

BILL ANALYSIS

Senate Research Center
80R1875 DLF-D

S.B. 23
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State Affairs
3/1/2007
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, the Texas Department of Insurance (TDI) does limited business and consumer outreach and assistance regarding access to health insurance. TDI does assist in community efforts to provide employer-based insurance options. Due to the lack of access to information and assistance with navigating health insurance options, there is a high uninsured rate, particularly among small businesses.

As proposed, S.B. 23 creates "TexLink," an office within TDI, to provide access to information and assistance in educating the public about the importance of health coverage and about the numerous insurance options.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the commissioner of insurance in SECTION 2.08 (Section 1501.2525, Insurance Code) and SECTION 3.04 (Section 1501.066, Insurance Code) of this bill.

SECTION BY SECTION ANALYSIS

ARTICLE 1. TEXLINK TO HEALTH COVERAGE PROGRAM

SECTION 1.01. Amends Chapter 524, Insurance Code, as follows:

CHAPTER 524. New heading: TEXLINK TO HEALTH COVERAGE PROGRAM

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 524.001. DEFINITIONS. Defines "division" and "program."

Sec. 524.002. TEXLINK TO HEALTH COVERAGE DIVISION. Provides that the TexLink to health coverage division is a division in the Texas Department of Insurance (TDI). Provides that the division implements this chapter and performs other duties assigned to the division under this code under the direction of the commissioner of insurance (commissioner).

Sec. 524.003. New heading: TEXLINK TO HEALTH COVERAGE PROGRAM ESTABLISHED. Requires TDI to develop and implement a TexLink to health coverage program (program), rather than a public awareness and education program, that complies with this chapter. Sets forth specific objectives the program must achieve. Requires the program to include a public awareness and education component.

SUBCHAPTER B. PUBLIC AWARENESS AND EDUCATION

Sec. 524.051. INFORMATION ABOUT SPECIFIC HEALTH BENEFIT PLAN ISSUERS. Authorizes the division, rather than TDI, to include information about specific health benefit plan issuers, rather than coverage issuers, in materials produced for the program, but prohibits the division from favoring or endorsing one particular issuer over another.

Sec. 524.052. PUBLIC SERVICE ANNOUNCEMENTS. Redesignates existing Section 524.002 to Section 524.052. Requires the division, rather than TDI, to develop and make public service announcements to educate consumer and employers about the availability of health coverage in this state.

Sec. 524.053. New heading: INTERNET WEBSITE; PRINTED MATERIALS; NEWSLETTER. Redesignates existing Section 524.003 to Section 524.053. (a) Requires the division to develop an Internet website and printed materials designed to educate small employers, individuals, and other seeking to purchase health coverage, rather than the public, about health coverage in accordance with Section 524.003(a). Deletes text providing that such Internet website and printed materials include information about health savings accounts and compatible high deductible health benefit plans. Makes a conforming change.

(b) Requires the division to make the printed materials produced under the program available to small employers, individuals, and other seeking to purchase health coverage. Authorizes the division to distribute the printed materials through certain specified facilities and use other distribution methods the division selects.

(c) Authorizes the division to produce a newsletter to provide updated information about health coverage to subscribers who elect to receive the newsletter. Authorizes the division to produce a newsletter under this subsection for small employers, individuals, or other purchasers of health coverage; to distribute the newsletter on a monthly, quarterly, or other basis; and to distribute the newsletter as a printed document or electronically.

Sec. 524.054. TOLL-FREE TELEPHONE HOTLINE. Authorizes the division to operate a toll-free telephone hotline or 2-1-1 information line to respond to inquiries or provide information concerning health coverage and to provide technical information concerning health coverage products.

Sec. 524.055. EDUCATION FOR HIGH SCHOOL STUDENTS. Authorizes the division to develop educational materials and a curriculum to be used in high school economics classes that educate students about the importance and value of health coverage, comparing health benefit plans, and understanding basic provisions contained in health benefit plans. Authorizes the division to consult with the Texas Education Agency (TEA) in developing educational materials and a curriculum under this section.

Sec. 524.056. HEALTH COVERAGE FAIRS. Authorizes the division to conduct health coverage fairs to provide small employers, individuals, and others seeking to purchase health coverage the opportunity to obtain information about health coverage from division employees and from health benefit plan issuers and agents that elect to participate. Requires the division to seek to obtain funding for health coverage fairs conducted under this section through gifts and grants obtained in accordance with Subchapter D.

Sec. 524.057. COMMUNITY EVENTS. Authorizes the division to participate in events held in this state to promote awareness of the importance and value of health coverage and to educate small employers, individuals, and others seeking to purchase health coverage about health coverage in accordance with Section 524.003(a).

Sec. 524.058. HEALTH COVERAGE PROVIDED THROUGH COLLEGES AND UNIVERSITIES. Authorizes the division to cooperate with a public or private college or university to promote enrollment in health coverage programs sponsored by or through the college or university.

Sec. 524.059. SUPPORT FOR COMMUNITY-BASED PROJECTS. Authorizes the division to provide support and assistance to individuals and organizations seeking to develop community-based health coverage plans for uninsured individuals.

Sec. 524.060. OTHER EDUCATION. Authorizes the division, rather than requires TDI, to provide other appropriate education to the public regarding health coverage and the importance and value of health coverage in accordance with Section 524.003(a). Makes a conforming change.

Sec. 524.061. TASK FORCE. Redesignates existing Section 524.004 to Section 524.061. (a) Authorizes, rather than requires, the commissioner to appoint a task force to make recommendations regarding the division's duties under this subchapter. Sets forth the composition of the task force, if appointed. Makes a conforming change.

(b) Authorizes the commissioner to select to serve on any task force one or more individuals, in addition to the individuals listed in Subsection (a), with experience in public relations, marketing, or another related field of professional services.

(c) Authorizes the division, rather than requires TDI, to consult the task force regarding the content for the public service announcements, Internet website, printed materials, and other education materials required or authorized by this subchapter, rather than chapter.

SUBCHAPTER C. ASSISTANCE FOR CERTAIN BUSINESSES

Sec. 524.101. FEDERAL TAX "TOOL KIT" FOR CERTAIN BUSINESSES. Authorizes the division to produce certain specified materials and make division staff available to assist small employers and single-employee businesses that are obtaining health coverage as described by Subdivision (1).

Sec. 524.102. ASSISTANCE FOR SMALL EMPLOYERS AND SINGLE-EMPLOYEE BUSINESSES. Authorizes the division to train staff concerning available health coverage options for small employers and single-employee businesses to respond to telephone inquiries from small employers and single-employee business and to speak at events to provide information about health coverage options for small employers and single-employee businesses and about the importance and value of health coverage.

Sec. 524.103. COOPERATIVES FOR SMALL EMPLOYERS, LARGE EMPLOYERS, AND SINGLE-EMPLOYEE BUSINESSES. Authorizes the division to develop a program to assist small employers, large employers, and single-employee businesses to form or participate in private purchasing cooperatives and health group cooperatives in accordance with Subchapter B, Chapter 1501.

Sec. 524.104. ACCOUNTANT. Authorizes the division to employ an accountant with experience in federal tax law and the purchase of group health coverage as necessary to implement this subchapter.

SUBCHAPTER D. FUNDING

Sec. 524.151. FUNDING. Redesignates existing Section 524.005 to Section 524.151. Makes conforming changes.

ARTICLE 2. CHILDREN'S HEALTH BENEFIT PLAN FOR SMALL EMPLOYERS

SECTION 2.01. Amends Section 1501.002, Insurance Code, by adding Subdivision (1-a) and amending Subdivision (15), to define "children's health benefit plan" and redefine "small employer health benefit plan."

SECTION 2.02. Amends Section 1501.003, Insurance Code, as follows:

Sec. 1501.003. APPLICABILITY: SMALL EMPLOYER HEALTH BENEFIT PLANS. (a) Creates this subsection from existing text.

(b) Provides that a children's health benefit plan is a small employer benefit plan subject to Subchapters C, D, and H. Provides that a children's health benefit plan is not subject to Subchapters E and G.

SECTION 2.03. Amends Section 1501.006(a), Insurance Code, as follows:

(a)(1) Provides that a children's health benefit plan is not a health benefit plan subject to the provisions of this section.

SECTION 2.04. Amends Section 1501.101(b), Insurance Code, to make conforming changes.

SECTION 2.05. Amends Section 1501.108, Insurance Code, by adding Subsection (d), to provide that Subsection (a) does not apply to a children's health benefit plan.

SECTION 2.06. Amends Section 1501.151(a), Insurance Code, to make conforming changes.

SECTION 2.07 Amends Sections 1501.154(a) and (b), Insurance Code, as follows:

(a) Provides that this subsection does not apply if an employer offers only a children's health benefit plan.

(b) Updates the requirements of small employer health benefit plans to include any children's health benefit plan if the employer offers multiple plans.

SECTION 2.08. Amends Subchapter F, Chapter 1501, Insurance Code, by adding Section 1501.2525, as follows:

Sec. 1501.2525. CHILDREN'S HEALTH BENEFIT PLAN. (a) Authorizes a small employer health benefit plan issuer to offer to a small employer a children's health benefit plan in accordance with this section.

(b) Provides eligibility requirements for a children's health benefit plan.

(c) Prohibits a children's health benefit plan from providing coverage to an eligible employee or the spouse of an eligible employee.

(d) Requires the commissioner, by rule, to adopt minimum benefits required to be provided under a children's health benefit plan.

SECTION 2.09. Requires the commissioner to adopt any rules necessary to implement the change in law made by this article not later than December 1, 2007. Prohibits a small employer health benefit plan issuer from offering a children's health benefit plan under Section 1501.2525, Insurance Code, as added by this article, before January 1, 2008.

ARTICLE 3. HEALTH GROUP COOPERATIVES FOR CERTAIN SINGLE-EMPLOYEE BUSINESSES

SECTION 3.01. Amends Section 1501.051, Insurance Code, by adding Subdivision (3-b), to define "eligible single-employee business."

SECTION 3.02. Amends Section 1501.0581, Insurance Code, by amending Subsections (a), (b), and (p) and adding Subsection (o-1), as follows:

(a) Authorizes the membership of a health group cooperative to consist only of small employers, large employers, or eligible single-employee businesses, but prohibits a combination of those types of entities. Requires an employer to be a small or large employer or an eligible single-employee business as described by Section 1501.066 to participate as a member of a health group cooperative.

(b) Authorizes a health group cooperative to allow an eligible single-employee business to join a health group cooperative consisting only of eligible single-employee businesses and enroll in health benefit plan coverage.

(o-1) Authorizes a health group cooperative consisting only of eligible single-employee businesses to elect to restrict membership in the cooperative so that the total number of eligible employees employed on business days during the preceding calendar year by all eligible single-employee business participating in the cooperative does not exceed 50.

(p) Requires that a health group cooperative make the election described by Subsection (o) or (o-1).

SECTION 3.03. Amends Sections 1501.063(b-1) and (b-2), Insurance Code, as follows:

(b-1) Makes this subsection subject to Section 1501.066. Updates health group cooperative to include those composed only of eligible single-employee businesses. Updates the election by a health group cooperative to be described by Section 1501.0581(o) (1) or (o-1), as applicable.

(b-2) Makes conforming changes.

SECTION 3.04. Amends Subchapter B, Chapter 1501, Insurance Code, by adding Section 1501.066, as follows:

Sec. 1501.006. ELIGIBLE SINGLE-EMPLOYEE BUSINESS. (a) Requires the commissioner to adopt rules governing the eligibility of a single-employee business to participate in a health group cooperative under this subchapter. Requires the rules to include provisions to ensure that each eligible single-employee business has a business purpose and was not formed solely to obtain health benefit plan coverage under this subchapter.

(b) Authorizes the commissioner to specify additional requirements for a health group cooperative composed solely of eligible single-employee businesses to qualify for coverage as a small employer under this chapter. Authorizes the commissioner to require that a health group cooperative composed solely of eligible single-employee businesses be treated as a large employer under this chapter, if the commissioner finds that treatment of such a cooperative as a small employer is not actuarially justified.

SECTION 3.05. Requires the commissioner to adopt any rules necessary to implement the change in law made by the article not later than December 1, 2007. Prohibits a person from forming a health group cooperative composed solely of eligible single-employee businesses under Subchapter B, Chapter 1501, Insurance Code, as amended by this article, before January 1, 2008.

ARTICLE 4. SPECIALTY CERTIFICATION FOR CERTAIN LIFE, ACCIDENT, AND HEALTH AGENTS

SECTION 4.01. Amends Chapter 4054, Insurance Code, by adding Subchapter G, as follows:

SUBCHAPTER G. SPECIALTY CERTIFICATION FOR AGENTS SERVING CERTAIN EMPLOYER GROUPS

Sec. 4054.301. CERTIFICATION PROGRAM. Requires TDI to establish a voluntary specialty certification program for agents who market small employer health benefit plans in accordance with Chapter 1501.

Sec. 4054.302. QUALIFICATIONS; FEE. Sets forth certain eligibility requirements to receive a specialty certification under this subchapter. Requires TDI to set the application and renewal fees for the specialty certification in the amount necessary to

fund the certification program established by this subchapter, not to exceed \$100. Requires the fees to be deposited to the credit of the TDI operating account.

Sec. 4054.303. EXPIRATION AND RENEWAL. Provides that a specialty certification under this subchapter expires on the third anniversary of the date of issuance and may be renewed in accordance with this subchapter and TDI rule.

Sec. 4054.304. TRAINING AND CONTINUING EDUCATION REQUIREMENTS. (a) Requires that an agent complete training in the law, including TDI rules, applicable to small employer health benefit plans offered under Chapter 1501, to be certified under this subchapter.

(b) Requires an agent to demonstrate completion of continuing education requirements during the three-year certification period to renew a specialty certification under this subchapter.

(c) Requires TDI to recognize, prepare, or administer training and continuing education programs for agents who hold a specialty certification under this subchapter. Requires TDI to ensure that the training and continuing education programs are updated on an ongoing basis to reflect changes in law, including changes in TDI rules.

Sec. 4054.305. OFFER OF SERVICES TO ALL GROUP SIZES. Requires an agent to agree to market small employer health benefit plans to small employers that satisfy the requirement of Chapter 1501 without regard to the number of employees to be covered under the plan in order to hold a specialty certification under this subchapter.

Sec. 4054.306. ADVERTISING. Authorizes an agent who holds a specialty certification to advertise that the agent is specially trained to serve small employers in the manner specified by TDI rule.

Sec. 4054.307. LIST MAINTAINED BY DEPARTMENT; WEBSITE. Requires TDI to maintain a list of all agents who hold a specialty certification under this chapter, together with the business address and phone number of each agent and a general description of the agent's service area. Requires TDI to publish the list on the TDI website.

SECTION 4.02. Authorizes TDI to present during the 12-month period following the effective date of this Act, in locations throughout the state selected by TDI, training programs that satisfy the requirements of Section 4054.304(a), Insurance Code, as added by this article, to facilitate initial implementation of Subchapter G, Chapter 4054, Insurance Code, as added by this article.

SECTION 4.03. Authorizes TDI to begin issuing specialty certifications not later than January 1, 2008, under Subchapter G, Chapter 4054, Insurance Code, as added by this article.

ARTICLE 5. EFFECTIVE DATE

SECTION 5.01. Effective date: September 1, 2007.