

BILL ANALYSIS

Senate Research Center

H.B. 2795
By: Averitt (Duncan)
Economic Development
5-14-97
Engrossed

DIGEST

The legislature created the Texas Health Benefits Purchasing Cooperative in 1993 to help small employers obtain health insurance coverage. The cooperative, which operates under the business name Texas Insurance Purchasing Alliance, began statewide service in 1995 and now serves over 1,000 Texas employers. The cooperative is governed by a six-member board appointed by the governor.

This bill would make minor changes in the statute creating the cooperative in order to streamline operations.

PURPOSE

As proposed, H.B. 2795 makes minor changes in the statute creating the Texas Health Benefits Cooperative in order to streamline operations.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article 26.11(4), Insurance Code, to redefine "Texas cooperative."

SECTION 2. Amends Article 26.13(a), Insurance Code, to provide that the Texas Health Benefits Purchasing Cooperative (cooperative) is a nonprofit corporation, rather than organization.

SECTION 3. Amends Article 26.13(b), Insurance Code, to delete text requiring the executive director of the Texas Department of Commerce to serve as a nonvoting ex-officio member of the board of trustees of the cooperative (board of trustees).

SECTION 4. Amends Article 26.13(h), Insurance Code, to provide that the Texas cooperative or a member of the board of trustees, the executive director, or an employee or agent of the Texas cooperative is not liable for certain actions.

SECTION 5. Amends Article 26.15(a), Insurance Code, to authorize a cooperative to offer such other ancillary products and services to its members as are customarily offered in conjunction with health benefit plans.

SECTION 6. Amends Article 26.15(d), Insurance Code, to require a cooperative to comply with federal laws applicable to cooperatives and health benefit plans issued through cooperatives, to the extent required by state law or rules adopted by the commissioner of insurance. Requires a cooperative to comply with state laws applicable to cooperatives and health benefit plans issued through cooperatives.

SECTION 7. Amends Article 26.16, Insurance Code, to provide that a cooperative is considered an employer solely for the purposes of benefit elections under the code. Provides that a licensed agent used and compensated by the cooperative need not be appointed by each small employer carrier participating in the cooperative in order to market the products and services sponsored by the

cooperative. Prohibits a licensed agent from marketing any other non-sponsored product or service of a participating smaller employer carrier without first being appointed by the small employer carrier.

SECTION 8. Effective date: September 1, 1997.

SECTION 9. Emergency clause.