

1-1 By: Duncan S.B. No. 1367
1-2 (In the Senate - Filed March 7, 2013; March 18, 2013, read
1-3 first time and referred to Committee on State Affairs;
1-4 April 4, 2013, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 9, Nays 0; April 4, 2013,
1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	<u>X</u>			
1-10	<u>X</u>			
1-11	<u>X</u>			
1-12	<u>X</u>			
1-13	<u>X</u>			
1-14	<u>X</u>			
1-15	<u>X</u>			
1-16	<u>X</u>			
1-17	<u>X</u>			

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 1367 By: Duncan

1-19 A BILL TO BE ENTITLED
1-20 AN ACT

1-21 relating to abolishing the Texas Health Insurance Pool.
1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-23 SECTION 1. DEFINITIONS. In this Act:
1-24 (1) "Board" means the board of directors of the pool.
1-25 (2) "Commissioner" means the commissioner of
1-26 insurance.
1-27 (3) "Department" means the Texas Department of
1-28 Insurance.
1-29 (4) "Health benefit exchange" has the meaning assigned
1-30 by Section 1369.201, Insurance Code.
1-31 (5) "Pool" means the Texas Health Insurance Pool
1-32 established under Chapter 1506, Insurance Code, as that chapter
1-33 existed before its repeal by this Act.
1-34 SECTION 2. PLAN FOR DISSOLUTION. As soon as practicable
1-35 after the effective date of this Act, the board shall:
1-36 (1) develop a plan for:
1-37 (A) dissolving the board and the pool after the
1-38 pool's obligations to issue and continue health benefit coverage
1-39 terminate under Sections 3 and 4 of this Act; and
1-40 (B) transferring to the commissioner and the
1-41 department:
1-42 (i) any continuing obligations of the board
1-43 and the pool;
1-44 (ii) any assets of the pool;
1-45 (iii) any rights of the board or the pool
1-46 that accrued before the dissolution of the board or the pool or that
1-47 accrue with respect to coverage issued by the pool before the pool's
1-48 dissolution; and
1-49 (iv) any authority previously held by the
1-50 board the continuation of which is necessary or appropriate; and
1-51 (2) submit the plan to the commissioner for the
1-52 commissioner's approval.
1-53 SECTION 3. ACCEPTANCE OF ENROLLEES. The latest date on
1-54 which the pool may issue health benefit coverage is the later of:
1-55 (1) December 31, 2013; or
1-56 (2) the earliest date on which health benefit coverage
1-57 is reasonably available on a guaranteed issue basis to each class of
1-58 individuals eligible for health benefit coverage through the pool
1-59 immediately before the effective date of this Act, as determined by
1-60 the commissioner.

2-1 SECTION 4. TERMINATION OF POOL COVERAGE. Health benefit
2-2 coverage that is issued to an individual by the pool and that is
2-3 otherwise in force terminates on the later of:

- 2-4 (1) January 1, 2014; or
- 2-5 (2) the earliest date on which the individual:
- 2-6 (A) is enrolled in comparable health benefit
- 2-7 coverage; or
- 2-8 (B) could reasonably be expected to have obtained
- 2-9 health benefit coverage on a guaranteed issue basis, as determined
- 2-10 by the commissioner.

2-11 SECTION 5. EXERCISE OF POOL'S RECOVERY RIGHTS. The
2-12 department may exercise any authority to recover overpayments or
2-13 other amounts the pool would have been authorized to recover or
2-14 collect had the pool not been dissolved, including amounts
2-15 recoverable under the pool's subrogation rights.

2-16 SECTION 6. TRANSFER OF CERTAIN FUNDS; ASSESSMENT AUTHORITY
2-17 CONTINUED. (a) Any fund in which money belonging to the pool is
2-18 kept and any other assets of the pool shall be transferred to the
2-19 department on dissolution of the pool. That money and any other
2-20 money recovered or otherwise collected by the department under this
2-21 Act on behalf of the pool shall be used by the department to satisfy
2-22 obligations of the pool in accordance with this Act, Chapter 1506,
2-23 Insurance Code, as that chapter existed before its repeal by this
2-24 Act, and the dissolution plan.

2-25 (b) The authority of the board to make assessments under
2-26 Subchapter F, Chapter 1506, Insurance Code, as that subchapter
2-27 existed before its repeal by this Act, is continued and may be
2-28 exercised by the commissioner until the commissioner determines
2-29 that all financial obligations of the board and the pool have been
2-30 satisfied.

2-31 (c) Money collected by the department under Subsections (a)
2-32 and (b) of this section shall be deposited to an account in the
2-33 Texas Treasury Safekeeping Trust Company to be used for the
2-34 purposes described by this Act. The money deposited to the account
2-35 may be used to pay fees for the Texas Treasury Safekeeping Trust
2-36 Company account. The department may transfer money into the
2-37 treasury local operating fund to disburse the money as required by
2-38 this Act.

2-39 (d) When the commissioner determines that all financial
2-40 obligations of the board and the pool have been satisfied, the
2-41 commissioner shall make a final accounting with respect to pool
2-42 finances and:

- 2-43 (1) make any necessary final assessment under this
- 2-44 section; or
- 2-45 (2) refund any surplus assessments or other surplus
- 2-46 money collected on behalf of the pool, other than money described by
- 2-47 Subsection (e) of this section:

2-48 (A) on a pro rata basis to the health benefit plan
2-49 issuers that paid the assessments to the extent possible; or

2-50 (B) on another equitable basis to the extent pro
2-51 rata refunds are not possible.

2-52 (e) If money paid or payable under Subsection (m), Section
2-53 843.342 and Subsection (l), Section 1301.137, Insurance Code, is no
2-54 longer necessary to finance premium discounts as prescribed by
2-55 Section 1506.260, Insurance Code, as that section existed
2-56 immediately before the effective date of this Act, and no other use
2-57 is prescribed for that money by another Act of the legislature, the
2-58 money shall be directed, at the commissioner's discretion, to the
2-59 fund established under Subchapter F, Chapter 1508, Insurance Code,
2-60 for a purpose provided by that subchapter or to the corporation
2-61 established under Chapter 182, Health and Safety Code, for a
2-62 purpose provided by that chapter.

2-63 SECTION 7. DELAYED IMPLEMENTATION. The commissioner by
2-64 rule may delay the implementation of any part of Sections 1 through
2-65 6 of this Act or the pool dissolution plan established under this
2-66 Act if:

- 2-67 (1) the guaranteed issue of health benefit coverage is
- 2-68 delayed;
- 2-69 (2) the operation of a health benefit exchange in this

3-1 state is delayed; or

3-2 (3) the commissioner determines that health benefit
3-3 coverage expected to be available on a guaranteed issue basis to a
3-4 class of individuals eligible for coverage under Chapter 1506,
3-5 Insurance Code, immediately before the effective date of this Act,
3-6 is not reasonably available to those individuals in this state.

3-7 SECTION 8. REPEALER. (a) Effective January 1, 2014, the
3-8 following laws are repealed:

3-9 (1) Subsections (a-1) and (a-2), Section 1506.007,
3-10 Insurance Code;

3-11 (2) Subsections (b) and (c), Section 1506.205,
3-12 Insurance Code;

3-13 (3) Subsection (b), Section 1251.255, Insurance Code;
3-14 and

3-15 (4) Section 1271.305, Insurance Code.

3-16 (b) Effective September 1, 2015, Chapter 1506, Insurance
3-17 Code, is repealed.

3-18 SECTION 9. EFFECTIVE DATE. This Act takes effect
3-19 immediately if it receives a vote of two-thirds of all the members
3-20 elected to each house, as provided by Section 39, Article III, Texas
3-21 Constitution. If this Act does not receive the vote necessary for
3-22 immediate effect, this Act takes effect September 1, 2013.

3-23

* * * * *