

1-1 By: Hancock S.B. No. 2087  
1-2 (In the Senate - Filed March 10, 2017; March 28, 2017, read  
1-3 first time and referred to Committee on Business & Commerce;  
1-4 April 12, 2017, reported favorably by the following vote: Yeas 9,  
1-5 Nays 0; April 12, 2017, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			

1-17 A BILL TO BE ENTITLED  
1-18 AN ACT

1-19 relating to the creation of a temporary health insurance risk pool.  
1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:  
1-21 SECTION 1. Subtitle G, Title 8, Insurance Code, is amended  
1-22 by adding Chapter 1510 to read as follows:  
1-23 CHAPTER 1510. TEMPORARY HEALTH INSURANCE RISK POOL  
1-24 Sec. 1510.001. DEFINITION. In this chapter, "pool" means a  
1-25 temporary health insurance risk pool that is established and  
1-26 administered by the commissioner under this chapter.  
1-27 Sec. 1510.002. ESTABLISHMENT OF TEMPORARY HEALTH INSURANCE  
1-28 RISK POOL. To the extent that federal funds become available under  
1-29 federal law, regulation, or executive action after March 1, 2017,  
1-30 the commissioner may:  
1-31 (1) apply for such funds; and  
1-32 (2) use such funds to establish and administer a  
1-33 temporary health insurance risk pool for the purposes of this  
1-34 chapter.  
1-35 Sec. 1510.003. PURPOSE OF POOL. (a) The exclusive purpose  
1-36 of the pool is to provide a temporary mechanism for maximizing  
1-37 available federal funding to assist residents of this state in  
1-38 obtaining access to quality health care at minimum cost to the  
1-39 public.  
1-40 (b) The pool may not be used to expand the Medicaid program,  
1-41 including the program administered under Chapter 32, Human  
1-42 Resources Code, and the program administered under Chapter 533,  
1-43 Government Code.  
1-44 Sec. 1510.004. PROVISION OF COVERAGE. Subject to any  
1-45 requirements for obtaining federal funds held in the pool, the  
1-46 commissioner may use pool funds:  
1-47 (1) to provide alternative individual health  
1-48 insurance coverage to eligible individuals that does not diminish  
1-49 the availability of traditional commercial health care coverage;  
1-50 (2) to provide funding to individual health benefit  
1-51 plan issuers that cover individuals with certain health or cost  
1-52 characteristics in exchange for lower enrollee premium rates; or  
1-53 (3) to provide a reinsurance program for health  
1-54 benefit plan issuers in the individual market in exchange for lower  
1-55 enrollee premium rates.  
1-56 Sec. 1510.005. CONTRACTS AND AGREEMENTS. (a) The  
1-57 commissioner may enter into a contract or agreement that the  
1-58 commissioner determines is appropriate to carry out this chapter,  
1-59 including a contract or agreement with:  
1-60 (1) a similar pool in another state for the joint  
1-61 performance of common administrative functions;

2-1                   (2) another organization for the performance of  
2-2 administrative functions; or  
2-3                   (3) a federal agency.  
2-4                   (b) The commissioner may contract for stop-loss insurance  
2-5 for risks incurred under this chapter.  
2-6                   Sec. 1510.006. FUNDING. (a) The commissioner may use  
2-7 funds appropriated to the department to:  
2-8                   (1) apply for federal funding and grants; and  
2-9                   (2) administer this chapter.  
2-10                  (b) Notwithstanding Section 6(e)(2)(B), Chapter 615 (S.B.  
2-11 1367), Acts of the 83rd Legislature, Regular Session, 2013, the  
2-12 commissioner may use money appropriated to the department from the  
2-13 healthy Texas small employer premium stabilization fund for the  
2-14 exclusive purposes of this chapter, other than for paying salaries  
2-15 and salary related benefits.  
2-16                  (c) Notwithstanding Section 6(e)(2)(B), Chapter 615 (S.B.  
2-17 1367), Acts of the 83rd Legislature, Regular Session, 2013, the  
2-18 commissioner shall transfer money from the healthy Texas small  
2-19 employer premium stabilization fund to the Texas Department of  
2-20 Insurance operating account in an amount equal to the amount of  
2-21 money appropriated to the department from that fund, as described  
2-22 by Subsection (b), for the direct and indirect costs of the  
2-23 exclusive purposes of this chapter.  
2-24                  (d) Except as provided by Subsections (a) and (b), the  
2-25 commissioner may not use any state funds to fund the pool unless the  
2-26 funds are specifically appropriated for that purpose.  
2-27                  (e) The commissioner may use federal funds to administer  
2-28 this chapter, as appropriate.  
2-29                  Sec. 1510.007. PUBLIC EDUCATION AND OUTREACH. (a) The  
2-30 commissioner may use funds appropriated to the department for the  
2-31 exclusive purposes of this chapter to develop and implement public  
2-32 education, outreach, and facilitated enrollment strategies under  
2-33 this chapter.  
2-34                  (b) The commissioner may contract with marketing  
2-35 organizations to perform or provide assistance with the strategies  
2-36 described by Subsection (a).  
2-37                  Sec. 1510.008. WAIVER. (a) The commissioner may apply to  
2-38 the United States secretary of health and human services under 42  
2-39 U.S.C. Section 18052 for a waiver of applicable provisions of the  
2-40 Patient Protection and Affordable Care Act (Pub. L. No. 111-148)  
2-41 and any applicable regulations or guidance with respect to health  
2-42 insurance coverage in this state for a plan year beginning on or  
2-43 after January 1, 2017.  
2-44                  (b) The commissioner may take any action the commissioner  
2-45 considers appropriate to make an application under this section.  
2-46                  (c) The commissioner may implement a state plan that meets  
2-47 the requirements of a waiver granted in response to an application  
2-48 under Subsection (a) if the plan is:  
2-49                         (1) consistent with state and federal law; and  
2-50                         (2) approved by the United States secretary of health  
2-51 and human services.  
2-52                  Sec. 1510.009. ADDITIONAL AUTHORITY. In addition to the  
2-53 powers granted to the commissioner under this chapter, the  
2-54 commissioner may exercise any authority that may be exercised under  
2-55 the law of this state by:  
2-56                         (1) a reinsurer; or  
2-57                         (2) a health benefit plan issuer authorized to write  
2-58 health benefit plans in this state.  
2-59                  Sec. 1510.010. RULES. The commissioner may adopt rules  
2-60 necessary to implement this chapter, including rules to administer  
2-61 the pool and distribute money from the pool.  
2-62                  Sec. 1510.011. EXEMPTION FROM STATE TAXES AND FEES.  
2-63 Notwithstanding any other law, a program created under this chapter  
2-64 is not subject to any state tax, regulatory fee, or surcharge,  
2-65 including a premium or maintenance tax or fee.  
2-66                  Sec. 1510.012. ANNUAL REPORT OF POOL ACTIVITIES.  
2-67 (a) Beginning June 1, 2018, not later than June 1 of each year, the  
2-68 department shall submit a report to the governor, the lieutenant  
2-69 governor, and the speaker of the house of representatives.

- 3-1 (b) The report submitted under Subsection (a) must:
- 3-2 (1) summarize the activities conducted under this
- 3-3 chapter in the calendar year preceding the year in which the report
- 3-4 is submitted; and
- 3-5 (2) include information relating to:
- 3-6 (A) net written and earned premiums;
- 3-7 (B) plan enrollment;
- 3-8 (C) administration expenses; and
- 3-9 (D) paid and incurred losses.

3-10 Sec. 1510.013. EXPIRATION OF CHAPTER. This chapter expires  
 3-11 August 31, 2019.

3-12 SECTION 2. Notwithstanding Section 6(d)(2), Chapter 615  
 3-13 (S.B. 1367), Acts of the 83rd Legislature, Regular Session, 2013,  
 3-14 on the effective date of this Act, the commissioner of insurance  
 3-15 shall transfer any money remaining outside the state treasury in  
 3-16 the Texas Treasury Safekeeping Trust Company account established  
 3-17 under Section 6(c), Chapter 615 (S.B. 1367), Acts of the 83rd  
 3-18 Legislature, Regular Session, 2013, to the healthy Texas small  
 3-19 employer premium stabilization fund.

3-20 SECTION 3. This Act takes effect immediately if it receives  
 3-21 a vote of two-thirds of all the members elected to each house, as  
 3-22 provided by Section 39, Article III, Texas Constitution. If this  
 3-23 Act does not receive the vote necessary for immediate effect, this  
 3-24 Act takes effect September 1, 2017.

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