date.

EFFECTIVE DATE

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