

SUBJECT: Allowing FQHCs to provide primary care services to certain employees

COMMITTEE: Health Care Reform, Select — committee substitute recommended

VOTE: 9 ayes — Harless, Howard, Bucy, Frank, Klick, E. Morales, Oliverson,
Price, Rose

0 nays

2 absent — Bonnen, Walle

WITNESSES: For — (*Registered, but did not testify*: Lindsay Lanagan, Legacy Healthcare; Christine Yanas, Methodist Healthcare Ministries; Annie Spilman, NFIB; Daniel Gonzalez, Texas Academy of Family Physicians; Matt Abel, Texas Association of Business; Jana Eubank, Texas Association of Community Health Centers; Ben Wright, Texas Medical Association; David Balat, Texas Public Policy Foundation)

Against — None

On — (*Registered, but did not testify*: Rachel Bowden, Texas Department of Insurance)

BACKGROUND: Some have suggested that lower-income working families could benefit from a program to receive direct primary care services from federally qualified health centers.

DIGEST: CSHB 3317 would allow federally qualified health centers to operate a primary care access program for the provision of benefits directly to the employees of participating employers and their dependents, with the approval of or under a contract with the Department of Insurance (TDI). The program would be required to:

- reduce the number of individuals who lack access to primary care;
- 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;
- promote efficient and collaborative primary care service delivery;
- serve as a model for the innovative use of health information technology; and
- provide fair payment rates for participating health care providers.

A program could require participating employees to receive primary care services only from health care providers at the federally qualified health center. A federally qualified health center operating such a program would not be subject to Department of Insurance regulation as an insurer or health maintenance organization.

A federally qualified health center could establish program participation criteria and:

- require participating employers and their employees to pay a share of the premium or other costs;
- contract with a nonprofit organization to support cost-sharing payments; and
- screen employees and their dependents for eligibility to enroll in other state programs and for federal subsidies in the health insurance marketplace.

Federally qualified health centers would be required to actively solicit gifts, grants, and donations to fund program benefits and reduce the participation costs for employers and employees.

TDI and the Health and Human Services Commission (HHSC) would be required to collaborate to administer a program to award grants to federally qualified health centers operating such a program. In awarding grants, TDI would consider whether the program would meet certain objectives and establish performance objectives accordingly. By December 1 of each even-numbered year, TDI and HHSC would jointly submit a report to the governor, lieutenant governor, and speaker of the House that evaluated the success of the program and any recommendations to facilitate or improve the program.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2023.