

By: Leach

H.B. No. 3989

A BILL TO BE ENTITLED

AN ACT

relating to a pilot program for the provision of health coverage for school district employees in certain school districts.

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

SECTION 1. Chapter 1579, Insurance Code, is amended by adding Subchapter H to read as follows:

SUBCHAPTER H. PILOT PROGRAM

Sec. 1579.351. ELIGIBILITY FOR PILOT PROGRAM. A school district, including a school district required to participate in the program under Section 1579.151, is eligible to participate in the pilot program under this subchapter, provided that the school district meets the requirements imposed by this subchapter for participation in the pilot program.

Sec. 1579.352. CONSORTIUM. School districts considering participating in the pilot program under this subchapter shall establish a consortium to consider alternative health benefit plan coverage for employees of consortium districts.

Sec. 1579.353. DISTRICT REQUEST FOR PROGRAM INFORMATION.  
(a) On request of a school district that is a member of a consortium established under Section 1579.352, and subject to Subsection (b), the trustee shall provide to the consortium school district any historical claims data, enrollment information, or other relevant information available to the trustee as requested by the district in connection with a search for alternative health benefit plan

coverage for the district's employees and the employees' dependents. The information provided must include, for each tier of group coverage and for the five-year period preceding the date of the request:

(1) the monthly claims experience history;

(2) information concerning the type of illness or injury and the ongoing status of the illness or injury for:

(A) each medical claim that exceeds \$50,000; and

(B) each related series of medical claims for the same covered individual and for the same diagnosis that exceeds \$50,000;

(3) any other information requested by the district concerning covered individuals who are responsible for a claim or claims that total a large amount, as specified by the requesting district;

(4) information concerning prescription drug claims and costs; and

(5) plan enrollment.

(b) The information provided by the trustee under this section may not include any personally identifying information of a covered individual, including any information that would identify a named covered individual as having a particular medical condition.

(c) The trustee shall provide the information requested under this section at no cost to the requesting school district.

(d) If the trustee does not comply with the requirements of this section, the requesting school district may bring a suit in a district court in Travis County or in the county in which the

1 district is located to compel the trustee's compliance.

2 (e) If the school district prevails, the trustee shall pay  
3 all court costs and attorney's fees incurred by the district in  
4 connection with a suit brought under Subsection (d).

5 Sec. 1579.354. PARTICIPATION IN PILOT PROGRAM; WITHDRAWAL  
6 FROM GROUP PROGRAM. (a) After a consortium of school districts  
7 established under Section 1579.352 obtains options for alternative  
8 health benefit plan coverage for employees of consortium districts,  
9 each school district in the consortium may elect to withdraw from  
10 the uniform group coverage program established under this chapter  
11 by notifying the trustee in writing that the school district is  
12 withdrawing from the group program and may participate in the pilot  
13 program under this subchapter.

14 (b) Each consortium district that withdraws from the group  
15 program to participate in the pilot program under this subchapter:

16 (1) must obtain health coverage for the district's  
17 employees through the open market; and

18 (2) may use any purchasing method, including an  
19 interlocal cooperative purchasing agreement, to purchase health  
20 coverage for the district's employees.

21 Sec. 1579.355. MIXED METHOD STUDY. (a) Consortium school  
22 districts that withdraw from the group program under Section  
23 1579.354 must create a mixed method study, using qualitative and  
24 quantitative data, of the health coverage provided to the  
25 district's employees under the pilot program.

26 (b) A consortium school district must report to the  
27 legislature the results of the district's study under Subsection

1 (a) and, based on the results of the study, provide information  
2 regarding the viability of providing health coverage using a  
3 regional cohort method for school districts across the state.

4 Sec. 1579.356. RETURN TO GROUP PROGRAM. A school district  
5 that withdraws from the group program under Section 1579.354 and  
6 participates in the pilot program under this subchapter may resume  
7 participation in the group program effective not earlier than the  
8 fourth anniversary of the effective date of withdrawal.

9 SECTION 2. This Act takes effect September 1, 2019.