By:  Hancock S.B. No. 1940

(In the Senate - Filed March 7, 2019; March 19, 2019, read first time and referred to Committee on Business & Commerce; April 11, 2019, reported adversely, with favorable Committee Substitute by the following vote: Yeas 9, Nays 0; April 11, 2019, sent to printer.)

COMMITTEE VOTE

                    Yea Nay Absent  PNV

Hancock              X

Nichols              X

Campbell             X

Creighton            X

Menéndez             X

Paxton               X

Schwertner           X

Whitmire             X

Zaffirini            X

COMMITTEE SUBSTITUTE FOR S.B. No. 1940 By:  Hancock

A BILL TO BE ENTITLED

AN ACT

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

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

SECTION 1.  Section 1510.002, Insurance Code, is amended to read as follows:

Sec. 1510.002.  ESTABLISHMENT OF TEMPORARY HEALTH INSURANCE RISK POOL. To the extent that federal funds are [~~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.

SECTION 2.  Section 1510.003, Insurance Code, is amended by amending Subsection (a) and adding Subsection (c) to read as follows:

(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, guaranteed issue health coverage [~~care~~] at minimum cost to the public.

(c)  The pool may not be used in a manner that requires this state to assume functions currently performed by the United States Department of Health and Human Services or the United States Internal Revenue Service under the Patient Protection and Affordable Care Act (Pub. L. No. 111-148), including establishing an exchange or administering premium tax credits.

SECTION 3.  Section 1510.004, Insurance Code, is amended to read as follows:

Sec. 1510.004.  PROVISION OF GUARANTEED ISSUE HEALTH COVERAGE. (a)  Subject to any requirements for obtaining federal funds [~~held in the pool~~], the commissioner may increase access to guaranteed issue health coverage by [~~use pool funds~~]:

(1)  establishing a high risk pool to provide alternative individual health insurance coverage to eligible individuals that does not diminish enrollment in [~~the availability of~~] traditional commercial health care coverage;

(2)  providing [~~to provide~~] funding to individual health benefit plan issuers that cover individuals with certain health or cost characteristics in exchange for lower enrollee premium rates; or

(3)  providing [~~to provide~~] a reinsurance program for health benefit plan issuers in the individual market in exchange for lower enrollee premium rates.

(b)  If necessary to ensure access to quality individual health insurance coverage for individuals with preexisting conditions, the commissioner may take actions necessary to establish a temporary high risk pool substantially similar to the risk pool authorized by former Chapter 1506, Insurance Code, repealed by Chapter 615 (S.B. 1367), Acts of the 83rd Legislature, Regular Session, 2013, including:

(1)  appointing a board of directors to govern the temporary high risk pool;

(2)  adopting rules or a plan of operation for the temporary high risk pool; and

(3)  contracting with a third party.

(c)  Any rule or plan of operation adopted under Subsection (b) remains in effect only until 30 days following the end of the next regular session of the legislature unless a law is enacted that authorizes coverage to be issued by the temporary risk pool and provides for funding for coverage under the temporary risk pool.

SECTION 4.  Section 1510.008(a), Insurance Code, is amended to read as follows:

(a)  The commissioner may apply to the United States secretary of health and human services:

(1)  under 42 U.S.C. Section 18052 for a waiver of applicable provisions of the Patient Protection and Affordable Care Act (Pub. L. No. 111-148) and any applicable regulations or guidance; or

(2)  under any applicable provision of federal law [~~enacted on or after May 1, 2017,~~] for a waiver of applicable provisions of any federal law, regulations, or guidance with respect to health insurance coverage consistent with Section 1510.003.

SECTION 5.  Section 1510.012(a), Insurance Code, is amended to read as follows:

(a)  Beginning June 1, 2020 [~~2018~~], not later than June 1 of each year, the department shall submit a report to the governor, the lieutenant governor, and the speaker of the house of representatives.

SECTION 6.  Section 1510.013, Insurance Code, is amended to read as follows:

Sec. 1510.013.  EXPIRATION OF CHAPTER. This chapter expires August 31, 2021 [~~2019~~].

SECTION 7.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2019.

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