

By: Phillips

H.B. No. 3226

A BILL TO BE ENTITLED

AN ACT

1
2 Relating to the creation of the Temporary Texas Health Insurance
3 Risk Pool

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

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

7 CHAPTER 1510. TEXAS TEMPORARY HEALTH INSURANCE POOL

8 Sec. 1510.101 ESTABLISHMENT OF TEMPORARY HEALTH INSURANCE

9 RISK POOL. To the extent that federal funds become available under
10 federal law, regulation, or executive action after March 1, 2017,
11 the commissioner may apply for such funds and use such funds to
12 establish and administer a temporary health insurance risk pool
13 from which funds may be used for the purposes of this chapter.

14 Sec. 1510.102. PURPOSES OF TEMPORARY POOL. (a) The purpose
15 of the pool is to provide a temporary mechanism for maximizing
16 available federal funding to assist Texas residents in obtaining
17 access to quality health care at minimum cost to the public.

18 (b) The pool may not be used to expand the Medicaid program
19 under Chapter 32 of the Human Resources Code.

20 Sec. 1510.103. PROVIDING COVERAGE. (a) Subject to any
21 requirements for obtaining federal funds held within the pool, the
22 commissioner may use pool funds to provide alternative individual
23 health insurance coverage to eligible individuals without
24 diminishing the availability of traditional commercial health care

1 coverage, provide funding to individual health benefit plan
2 insurers covering individuals with certain health or cost
3 characteristics in exchange for lower individual health plan
4 premium rates, or provide a reinsurance program for carriers in the
5 individual market in exchange for lower individual health plan
6 premium rates.

7 Sec. 1510.104. CONTRACTS. (a) The commissioner may enter
8 into any contract or agreement that the commissioner considers
9 appropriate to carry out this chapter, including a contract or
10 agreement with:

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

13 (2) another organization for the performance of
14 administrative functions; or

15 (3) with a federal agency.

16 (b) The commissioner may contract for stop-loss insurance
17 for risks incurred under this Chapter.

18 Sec. 1510.105. FUNDING. (a) The commissioner may use funds
19 appropriated to the department to apply for federal funding and
20 grants and to administer this Chapter.

21 (b) The commissioner may use federal funds to administer
22 this Chapter, as appropriate.

23 (c) Except as provided in this section, the commissioner may
24 not use any state funds to fund the Pool unless they are
25 specifically appropriated for that purpose.

26 (d) Notwithstanding Section 6(d)(2,) Chapter 615 (S.B.
27 1367), Acts of the 83rd Legislature, Regular Session, 2013, on or

1 after the effective date of this bill, the commissioner of
2 insurance shall transfer any funds remaining in the Texas Treasury
3 Safekeeping Trust Company account created under the provisions of
4 Section 6(c) of Chapter 615 (S.B. 1367), Acts of the 83rd
5 Legislature, Regular Session, 2013, to the fund established under
6 Subchapter F, Chapter 1508, Insurance Code.

7 (e) Notwithstanding Section 6(e)(2)(B), Chapter 615 (S.B.
8 1367), Acts of the 83rd Legislature, Regular Session, 2013, the
9 commissioner of insurance may use funds appropriated to the
10 department from the fund established under Subchapter F, Chapter
11 1508, Insurance Code, for the purposes of this chapter but
12 excluding salaries and salary related benefits.

13 (f) Notwithstanding Section 6(e)(2)(B), Chapter 615 (S.B.
14 1367), Acts of the 83rd Legislature, Regular Session, 2013, on or
15 after the effective date of this bill, the commissioner of
16 insurance shall transfer funds from the fund established under
17 Subchapter F, Chapter 1508, Insurance Code, to the General
18 Revenue-Dedicated Texas Department of Insurance Operating Fund 36
19 to cover the appropriations for direct and indirect costs for the
20 purposes of this chapter.

21 Sec. 1510.106. PUBLIC EDUCATION AND OUTREACH. (a) The
22 commissioner may use any funds appropriated to the department for
23 the purposes of this chapter to develop and implement public
24 education, outreach, and facilitated enrollment strategies under
25 this chapter.

26 (b) The commissioner may contract with marketing
27 organizations to perform or provide assistance with education,

1 outreach, and enrollment strategies described by Subsection (a).

2 Sec. 1510.107. WAIVER. The commissioner is authorized, and
3 may take any action the commissioner considers appropriate, to
4 apply to the United States Secretary of Health and Human Services
5 under 42 U.S.C. §18052 for a waiver of applicable provisions of P.L.
6 111-148 (Patient Protection and Affordable Care Act) and any
7 applicable regulations or guidance with respect to health insurance
8 coverage in the state for a plan year beginning on or after January
9 1, 2017. The commissioner may implement a state plan meeting the
10 waiver requirements in a manner consistent with state and federal
11 law and as approved by the United States Secretary of Health and
12 Human Services.

13 Sec. 1510.108. ADDITIONAL AUTHORITY. In addition to the
14 other powers granted under this chapter, the commissioner may
15 exercise any authority that a reinsurer, or a health benefit plan
16 issuer authorized to write health benefit plans in this state, may
17 exercise under the law of this state.

18 Sec. 1510.198. RULES. The commissioner may adopt rules
19 necessary and appropriate to implement this chapter, including the
20 administration of the pool and distribution of money from the pool.

21 Sec. 1510.110. EXEMPTION FROM STATE TAXES AND FEES. The
22 programs created under this Chapter are not subject to any state
23 tax, regulatory fee, or surcharge, including a premium or
24 maintenance tax or fee.

25 Sec. 1510.111. ANNUAL REPORT OF POOL'S ACTIVITIES. (a)
26 Beginning in June of 2018, not later than June 1 of each year, the
27 Department shall submit a report to the governor, the lieutenant

1 governor, and the speaker of the house of representatives.

2 (b) The report must summarize the activities conducted
3 under this chapter in the calendar year preceding the year in which
4 the report is submitted and must include information relating to
5 net written and earned premiums, plan enrollment, administration
6 expenses, and paid and incurred losses.

7 SECTION 2. This Act takes effect immediately if it receives
8 a vote of two-thirds of all the members elected to each house, as
9 provided by Section 39, Article III, Texas Constitution. If this
10 Act does not receive the votes necessary for immediate effect, this
11 Act takes effect September 1, 2017. This Chapter expires August 31,
12 2019, unless extended by the Legislature.