

By: Duncan

S.B. No. 1366

A BILL TO BE ENTITLED

AN ACT

relating to the use of certain funds of the Texas Health Insurance Pool.

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

SECTION 1. Section 1506.260, Insurance Code, is amended to read as follows:

Sec. 1506.260. USE OF CERTAIN PENALTY PAYMENTS [~~FUNDING FOR PREMIUM DISCOUNTS~~]. (a) The board shall collect penalty payments and interest paid by health maintenance organizations as provided by Section 843.342 and insurers as provided by Section 1301.137.

(b) Except as provided by this subsection, the [The] board may use funds collected under this section only to finance premium discounts under Section 1506.105(e-1). If those funds are no longer necessary to finance those premium discounts, the funds shall be directed, at the board's discretion, to the fund established under Subchapter F, Chapter 1508, for a purpose provided by that subchapter or to the corporation established under Chapter 182, Health and Safety Code, for a purpose provided by that chapter.

(c) The board may require a health maintenance organization or an insurer to make payments under this section and make reports concerning those payments in a manner determined by the board.

SECTION 2. This Act takes effect September 1, 2013.