

BILL ANALYSIS

C.S.H.B. 3317
By: Frank
Health Care Reform, Select
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The cost of providing health coverage is the number one problem facing many small business owners according to findings from both the National Federation of Independent Business and the Commonwealth Fund. An Urban Institute study estimates two-thirds of uninsured Texans are in working families. Direct primary care is a model of providing health care services in which the care is paid for by a monthly flat membership fee per patient and the patient receives unrestricted access to the physician. The Mercatus Center suggests that this care model incentivizes preventative and holistic care, which can be better for the patient's health and lower costs. Federally qualified health centers (FQHCs) provide a wide array of primary and preventive care services and working Texas families could benefit from a program in which they receive direct primary care services and other related care from an FQHC. C.S.H.B. 3317 seeks to lower the number of uninsured or underinsured Texans who lack access to quality primary care by providing for the operation and financing of a federal qualified health center primary care access programs to be operated by FQHCs.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 3317 amends the Health and Safety Code to provide for the operation and financing of a federal qualified health center primary care access program with the stated purpose of doing the following:

- increasing access to primary care services at federally qualified health centers (FQHCs) for low-income or at-risk Texans;
- improving the health of the employees of participating employers and their families by improving access to health care;
- contributing to economic development by assisting small businesses in remaining competitive through employment of a healthy workforce and provision of health care benefits that attract employees; and
- encouraging innovative solutions for providing and funding health care services and benefits for the employees.

C.S.H.B. 3317 authorizes an FQHC to establish and operate a primary care access program for the provision of primary care services and benefits directly to the employees of participating employers and their dependents within the FQHC's service area, with the approval of or under

a contract with the Texas Department of Insurance (TDI). The bill requires the program, to the extent practicable, to do the following within the service area:

- reduce the number of individuals who lack access to primary care services;
- reduce the cost of primary care services for small business employers and their employees;
- promote preventative care and reduce the incidence of preventable health conditions, such as heart disease, cancer, diabetes, and low birth weight in infants;
- promote efficient and collaborative delivery of primary care services;
- serve as a model for the innovative use of health information technology; and
- provide fair payment rates for participating health care providers.

The program may require participating employees and their dependents to obtain primary care services only from health care providers at the FQHC. The bill establishes that the FQHC operating the program is not subject to regulation by TDI as an insurer or a health maintenance organization.

C.S.H.B. 3317 authorizes the FQHC to establish program participation criteria for employers, employees of the employer, and the employees' dependents. The FQHC may do the following:

- require participating employers and their employees to pay a share of the premium or other cost of the primary care services;
- contract with a health foundation or other nonprofit organization to support payment of the employer's or employee's share; and
- screen employees and their dependents for eligibility to enroll in other state programs and for federal subsidies in the health insurance marketplace.

The bill authorizes the FQHC to accept gifts, grants, or donations from any source to administer and finance the program. The bill requires the FQHC to actively solicit gifts, grants, and donations to fund primary care services and benefits provided under the program and to reduce the cost of program participation for employers and their employees.

C.S.H.B. 3317 requires TDI, in collaboration with the Health and Human Services Commission (HHSC), to establish and administer a grant program to award grants to FQHCs operating a primary care access program. In awarding a grant, TDI must consider whether the program will accomplish the bill's stated purposes for the programs and meet the established program objectives. The bill requires TDI to establish performance objectives for a grant recipient and monitor whether the recipient meets these objectives. The bill authorizes TDI to accept gifts, grants, or donations from any source to administer and finance the grant program, in addition to money appropriated by the legislature.

C.S.H.B. 3317 requires TDI and HHSC, not later than December 1 of each even-numbered year, to jointly submit to the governor, lieutenant governor, and speaker of the house of representatives a report that does the following:

- evaluates the success of the program in accomplishing the stated purposes of the bill; and
- recommend any legislative or other action necessary to facilitate or improve the program.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2023.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 3317 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute includes a requirement absent from the introduced that an FQHC's primary care access program be established with the approval of or under a contract with TDI. The substitute does not include the provision from the introduced establishing that such a program is operated subject to the direction of the governing board of the participating FQHC.

Whereas the introduced authorized an FQHC's program to provide services to the employees of participating employers and their dependents as well as to other uninsured or underinsured groups as determined by the FQHC, the substitute authorizes a program to provide services and benefits only to employees and their dependents.

Whereas the introduced required an FQHC to ensure employees and their dependents are screened for eligibility for other state programs and federal subsidies, the substitute authorizes an FQHC to provide such screening.

The introduced required TDI to complete a review of each FQHC's program that receives a grant and then submit a one-time report not later than December 1, 2026. The substitute does not include the review requirement but provides instead for ongoing biennial reports. The substitute also includes a requirement that TDI jointly submit these reports with HHSC, whereas the introduced did not include HHSC in the reporting process.

Unlike the substitute, the introduced established that the development of a grant program relating to FQHC primary care access programs is subject to the appropriation of money for that purpose.