

By: Watson

S.B. No. 2002

A BILL TO BE ENTITLED

AN ACT

relating to regional or local health care programs for eligible individuals and employees of small employers.

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

SECTION 1. The heading to Chapter 75, Health and Safety Code, is amended to read as follows:

CHAPTER 75. REGIONAL OR LOCAL HEALTH CARE PROGRAMS FOR ELIGIBLE INDIVIDUALS AND EMPLOYEES OF SMALL EMPLOYERS

SECTION 2. Section 75.001, Health and Safety Code, is amended to read as follows:

Sec. 75.001. PURPOSE. The purpose of this chapter is to:

(1) improve the health of eligible individuals and employees of small employers and their families by improving the individuals' and employees' access to health care and by reducing the number of those individuals and employees who are uninsured;

(2) reduce the likelihood that those individuals and employees and their families will require services from state-funded entitlement programs such as Medicaid;

(3) contribute to economic development by helping small businesses remain competitive with a healthy workforce and optional health care benefits that will attract employees; and

(4) encourage innovative solutions for providing and funding health care services and benefits.

SECTION 3. Section 75.002, Health and Safety Code, is

1 amended by amending Subdivisions (1), (3), and (4) and adding  
2 Subdivision (1-a) to read as follows:

3 (1) "Eligible individual" means an individual  
4 eligible for participation in a regional or local health care  
5 program established under this chapter.

6 (1-a) "Employee" means an individual employed by an  
7 employer. The term includes a partner of a partnership and the  
8 proprietor of a sole proprietorship.

9 (3) "Local health care program" means a local health  
10 care program operating in one county and established for the  
11 benefit of eligible individuals and the employees of small  
12 employers under Subchapter B.

13 (4) "Regional health care program" means a regional  
14 health care program operating in two or more counties and  
15 established for the benefit of eligible individuals and the  
16 employees of small employers under Subchapter B.

17 SECTION 4. Sections 75.052 and 75.053, Health and Safety  
18 Code, are amended to read as follows:

19 Sec. 75.052. GOVERNANCE OF PROGRAM. (a) [~~A regional health~~  
20 ~~care program may be operated subject to the direct governance of the~~  
21 ~~commissioners courts of the participating counties. A local health~~  
22 ~~care program may be operated subject to the direct governance of the~~  
23 ~~commissioners court of the participating county.] A regional or  
24 local health care program must [~~may~~] be operated by a [~~joint~~  
25 ~~council,~~] tax-exempt nonprofit entity [~~, or other entity that:~~~~

26 [~~(1) operates the program under a contract with the~~  
27 ~~commissioners court or courts, as applicable, or~~

1           ~~[(2) is an entity in which the county or counties~~  
2 ~~participate or that is established or designated by the~~  
3 ~~commissioners court or courts, as applicable, to operate the~~  
4 ~~program].~~

5           (b) An ~~[In selecting an]~~ entity operating ~~[described by~~  
6 ~~Subsection (a)(1) or (2) to operate]~~ a regional or local health care  
7 program must ~~[, the commissioners court or courts, as applicable,~~  
8 ~~shall require, to the extent possible, that the entity]~~ be  
9 authorized under federal law to accept donations on a basis that is  
10 tax-deductible or otherwise tax-advantaged for the contributor.

11           Sec. 75.053. OPERATION OF PROGRAM. A regional or local  
12 health care program provides health care services or benefits to  
13 eligible individuals and the employees of participating small  
14 employers who are located within the boundaries of the  
15 participating county or counties, as applicable. A program may  
16 also provide services or benefits to the dependents of those  
17 individuals and employees.

18           SECTION 5. Subchapter B, Chapter 75, Health and Safety  
19 Code, is amended by adding Section 75.0545 to read as follows:

20           Sec. 75.0545. PARTICIPATION BY ELIGIBLE INDIVIDUALS; SHARE  
21 OF COST. Subject to Section 75.153, the governing body may  
22 establish criteria for participation in a regional or local health  
23 care program by eligible individuals and their dependents. The  
24 criteria must require that participating individuals pay a share of  
25 the premium or other cost of the program.

26           SECTION 6. Section 75.055(c), Health and Safety Code, is  
27 amended to read as follows:

1 (c) A governing body shall actively solicit gifts, grants,  
2 and donations to:

3 (1) fund services and benefits provided under the  
4 regional or local health care program; and

5 (2) reduce the cost of participation in the program  
6 for eligible individuals and for small employers and their  
7 employees.

8 SECTION 7. Section 75.101, Health and Safety Code, is  
9 amended to read as follows:

10 Sec. 75.101. ALTERNATIVE PROGRAMS AUTHORIZED; PROGRAM  
11 OBJECTIVES. In developing a regional or local health care program,  
12 a governing body may provide health care services or benefits as  
13 described by this subchapter or may develop another type of program  
14 to accomplish the purposes of this chapter. A regional or local  
15 health care program must be developed, to the extent practicable,  
16 to:

17 (1) reduce the number of individuals without health  
18 benefit plan coverage [~~within the boundaries of the participating~~  
19 ~~county or counties~~];

20 (2) address rising health care costs and reduce the  
21 cost of health care services or health benefit plan coverage [~~for~~  
22 ~~small employers and their employees within the boundaries of the~~  
23 ~~participating county or counties~~];

24 (3) promote preventive care and reduce the incidence  
25 of preventable health conditions, such as heart disease, cancer,  
26 and diabetes and low birth weight in infants;

27 (4) promote efficient and collaborative delivery of

1 health care services;

2 (5) serve as a model for the innovative use of health  
3 information technology to promote efficient delivery of health care  
4 services, reduce health care costs, and improve the health of the  
5 community; and

6 (6) provide fair payment rates for health care  
7 providers, to the extent applicable.

8 SECTION 8. Sections 75.102(a), (c), and (d), Health and  
9 Safety Code, are amended to read as follows:

10 (a) A regional or local health care program may provide  
11 health care benefits to eligible individuals and the employees of  
12 small employers by purchasing or facilitating the purchase of  
13 health benefit plan coverage for those individuals and employees  
14 from a health benefit plan issuer, including coverage under:

15 (1) a small employer health benefit plan offered under  
16 Chapter 1501, Insurance Code;

17 (2) a standard health benefit plan offered under  
18 Chapter 1507, Insurance Code; or

19 (3) any other health benefit plan available in this  
20 state.

21 (c) Notwithstanding Chapter 1251, Insurance Code, an  
22 insurer may issue a group accident and health insurance policy,  
23 including a group contract issued by a group hospital service  
24 corporation, to cover eligible individuals and the employees of  
25 small employers participating in a regional or local health care  
26 program. The group policyholder of a policy issued in accordance  
27 with this subsection is the governing body or the designee of the

1 governing body.

2 (d) A health maintenance organization may issue a health  
3 care plan to cover eligible individuals and the employees of small  
4 employers participating in a regional or local health care program.  
5 The group contract holder of a contract issued in accordance with  
6 this subsection is the governing body or the designee of the  
7 governing body.

8 SECTION 9. Sections 75.104(a) and (c), Health and Safety  
9 Code, are amended to read as follows:

10 (a) A regional or local health care program may contract  
11 with health care providers within the boundaries of the  
12 participating county or counties to provide health care services  
13 directly to eligible individuals, the employees of participating  
14 small employers, and the dependents of those individuals and  
15 employees.

16 (c) A governing body that operates a regional or local  
17 health care program under this section may require that  
18 participating eligible individuals, employees, and dependents  
19 obtain health care services only from health care providers that  
20 contract to provide those services under the program and may limit  
21 the health care services provided under the program to services  
22 provided within the boundaries of the program's service area  
23 [~~participating county or counties~~].

24 SECTION 10. This Act takes effect September 1, 2017.