

BILL ANALYSIS

Senate Research Center
89R5801 SCL-D

H.B. 2655
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Health & Human Services
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Three-Share health plans were originally developed as a way to provide partial health insurance coverage to employees of small businesses, typically covering one-third of the cost of a health plan. When first created, these plans were not classified as traditional insurance products and were not regulated by the Texas Department of Insurance (TDI). Recognizing the potential financial and coverage risks involved, Texas law required that any such plans receive approval from the county commissioners court in each county where they intended to operate.

Over time, the oversight landscape has changed. TDI assumed a grant management role for these plans, providing functional oversight through processes such as monthly reporting and biennial reapplication. Some Three-Share health plans, such as TexHealth Central Texas, also transitioned from offering direct health benefits to functioning solely as premium assistance programs. These programs now subsidize the cost of licensed, commercial insurance rather than providing care or coverage directly.

Because premium assistance programs do not pose the same risks as traditional health coverage models and are already under state-level oversight through TDI, the requirement for local governmental approval has become an unnecessary barrier to their expansion.

H.B. 2655 amends current law relating to operation by certain nonprofit organizations of certain regional health care programs for employees of small employers.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 75.051, Health and Safety Code, by adding Subsection (c), as follows:

(c) Authorizes a community-based nonprofit organization to establish or participate in a regional health care program under Subchapter B (Regional or Local Health Care Program) without the participation of the commissioners court of a county if the program is a premium assistance program not offering health care services or health care benefits.

SECTION 2. Amends Section 75.052(a), Health and Safety Code, as follows:

(a) Authorizes a regional health care program to be operated subject to the direct governance of the commissioners courts of the participating counties or, for a program operating under Section 75.051(c), a nonprofit organization. Authorizes a regional or local health care program to be operated by a joint council, tax-exempt nonprofit entity, or other entity that meets certain criteria, including for a program operating under Section 75.051(c), is a participating nonprofit organization. Makes nonsubstantive changes.

SECTION 3. Amends Section 75.101, Health and Safety Code, as follows:

Sec. 75.101. ALTERNATIVE PROGRAMS AUTHORIZED; PROGRAM OBJECTIVES. Requires that a regional or local health care program be developed, to the extent practicable, to:

(1) reduce the number of individuals without health benefit plan coverage within the boundaries of the participating county or counties or, for a program operating under Section 75.051(c), in a county in which a participating nonprofit organization operates;

(2) address rising health care costs and reduce the cost of health care services or health benefit plan coverage for small employers and their employees within the boundaries of the participating county or counties or, for a program operating under Section 75.051(c), in a county in which a participating nonprofit organization operates; and

(3)-(6) makes no changes to these subdivisions.

SECTION 4. Effective date: September 1, 2025.