

By: Phillips

H.B. No. 3226

A BILL TO BE ENTITLED

AN ACT

relating to the creation of a temporary health insurance risk pool.

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

SECTION 1. Subtitle G, Title 8, Insurance Code, is amended by adding Chapter 1510 to read as follows:

CHAPTER 1510. TEMPORARY HEALTH INSURANCE RISK POOL

Sec. 1510.001. DEFINITION. In this chapter, "pool" means a temporary health insurance risk pool that is established and administered by the commissioner under this chapter.

Sec. 1510.002. ESTABLISHMENT OF TEMPORARY HEALTH INSURANCE RISK POOL. To the extent that federal funds become available under federal law, regulation, or executive action after March 1, 2017, the commissioner may:

(1) apply for such funds; and

(2) use such funds to establish and administer a temporary health insurance risk pool for the purposes of this chapter.

Sec. 1510.003. PURPOSE OF POOL. (a) The exclusive purpose of the pool is to provide a temporary mechanism for maximizing available federal funding to assist residents of this state in obtaining access to quality health care at minimum cost to the public.

(b) The pool may not be used to expand the Medicaid program, including the program administered under Chapter 32, Human

1 Resources Code, and the program administered under Chapter 533,  
2 Government Code.

3 Sec. 1510.004. PROVISION OF COVERAGE. Subject to any  
4 requirements for obtaining federal funds held in the pool, the  
5 commissioner may use pool funds:

6 (1) to provide alternative individual health  
7 insurance coverage to eligible individuals that does not diminish  
8 the availability of traditional commercial health care coverage;

9 (2) to provide funding to individual health benefit  
10 plan issuers that cover individuals with certain health or cost  
11 characteristics in exchange for lower enrollee premium rates; or

12 (3) to provide a reinsurance program for health  
13 benefit plan issuers in the individual market in exchange for lower  
14 enrollee premium rates.

15 Sec. 1510.005. CONTRACTS AND AGREEMENTS. (a) The  
16 commissioner may enter into a contract or agreement that the  
17 commissioner determines is appropriate to carry out this chapter,  
18 including a contract or agreement with:

19 (1) a similar pool in another state for the joint  
20 performance of common administrative functions;

21 (2) another organization for the performance of  
22 administrative functions; or

23 (3) a federal agency.

24 (b) The commissioner may contract for stop-loss insurance  
25 for risks incurred under this chapter.

26 Sec. 1510.006. FUNDING. (a) The commissioner may use funds  
27 appropriated to the department to:

1           (1) apply for federal funding and grants; and

2           (2) administer this chapter.

3           (b) Notwithstanding Section 6(e)(2)(B), Chapter 615 (S.B.  
4 1367), Acts of the 83rd Legislature, Regular Session, 2013, the  
5 commissioner may use money appropriated to the department from the  
6 healthy Texas small employer premium stabilization fund for the  
7 exclusive purposes of this chapter, other than for paying salaries  
8 and salary-related benefits.

9           (c) Notwithstanding Section 6(e)(2)(B), Chapter 615 (S.B.  
10 1367), Acts of the 83rd Legislature, Regular Session, 2013, the  
11 commissioner shall transfer money from the healthy Texas small  
12 employer premium stabilization fund to the Texas Department of  
13 Insurance operating account in an amount equal to the amount of  
14 money appropriated to the department from that fund, as described  
15 by Subsection (b), for the direct and indirect costs of the  
16 exclusive purposes of this chapter.

17           (d) Except as provided by Subsections (a) and (b), the  
18 commissioner may not use any state funds to fund the pool unless the  
19 funds are specifically appropriated for that purpose.

20           (e) The commissioner may use federal funds to administer  
21 this chapter, as appropriate.

22           Sec. 1510.007. PUBLIC EDUCATION AND OUTREACH. (a) The  
23 commissioner may use funds appropriated to the department for the  
24 exclusive purposes of this chapter to develop and implement public  
25 education, outreach, and facilitated enrollment strategies under  
26 this chapter.

27           (b) The commissioner may contract with marketing

1 organizations to perform or provide assistance with the strategies  
2 described by Subsection (a).

3 Sec. 1510.008. WAIVER. (a) The commissioner may apply to  
4 the United States secretary of health and human services under 42  
5 U.S.C. Section 18052 for a waiver of applicable provisions of the  
6 Patient Protection and Affordable Care Act (Pub. L. No. 111-148)  
7 and any applicable regulations or guidance with respect to health  
8 insurance coverage in this state for a plan year beginning on or  
9 after January 1, 2017.

10 (b) The commissioner may take any action the commissioner  
11 considers appropriate to make an application under this section.

12 (c) The commissioner may implement a state plan that meets  
13 the requirements of a waiver granted in response to an application  
14 under Subsection (a) if the plan is:

- 15 (1) consistent with state and federal law; and  
16 (2) approved by the United States secretary of health  
17 and human services.

18 Sec. 1510.009. ADDITIONAL AUTHORITY. In addition to the  
19 powers granted to the commissioner under this chapter, the  
20 commissioner may exercise any authority that may be exercised under  
21 the law of this state by:

- 22 (1) a reinsurer; or  
23 (2) a health benefit plan issuer authorized to write  
24 health benefit plans in this state.

25 Sec. 1510.010. RULES. The commissioner may adopt rules  
26 necessary to implement this chapter, including rules to administer  
27 the pool and distribute money from the pool.

1        Sec. 1510.011. EXEMPTION FROM STATE TAXES AND FEES.

2        Notwithstanding any other law, a program created under this chapter  
3        is not subject to any state tax, regulatory fee, or surcharge,  
4        including a premium or maintenance tax or fee.

5        Sec. 1510.012. ANNUAL REPORT OF POOL ACTIVITIES. (a)

6        Beginning June 1, 2018, not later than June 1 of each year, the  
7        department shall submit a report to the governor, the lieutenant  
8        governor, and the speaker of the house of representatives.

9        (b) The report submitted under Subsection (a) must:

10        (1) summarize the activities conducted under this  
11        chapter in the calendar year preceding the year in which the report  
12        is submitted; and

13        (2) include information relating to:

14                (A) net written and earned premiums;

15                (B) plan enrollment;

16                (C) administration expenses; and

17                (D) paid and incurred losses.

18        Sec. 1510.013. EXPIRATION OF CHAPTER. This chapter expires  
19        August 31, 2019.

20        SECTION 2. Notwithstanding Section 6(d)(2), Chapter 615  
21        (S.B. 1367), Acts of the 83rd Legislature, Regular Session, 2013,  
22        on the effective date of this Act, the commissioner of insurance  
23        shall transfer any money remaining outside the state treasury in  
24        the Texas Treasury Safekeeping Trust Company account established  
25        under Section 6(c), Chapter 615 (S.B. 1367), Acts of the 83rd  
26        Legislature, Regular Session, 2013, to the healthy Texas small  
27        employer premium stabilization fund.

1           SECTION 3. This Act takes effect immediately if it receives  
2 a vote of two-thirds of all the members elected to each house, as  
3 provided by Section 39, Article III, Texas Constitution. If this  
4 Act does not receive the vote necessary for immediate effect, this  
5 Act takes effect September 1, 2017.