

By: Johnson

S.B. No. 232

A BILL TO BE ENTITLED

AN ACT

relating to the development and implementation of the Live Well Texas program and the expansion of Medicaid eligibility to provide health benefit coverage to certain individuals; imposing penalties.

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

SECTION 1. Subtitle I, Title 4, Government Code, is amended by adding Chapters 537A and 537B to read as follows:

CHAPTER 537A. LIVE WELL TEXAS PROGRAM

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 537A.0001. DEFINITIONS. In this chapter:

(1) "Basic plan" means the program health benefit plan described by Section 537A.0202.

(2) "Eligible individual" means an individual who is eligible to participate in the program.

(3) "Health Savings Account" means a personal wellness and responsibility account the commission establishes for a participant under Section 537A.0251.

(4) "Participant" means an individual who is:
(A) enrolled in a program health benefit plan; or
(B) receiving health care financial assistance under Subchapter H.

(5) "Plus plan" means the program health benefit plan described by Section 537A.0203.

1 (6) "Program" means the Live Well Texas program
2 established under this chapter.

3 (7) "Program health benefit plan" includes:

4 (A) the basic plan; and

5 (B) the plus plan.

6 (8) "Program health benefit plan provider" means a
7 health benefit plan provider that contracts with the commission
8 under Section 537A.0107 to arrange for the provision of health care
9 services through a program health benefit plan.

10 SUBCHAPTER B. FEDERAL WAIVER FOR LIVE WELL TEXAS PROGRAM

11 Sec. 537A.0051. FEDERAL AUTHORIZATION FOR PROGRAM. (a)
12 Notwithstanding any other law, the executive commissioner shall
13 develop and seek a waiver under Section 1115 of the Social Security
14 Act (42 U.S.C. Section 1315) to the state Medicaid plan to implement
15 the Live Well Texas program to assist individuals in obtaining
16 health benefit coverage through a program health benefit plan or
17 health care financial assistance.

18 (b) The terms of a waiver the executive commissioner seeks
19 under this section must:

20 (1) be designed to:

21 (A) provide health benefit coverage options for
22 eligible individuals;

23 (B) produce better health outcomes for
24 participants;

25 (C) create incentives for participants to
26 transition from receiving public assistance benefits to achieving
27 stable employment;

1 (D) promote personal responsibility and engage
2 participants in making decisions regarding health care based on
3 cost and quality;

4 (E) support participants' self-sufficiency by
5 requiring unemployed participants to be referred to work search and
6 job training programs;

7 (F) support participants who become ineligible
8 to participate in a program health benefit plan in transitioning to
9 private health benefit coverage; and

10 (G) leverage enhanced federal medical assistance
11 percentage funding to minimize or eliminate the need for a program
12 enrollment cap; and

13 (2) allow for the operation of the program consistent
14 with the requirements of this chapter, except to the extent
15 deviation from the requirements is necessary to obtain federal
16 authorization of the waiver.

17 Sec. 537A.0052. FUNDING. Subject to approval of the waiver
18 described by Section 537A.0051, the commission shall implement the
19 program using enhanced federal medical assistance percentage
20 funding available under the Patient Protection and Affordable Care
21 Act (Pub. L. No. 111-148) as amended by the Health Care and
22 Education Reconciliation Act of 2010 (Pub. L. No. 111-152).

23 Sec. 537A.0053. NOT AN ENTITLEMENT; TERMINATION OF PROGRAM.

24 (a) This chapter does not establish an entitlement to health
25 benefit coverage or health care financial assistance under the
26 program for eligible individuals.

27 (b) The program terminates at the time the share of federal

1 funding for the program under the Patient Protection and Affordable
2 Care Act (Pub. L. No. 111-148) as amended by the Health Care and
3 Education Reconciliation Act of 2010 (Pub. L. No. 111-152) is
4 reduced below 90 percent.

5 SUBCHAPTER C. PROGRAM ADMINISTRATION

6 Sec. 537A.0101. PROGRAM OBJECTIVE. The program's principal
7 objective is to provide primary and preventative health care
8 through high deductible program health benefit plans to eligible
9 individuals.

10 Sec. 537A.0102. PROGRAM PROMOTION. The commission shall
11 promote and provide information about the program to individuals
12 who:

13 (1) are potentially eligible to participate in the
14 program; and

15 (2) live in medically underserved areas of this state.

16 Sec. 537A.0103. COMMISSION'S AUTHORITY RELATED TO HEALTH
17 BENEFIT PLAN PROVIDER CONTRACTS. The commission may:

18 (1) enter into contracts with health benefit plan
19 providers under Section 537A.0107;

20 (2) monitor program health benefit plan providers
21 through reporting requirements and other means to ensure contract
22 performance and quality delivery of services;

23 (3) monitor the quality of services delivered to
24 participants through outcome measurements; and

25 (4) provide payment under the contracts to program
26 health benefit plan providers.

27 Sec. 537A.0104. COMMISSION'S AUTHORITY RELATED TO

1 ELIGIBILITY AND MEDICAID COORDINATION. The commission may:

2 (1) accept applications for health benefit coverage
3 under the program and implement program eligibility screening and
4 enrollment procedures;

5 (2) resolve grievances related to eligibility
6 determinations; and

7 (3) to the extent possible, coordinate the program
8 with Medicaid.

9 Sec. 537A.0105. THIRD-PARTY ADMINISTRATOR CONTRACT FOR
10 PROGRAM IMPLEMENTATION. (a) In administering the program, the
11 commission may contract with a third-party administrator to provide
12 enrollment and related services.

13 (b) If the commission contracts with a third-party
14 administrator under this section, the commission may:

15 (1) monitor the third-party administrator through
16 reporting requirements and other means to ensure contract
17 performance and quality delivery of services; and

18 (2) provide payment under the contract to the
19 third-party administrator.

20 (c) The executive commissioner shall retain all
21 policymaking authority over the program.

22 (d) The commission shall procure each contract with a
23 third-party administrator, as applicable, through a competitive
24 procurement process that complies with all federal and state laws.

25 Sec. 537A.0106. TEXAS DEPARTMENT OF INSURANCE DUTIES. (a)
26 At the commission's request, the Texas Department of Insurance
27 shall provide any necessary assistance with the program. The

1 department shall monitor the quality of the services provided by
2 program health benefit plan providers and resolve grievances
3 related to those providers.

4 (b) The commission and the Texas Department of Insurance may
5 adopt a memorandum of understanding that addresses the
6 responsibilities of each agency with respect to the program.

7 (c) The Texas Department of Insurance, in consultation with
8 the commission, shall adopt rules as necessary to implement this
9 section.

10 Sec. 537A.0107. HEALTH BENEFIT PLAN PROVIDER CONTRACTS.
11 The commission shall select through a competitive procurement
12 process that complies with all federal and state laws and contract
13 with health benefit plan providers to provide health care services
14 under the program. To be eligible for a contract under this
15 section, an entity must:

- 16 (1) be a Medicaid managed care organization;
17 (2) hold a certificate of authority issued by the
18 Texas Department of Insurance that authorizes the entity to provide
19 the types of health care services offered under the program; and
20 (3) satisfy, except as provided by this chapter, any
21 applicable requirement of the Insurance Code or another insurance
22 law of this state.

23 Sec. 537A.0108. HEALTH CARE PROVIDERS. (a) A health care
24 provider who provides health care services under the program must
25 meet certification and licensure requirements required by
26 commission rules and other law.

27 (b) In adopting rules governing the program, the executive

1 commissioner shall ensure that a health care provider who provides
2 health care services under the program is reimbursed at a rate that
3 is at least equal to the rate paid under Medicare for the provision
4 of the same or substantially similar services.

5 Sec. 537A.0109. PROHIBITION ON CERTAIN HEALTH CARE
6 PROVIDERS. The executive commissioner shall adopt rules that
7 prohibit a health care provider from providing program health care
8 services for a reasonable period, as determined by the executive
9 commissioner, if the health care provider:

- 10 (1) fails to repay program overpayments; or
11 (2) owns, controls, manages, or is otherwise
12 affiliated with and has financial, managerial, or administrative
13 influence over a health care provider who has been suspended or
14 prohibited from providing program health care services.

15 SUBCHAPTER D. ELIGIBILITY FOR PROGRAM HEALTH BENEFIT COVERAGE

16 Sec. 537A.0151. ELIGIBILITY REQUIREMENTS. (a) An
17 individual is eligible to enroll in a program health benefit plan
18 if:

- 19 (1) the individual is a resident of this state;
20 (2) the individual is 19 years of age or older but
21 younger than 65 years of age;
22 (3) applying the eligibility criteria in effect in
23 this state on December 31, 2024, the individual is not eligible for
24 Medicaid; and
25 (4) federal matching funds are available under the
26 Patient Protection and Affordable Care Act (Pub. L. No. 111-148) as
27 amended by the Health Care and Education Reconciliation Act of 2010

1 (Pub. L. No. 111-152) to provide benefits to the individual under
2 the federal medical assistance program established under Title XIX,
3 Social Security Act (42 U.S.C. Section 1396 et seq.).

4 (b) An individual who is a parent or caretaker relative to
5 whom 42 C.F.R. Section 435.110 applies is eligible to enroll in a
6 program health benefit plan.

7 (c) In determining eligibility for the program, the
8 commission shall apply the same eligibility criteria regarding
9 residency and citizenship in effect for Medicaid in this state on
10 December 31, 2024.

11 Sec. 537A.0152. CONTINUOUS COVERAGE. The commission shall
12 ensure that an individual who is initially determined or
13 redetermined to be eligible to participate in the program and
14 enroll in a program health benefit plan will remain eligible for
15 coverage under the plan for a period of 12 months beginning on the
16 first day of the month following the date eligibility was
17 determined or redetermined, subject to Section 537A.0252(f).

18 Sec. 537A.0153. APPLICATION FORM AND PROCEDURES. (a) The
19 executive commissioner shall adopt an application form and
20 application procedures for the program. The form and procedures
21 must be coordinated with forms and procedures under Medicaid to
22 ensure that there is a single consolidated application process to
23 seek health benefit coverage under the program or Medicaid.

24 (b) To the extent possible, the commission shall make the
25 application form available in languages other than English.

26 (c) The executive commissioner may permit an individual to
27 apply by mail, over the telephone, or through the Internet.

1 Sec. 537A.0154. ELIGIBILITY SCREENING AND ENROLLMENT. (a)

2 The executive commissioner shall adopt eligibility screening and
3 enrollment procedures or use the Texas Integrated Enrollment
4 Services eligibility determination system or a compatible system to
5 screen individuals and enroll eligible individuals in the program.

6 (b) The eligibility screening and enrollment procedures
7 must ensure that an individual applying for the program who appears
8 eligible for Medicaid is identified and assisted with obtaining
9 Medicaid coverage. If the individual is denied Medicaid coverage
10 but is determined eligible to enroll in a program health benefit
11 plan, the commission shall enroll the individual in a program
12 health benefit plan of the individual's choosing and for which the
13 individual is eligible without further application or
14 qualification.

15 (c) Not later than the 30th day after the date an individual
16 submits a complete application form and unless the individual is
17 identified and assisted with obtaining Medicaid coverage under
18 Subsection (b), the commission shall ensure that the individual's
19 eligibility to participate in the program is determined and that
20 the individual, if eligible, is provided with information on
21 program health benefit plans and program health benefit plan
22 providers. The commission shall enroll the individual in the
23 program health benefit plan and with the program health benefit
24 plan provider of the individual's choosing in a timely manner, as
25 determined by the commission.

26 (d) The executive commissioner may establish enrollment
27 periods for the program.

1 Sec. 537A.0155. ELIGIBILITY REDETERMINATION PROCESS;
2 DISENROLLMENT. (a) Not later than the 90th day before a
3 participant's coverage period expires, the commission shall notify
4 the participant regarding the eligibility redetermination process
5 and request documentation necessary to redetermine the
6 participant's eligibility.

7 (b) The commission shall provide written notice of
8 termination of eligibility to a participant not later than the 30th
9 day before the date the participant's eligibility will terminate.

10 The commission shall disenroll the participant from the program if:

11 (1) the participant does not submit the requested
12 eligibility redetermination documentation before the last day of
13 the participant's coverage period; or

14 (2) the commission, based on the submitted
15 documentation, determines the participant is no longer eligible for
16 the program, subject to Subchapter H.

17 (c) An individual may submit the requested eligibility
18 redetermination documentation not later than the 90th day after the
19 date the commission disenrolls the individual from the program. If
20 the commission determines that the individual continues to meet
21 program eligibility requirements, the commission shall reenroll
22 the individual in the program without any additional application
23 requirements.

24 (d) An individual who does not complete the eligibility
25 redetermination process in accordance with this section and who the
26 commission disenrolls from the program may not participate in the
27 program for a period of 180 days beginning on the date of

1 disenrollment. This subsection does not apply to an individual:

2 (1) described by Section 537A.0206 or 537A.0208; or

3 (2) who is:

4 (A) pregnant; or

5 (B) younger than 21 years of age.

6 (e) At the time the commission disenrolls a participant from
7 the program, the commission shall provide to the participant:

8 (1) notice that the participant may be eligible to
9 receive health care financial assistance under Subchapter H in
10 transitioning to private health benefit coverage; and

11 (2) information on and the eligibility requirements
12 for that financial assistance.

13 SUBCHAPTER E. BASIC AND PLUS PLANS

14 Sec. 537A.0201. BASIC AND PLUS PLAN COVERAGE GENERALLY.

15 (a) The basic and plus plans offered under the program must:

16 (1) comply with this subchapter and coverage
17 requirements prescribed by other law; and

18 (2) at a minimum, provide coverage for essential
19 health benefits required under 42 U.S.C. Section 18022(b).

20 (b) In modifying covered health benefits under the basic and
21 plus plans, the executive commissioner shall consider the health
22 care needs of healthy individuals and individuals with special
23 health care needs.

24 (c) The basic and plus plans must allow a participant with a
25 chronic, disabling, or life-threatening illness to select an
26 appropriate specialist as the participant's primary care
27 physician.

1 Sec. 537A.0202. BASIC PLAN: COVERAGE AND INCOME
2 ELIGIBILITY. (a) The program must include a basic plan that is
3 sufficient to meet the basic health care needs of individuals who
4 enroll in the plan.

5 (b) The covered health benefits under the basic plan must
6 include:

- 7 (1) primary care physician services;
- 8 (2) prenatal and postpartum care;
- 9 (3) specialty care physician visits;
- 10 (4) home health services, not to exceed 100 visits per
11 year;
- 12 (5) outpatient surgery;
- 13 (6) allergy testing;
- 14 (7) chemotherapy;
- 15 (8) intravenous infusion services;
- 16 (9) radiation therapy;
- 17 (10) dialysis;
- 18 (11) emergency care hospital services;
- 19 (12) emergency transportation, including ambulance
20 and air ambulance;
- 21 (13) urgent care clinic services;
- 22 (14) hospitalization, including for:
 - 23 (A) general inpatient hospital care;
 - 24 (B) inpatient physician services;
 - 25 (C) inpatient surgical services;
 - 26 (D) non-cosmetic reconstructive surgery;
 - 27 (E) a transplant;

- 1 (F) treatment for a congenital abnormality;
2 (G) anesthesia;
3 (H) hospice care; and
4 (I) care in a skilled nursing facility for a
5 period not to exceed 100 days per occurrence;
6 (15) inpatient and outpatient behavioral health
7 services;
8 (16) inpatient, outpatient, and residential substance
9 use treatment;
10 (17) prescription drugs, including tobacco cessation
11 drugs;
12 (18) inpatient and outpatient rehabilitative and
13 habilitative care, including physical, occupational, and speech
14 therapy, not to exceed 60 combined visits per year;
15 (19) medical equipment, appliances, and assistive
16 technology, including prosthetics and hearing aids, and the repair,
17 technical support, and customization needed for individual use;
18 (20) laboratory and pathology tests and services;
19 (21) diagnostic imaging, including x-rays, magnetic
20 resonance imaging, computed tomography, and positron emission
21 tomography;
22 (22) preventative care services as described by
23 Section 537A.0204; and
24 (23) services under the early and periodic screening,
25 diagnostic, and treatment program for participants who are younger
26 than 21 years of age.
27 (c) To be eligible for health care benefits under the basic

1 plan, an individual who is eligible for the program must have an
2 annual household income that is equal to or less than 100 percent of
3 the federal poverty level.

4 Sec. 537A.0203. PLUS PLAN: COVERAGE AND INCOME ELIGIBILITY.

5 (a) The program must include a plus plan that includes the covered
6 health benefits listed in Section 537A.0202 and the following
7 additional enhanced health benefits:

8 (1) services related to the treatment of conditions
9 affecting the temporomandibular joint;

10 (2) dental care;

11 (3) vision care;

12 (4) notwithstanding Section 537A.0202(b)(18),
13 inpatient and outpatient rehabilitative and habilitative care,
14 including physical, occupational, and speech therapy, not to exceed
15 75 combined visits per year;

16 (5) bariatric surgery; and

17 (6) other services the commission considers
18 appropriate.

19 (b) An individual who is eligible for the program and whose
20 annual household income exceeds 100 percent of the federal poverty
21 level will automatically be enrolled in and receive health benefits
22 under the plus plan. An individual who is eligible for the program
23 and whose annual household income is equal to or less than 100
24 percent of the federal poverty level may choose to enroll in the
25 plus plan.

26 (c) A participant enrolled in the plus plan is required to
27 make Health Savings Account contributions in accordance with

1 Section 537A.0252.

2 Sec. 537A.0204. PREVENTATIVE CARE SERVICES. (a) The
3 commission shall provide to each participant a list of health care
4 services that qualify as preventative care services based on the
5 participant's age, gender, and preexisting conditions. In
6 developing the list, the commission shall consult with the federal
7 Centers for Disease Control and Prevention.

8 (b) A program health benefit plan shall, at no cost to the
9 participant, provide coverage for:

10 (1) preventative care services described by 42 U.S.C.
11 Section 300gg-13; and

12 (2) a maximum of \$500 per year of preventative care
13 services other than those described by Subdivision (1).

14 (c) A participant who receives preventative care services
15 not described by Subsection (b) that are covered under the
16 participant's program health benefit plan is subject to deductible
17 and copayment requirements for the services in accordance with the
18 terms of the plan.

19 Sec. 537A.0205. COPAYMENTS. (a) A participant enrolled in
20 the basic plan shall pay a copayment for each covered health benefit
21 except for a preventative care or family planning service. The
22 executive commissioner by rule shall adopt a copayment schedule for
23 basic plan services, subject to Subsection (c).

24 (b) Except as provided by Subsection (c), a participant
25 enrolled in the plus plan may not be required to pay a copayment for
26 a covered service.

27 (c) A participant enrolled in the basic or plus plan shall

1 pay a copayment in an amount set by commission rule not to exceed
2 \$25 for nonemergency use of hospital emergency department services
3 unless:

4 (1) the participant has met the cost-sharing maximum
5 for the calendar quarter, as prescribed by commission rule;

6 (2) the participant is referred to the hospital
7 emergency department by a health care provider;

8 (3) the visit is a true emergency, as defined by
9 commission rule; or

10 (4) the participant is pregnant.

11 Sec. 537A.0206. CERTAIN PARTICIPANTS ELIGIBLE FOR STATE
12 MEDICAID PLAN BENEFITS. (a) A participant described by 42 C.F.R.
13 Section 440.315 who is enrolled in the basic or plus plan is
14 entitled to receive under the program all health benefits that
15 would be available under the state Medicaid plan.

16 (b) A participant to which this section applies is subject
17 to the cost-sharing requirements, including copayment and Health
18 Savings Account contribution requirements, of the program health
19 benefit plan in which the participant is enrolled.

20 (c) The commission shall develop screening measures to
21 identify participants to which this section applies.

22 Sec. 537A.0207. PREGNANT PARTICIPANTS. (a) A participant
23 who becomes pregnant while enrolled in the program and who meets the
24 eligibility requirements for Medicaid may choose to remain in the
25 program or enroll in Medicaid.

26 (b) A pregnant participant described by Subsection (a) who
27 is enrolled in the basic or plus plan and who remains in the program

1 is:

2 (1) notwithstanding Section 537A.0205, not subject to
3 any cost-sharing requirements, including copayment and Health
4 Savings Account contribution requirements, of the program health
5 benefit plan in which the participant is enrolled until the
6 expiration of the second month following the month in which the
7 pregnancy ends;

8 (2) entitled to receive as a Medicaid wrap-around
9 benefit all Medicaid services a pregnant woman enrolled in Medicaid
10 is entitled to receive, including a pharmacy benefit, when the
11 participant exceeds coverage limits under the participant's
12 program health benefit plan or if a service is not covered by the
13 plan; and

14 (3) eligible for additional vision and dental care
15 benefits.

16 Sec. 537A.0208. PARENTS AND CARETAKER RELATIVES. (a) A
17 parent or caretaker relative to whom 42 C.F.R. Section 435.110
18 applies is entitled to receive as a Medicaid wrap-around benefit
19 all Medicaid services to which the individual would be entitled
20 under the state Medicaid plan that are not covered under the
21 individual's program health benefit plan or exceed the plan's
22 coverage limits.

23 (b) An individual described by Subsection (a) who chooses to
24 participate in the program is subject to the cost-sharing
25 requirements, including copayment and Health Savings Account
26 contribution requirements, of the program health benefit plan in
27 which the individual is enrolled.

1 SUBCHAPTER F. HEALTH SAVINGS ACCOUNTS

2 Sec. 537A.0251. ESTABLISHMENT AND OPERATION OF HEALTH
3 SAVINGS ACCOUNTS. (a) The commission shall establish a personal
4 wellness and responsibility account for each participant who is
5 enrolled in a program health benefit plan that is funded with money
6 contributed in accordance with this subchapter.

7 (b) The commission shall enable each participant to access
8 and manage money in and information regarding the participant's
9 Health Savings Account through an electronic system. The
10 commission may contract with an entity that has appropriate
11 experience and expertise to establish, implement, or administer the
12 electronic system.

13 (c) Except as otherwise provided by Section 537A.0252, the
14 commission shall require each participant to contribute to the
15 participant's Health Savings Account in amounts described by that
16 section.

17 Sec. 537A.0252. HEALTH SAVINGS ACCOUNT CONTRIBUTIONS;
18 DEDUCTIBLE. (a) The executive commissioner by rule shall
19 establish an annual universal deductible for each participant
20 enrolled in the basic or plus plan.

21 (b) To ensure each participant's Health Savings Account
22 contains a sufficient amount of money at the beginning of a coverage
23 period, the commission shall, before the beginning of that period,
24 fund each account with the following amounts:

25 (1) for a participant enrolled in the basic plan, the
26 annual universal deductible amount; and

27 (2) for a participant enrolled in the plus plan, the

1 difference between the annual universal deductible amount and the
2 participant's required annual contribution as determined by the
3 schedule established under Subsection (c).

4 (c) The executive commissioner by rule shall establish a
5 graduated annual Health Savings Account contribution schedule for
6 participants enrolled in the plus plan that:

7 (1) is based on a participant's annual household
8 income, with participants whose annual household incomes are less
9 than the federal poverty level paying progressively less and
10 participants whose annual household incomes are equal to or greater
11 than the federal poverty level paying progressively more; and

12 (2) may not require a participant to contribute more
13 than a total of five percent of the participant's annual household
14 income to the participant's Health Savings Account.

15 (d) A participant's employer may contribute on behalf of the
16 participant any amount of the participant's annual Health Savings
17 Account contribution. A nonprofit organization may contribute on
18 behalf of a participant any amount of the participant's annual
19 Health Savings Account contribution.

20 (e) Subject to the contribution cap described by Subsection
21 (c)(2) and not before the expiration of the participant's first
22 coverage period, the commission shall require a participant who
23 uses one or more tobacco products to contribute to the
24 participant's Health Savings Account an annual Health Savings
25 Account contribution amount that is one percent more than the
26 participant would otherwise be required to contribute under the
27 schedule established under Subsection (c).

1 (f) An annual Health Savings Account contribution must be
2 paid by or on behalf of a participant monthly in installments that
3 are at least equal to one-twelfth of the total required
4 contribution. The coverage period for a participant whose annual
5 household income exceeds 100 percent of the federal poverty level
6 may not begin until the first day of the first month following the
7 month in which the first monthly installment is received.

8 Sec. 537A.0253. USE OF HEALTH SAVINGS ACCOUNT MONEY. A
9 participant may use money in the participant's Health Savings
10 Account to pay copayments and deductible costs the participant's
11 program health benefit plan requires. The commission shall issue
12 to each participant an electronic payment card that allows the
13 participant to use the card to pay the program health benefit plan
14 costs.

15 Sec. 537A.0254. PROGRAM HEALTH BENEFIT PLAN PROVIDER
16 REWARDS PROGRAM FOR ENGAGEMENT IN CERTAIN HEALTHY BEHAVIORS;
17 SMOKING CESSATION INITIATIVE. (a) A program health benefit plan
18 provider shall establish a rewards program through which a
19 participant receiving health care through a program health benefit
20 plan the program health benefit plan provider offers may earn money
21 to be contributed to the participant's Health Savings Account.

22 (b) Under a rewards program, a program health benefit plan
23 provider shall contribute money to a participant's Health Savings
24 Account if the participant engages in certain healthy behaviors.
25 The executive commissioner by rule shall determine:

26 (1) the behaviors in which a participant must engage
27 to receive a contribution, which must include behaviors related to:

- 1 (A) completion of a health risk assessment;
- 2 (B) smoking cessation; and
- 3 (C) as applicable, chronic disease management;

4 and

5 (2) the amount of money a program health benefit plan
6 provider shall contribute for each behavior described by
7 Subdivision (1).

8 (c) Subsection (b) does not prevent a program health benefit
9 plan provider from contributing money to a participant's Health
10 Savings Account if the participant engages in a behavior not
11 specified by that subsection or a rule the executive commissioner
12 adopts in accordance with that subsection. If a program health
13 benefit plan provider chooses to contribute money under this
14 subsection, the program health benefit plan provider shall
15 determine the amount of money to be contributed for the behavior.

16 (d) A participant may use contributions a program health
17 benefit plan provider makes under a rewards program to offset a
18 maximum of 50 percent of the participant's required annual Health
19 Savings Account contribution the executive commissioner
20 establishes under Section 537A.0252.

21 (e) Contributions a program health benefit plan provider
22 makes under a rewards program that result in a participant's Health
23 Savings Account balance exceeding the participant's required
24 annual Health Savings Account contribution may be rolled over into
25 the next coverage period in accordance with Section 537A.0256.

26 (f) During the first coverage period of a participant who
27 uses one or more tobacco products, a program health benefit plan

1 provider shall actively attempt to engage the participant in and
2 provide educational materials to the participant on:

3 (1) smoking cessation activities for which the
4 participant may receive a monetary contribution under this section;
5 and

6 (2) other smoking cessation programs or resources
7 available to the participant.

8 Sec. 537A.0255. MONTHLY STATEMENTS. The commission shall
9 distribute to each participant with a Health Savings Account a
10 monthly statement that includes information on:

11 (1) the participant's Health Savings Account activity
12 during the preceding month, including information on the cost of
13 health care services delivered to the participant during that
14 month;

15 (2) the balance of money available in the Health
16 Savings Account at the time the statement is issued; and

17 (3) the amount of any contributions due from the
18 participant.

19 Sec. 537A.0256. HEALTH SAVINGS ACCOUNT ROLL OVER. (a) The
20 executive commissioner by rule shall establish a process in
21 accordance with this section to roll over money in a participant's
22 Health Savings Account to the succeeding coverage period. The
23 commission shall calculate the amount to be rolled over at the time
24 the participant's program eligibility is redetermined.

25 (b) For a participant enrolled in the basic plan, the
26 commission shall calculate the amount to be rolled over to a
27 subsequent coverage period Health Savings Account from the

1 participant's current coverage period Health Savings Account based
2 on:

3 (1) the amount of money remaining in the participant's
4 Health Savings Account from the current coverage period; and

5 (2) whether the participant received recommended
6 preventative care services during the current coverage period.

7 (c) For a participant enrolled in the plus plan who, as
8 determined by the commission, timely makes Health Savings Account
9 contributions in accordance with this subchapter, the commission
10 shall calculate the amount to be rolled over to a subsequent
11 coverage period Health Savings Account from the participant's
12 current coverage period Health Savings Account based on:

13 (1) the amount of money remaining in the participant's
14 Health Savings Account from the current coverage period;

15 (2) the total amount of money the participant
16 contributed to the participant's Health Savings Account during the
17 current coverage period; and

18 (3) whether the participant received recommended
19 preventative care services during the current coverage period.

20 (d) Except as provided by Subsection (e), a participant may
21 use money rolled over into the participant's Health Savings Account
22 for the succeeding coverage period to offset required annual Health
23 Savings Account contributions, as applicable, during that coverage
24 period.

25 (e) A participant enrolled in the basic plan who rolls over
26 money into the participant's Health Savings Account for the
27 succeeding coverage period and who chooses to enroll in the plus

1 plan for that coverage period may use the money rolled over to
2 offset a maximum of 50 percent of the required annual Health Savings
3 Account contributions for that coverage period.

4 Sec. 537A.0257. REFUND. If at the end of a participant's
5 coverage period the participant chooses to cease participating in a
6 program health benefit plan or is no longer eligible to participate
7 in a program health benefit plan, or if the commission disenrolls a
8 participant from the program health benefit plan under Section
9 537A.0258 for failure to pay required contributions, the commission
10 shall refund to the participant any money the participant
11 contributed that remains in the participant's Health Savings
12 Account at the end of the coverage period or on the disenrollment
13 date.

14 Sec. 537A.0258. PENALTIES FOR FAILURE TO MAKE HEALTH
15 SAVINGS ACCOUNT CONTRIBUTIONS. (a) For a participant whose annual
16 household income exceeds 100 percent of the federal poverty level
17 and who fails to make a contribution in accordance with Section
18 537A.0252, the commission shall provide a 60-day grace period
19 during which the participant may make the contribution without
20 penalty. If the participant fails to make the contribution during
21 the grace period, the commission shall disenroll the participant
22 from the program health benefit plan in which the participant is
23 enrolled and the participant may not reenroll in a program health
24 benefit plan until:

- 25 (1) the 181st day after the disenrollment date; and
26 (2) the participant pays any debt accrued due to the
27 participant's failure to make the contribution.

1 (b) For a participant enrolled in the plus plan whose annual
2 household income is equal to or less than 100 percent of the federal
3 poverty level and who fails to make a contribution in accordance
4 with Section 537A.0252, the commission shall disenroll the
5 participant from the plus plan and enroll the participant in the
6 basic plan. A participant enrolled in the basic plan under this
7 subsection may not change enrollment to the plus plan until the
8 participant's program eligibility is redetermined.

9 SUBCHAPTER G. EMPLOYMENT INITIATIVE

10 Sec. 537A.0301. GATEWAY TO WORK PROGRAM. (a) The
11 commission shall develop and implement a gateway to work program
12 to:

13 (1) integrate existing job training and job search
14 programs available in this state through the Texas Workforce
15 Commission or other appropriate state agencies with the Live Well
16 Texas program; and

17 (2) provide each participant with general information
18 on the job training and job search programs.

19 (b) Under the gateway to work program, the commission shall
20 refer each participant who is unemployed or working less than 20
21 hours a week to available job search and job training programs.

22 SUBCHAPTER H. HEALTH CARE FINANCIAL ASSISTANCE FOR CERTAIN
23 PARTICIPANTS

24 Sec. 537A.0351. HEALTH CARE FINANCIAL ASSISTANCE FOR
25 CONTINUITY OF CARE. (a) The commission shall ensure continuity of
26 care by providing health care financial assistance in accordance
27 with and in the manner described by this subchapter for a

1 participant who:

2 (1) the commission disenrolls from a program health
3 benefit plan in accordance with Section 537A.0155 because the
4 participant's annual household income exceeds the income
5 eligibility requirements for enrollment in a program health benefit
6 plan; and

7 (2) seeks and obtains private health benefit coverage
8 within 12 months following the date of disenrollment.

9 (b) To receive health care financial assistance under this
10 subchapter, a participant must provide to the commission, in the
11 form and manner the commission requires, documentation showing the
12 participant has obtained or is actively seeking private health
13 benefit coverage.

14 (c) The commission may not impose an upper income
15 eligibility limit on a participant to receive health care financial
16 assistance under this subchapter.

17 Sec. 537A.0352. DURATION AND AMOUNT OF HEALTH CARE
18 FINANCIAL ASSISTANCE. (a) A participant described by Section
19 537A.0351 may receive health care financial assistance under this
20 subchapter until the first anniversary of the date the commission
21 disenrolled the participant from a program health benefit plan.

22 (b) Health care financial assistance the commission makes
23 available to a participant under this subchapter:

24 (1) may not exceed the amount described by Section
25 537A.0353; and

26 (2) may be used only to pay for eligible services
27 described by Section 537A.0354.

1 Sec. 537A.0353. BRIDGE ACCOUNT; FUNDING. (a) The
2 commission shall establish a bridge account for each participant
3 eligible to receive health care financial assistance under Section
4 537A.0351. The account is funded with money the commission
5 contributes in accordance with this section.

6 (b) The commission shall enable each participant for whom
7 the commission establishes a bridge account to access and manage
8 money in and information regarding the participant's account
9 through an electronic system. The commission may contract with the
10 same entity described by Section 537A.0251(b) or another entity
11 with appropriate experience and expertise to establish, implement,
12 or administer the electronic system.

13 (c) The commission shall fund each bridge account in an
14 amount equal to \$1,000 using money the commission retains or
15 recoups:

16 (1) during the roll over process described by Section
17 537A.0256;

18 (2) following the issuance of a refund as described by
19 Section 537A.0257; or

20 (3) under Subsection (e).

21 (d) The commission may not require a participant to
22 contribute money to the participant's bridge account.

23 (e) The commission shall retain or recoup any unexpended
24 money in a participant's bridge account at the end of the period for
25 which the participant is eligible to receive health care financial
26 assistance under this subchapter for the purpose of funding another
27 participant's Health Savings Account under Subchapter F or bridge

1 account under this subchapter.

2 Sec. 537A.0354. USE OF BRIDGE ACCOUNT MONEY. (a) The
3 commission shall issue to each participant for whom the commission
4 establishes a bridge account an electronic payment card that allows
5 the participant to use the card to pay costs for eligible services
6 described by Subsection (b).

7 (b) A participant may use money in the participant's bridge
8 account to pay:

9 (1) premium costs incurred during the private health
10 benefit coverage enrollment process and coverage period; and

11 (2) copayments, deductible costs, and coinsurance
12 associated with the private health benefit coverage the participant
13 obtains for health care services that would otherwise be
14 reimbursable under Medicaid.

15 (c) Costs described by Subsection (b)(2) associated with
16 eligible services delivered to a participant may be paid by:

17 (1) a participant using the electronic payment card
18 issued under Subsection (a); or

19 (2) a health care provider directly charging and
20 receiving payment from the participant's bridge account.

21 Sec. 537A.0355. ENROLLMENT COUNSELING. The commission
22 shall provide enrollment counseling to an individual who is seeking
23 private health benefit coverage and who is otherwise eligible to
24 receive health care financial assistance under this subchapter.

25 CHAPTER 537B. EXPANDED MEDICAID ELIGIBILITY FOR CERTAIN
26 INDIVIDUALS

27 Sec. 537B.0001. APPLICABILITY. This chapter applies only

1 to an individual who would be eligible to participate in the Live
2 Well Texas program under Chapter 537A based on the eligibility
3 requirements described by Section 537A.0151, if the commission were
4 to establish the program.

5 Sec. 537B.0002. EXPANDED MEDICAID ELIGIBILITY UNDER
6 PATIENT PROTECTION AND AFFORDABLE CARE ACT. (a) Except as provided
7 by Subsection (b) and notwithstanding any other law, the commission
8 shall provide Medicaid benefits to all individuals who apply for
9 those benefits and to whom this chapter applies.

10 (b) After the waiver described by Section 537A.0051 is
11 approved and the commission implements the Live Well Texas program
12 under Chapter 537A, the commission shall:

13 (1) provide health benefit coverage through that
14 program in accordance with Chapter 537A to individuals to whom this
15 chapter applies; and

16 (2) cease providing Medicaid benefits to those
17 individuals, except as provided by Chapter 537A.

18 (c) The commission shall:

19 (1) continue to provide Medicaid benefits to
20 individuals described by Subsection (a) if the waiver described by
21 Section 537A.0051 is not approved; and

22 (2) resume providing Medicaid benefits to individuals
23 described by Subsection (a) if the Live Well Texas program
24 implemented under Chapter 537A terminates in accordance with
25 Section 537A.0053(b).

26 (d) The executive commissioner shall adopt rules regarding
27 the provision of Medicaid benefits as required by this section,

1 including, as applicable, rules on transitioning individuals from
2 receiving Medicaid benefits under this section to receiving health
3 benefit coverage under the Live Well Texas program implemented
4 under Chapter 537A.

5 SECTION 2. As soon as practicable after the effective date
6 of this Act, the executive commissioner of the Health and Human
7 Services Commission shall apply for and actively pursue from the
8 federal Centers for Medicare and Medicaid Services or another
9 appropriate federal agency the waiver as required by Section
10 537A.0051, Government Code, as added by this Act. The commission
11 may delay implementing other provisions of Chapter 537A, Government
12 Code, as added by this Act, until the waiver applied for under that
13 section is granted.

14 SECTION 3. (a) Chapter 537B, Government Code, as added by
15 this Act, applies only to an initial determination or
16 recertification of an individual's Medicaid eligibility under
17 Chapter 32, Human Resources Code, made on or after the
18 implementation of Chapter 537B, regardless of the date the
19 individual applied for Medicaid.

20 (b) As soon as practicable after the effective date of this
21 Act, the executive commissioner of the Health and Human Services
22 Commission shall take all necessary actions to expand Medicaid
23 eligibility in accordance with Chapter 537B, Government Code, as
24 added by this Act, including notifying appropriate federal agencies
25 of that expanded eligibility. If before implementing Chapter 537B
26 a state agency determines that any other waiver or authorization
27 from a federal agency is necessary for implementation of that

1 chapter, the agency affected by the chapter shall request the
2 waiver or authorization and may delay implementing that chapter
3 until the waiver or authorization is granted.

4 SECTION 4. This Act takes effect immediately if it receives
5 a vote of two-thirds of all the members elected to each house, as
6 provided by Section 39, Article III, Texas Constitution. If this
7 Act does not receive the vote necessary for immediate effect, this
8 Act takes effect September 1, 2025.