

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 1940
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Business & Commerce
4/10/2019
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

C.S.S.B. 1940 amends current law relating to the administration of a temporary health insurance risk pool.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the commissioner of insurance in SECTION 3 (Section 1510.004, Insurance Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 1510.002, Insurance Code, as follows:

Sec. 1510.002. ESTABLISHMENT OF TEMPORARY HEALTH INSURANCE RISK POOL. Authorizes the commissioner of insurance (commissioner), to the extent that federal funds are available under federal law, rather than become available under federal law, regulation, or executive action after March 1, 2017, to take certain actions.

SECTION 2. Amends Section 1510.003, Insurance Code, by amending Subsection (a) and adding Subsection (c), as follows:

(a) Provides that the exclusive purpose of the pool is to provide a temporary mechanism to assist residents of this state in obtaining access to quality, guaranteed issue health coverage at minimum cost to the public, rather than to provide a temporary mechanism for maximizing available federal funding to assist residents of this state in obtaining access to quality health care at minimum cost to the public.

(c) Prohibits the pool from being used in a manner that requires the state to assume functions currently performed by the United States Department of Health and Human Services or the United States Internal Revenue Service under the Patient Protection and Affordable Care Act (Pub. L. No. 111–148), including establishing an exchange or administering premium tax credits.

SECTION 3. Amends Section 1510.004, Insurance Code, as follows:

Sec. 1510.004. New heading: PROVISION OF GUARANTEED ISSUE HEALTH COVERAGE. (a) Creates this subsection from existing text. Authorizes the commissioner, subject to any requirements for obtaining federal funds, to increase access to guaranteed issue health coverage by establishing a high risk pool to provide alternative individual health insurance coverage to eligible individuals that does not diminish enrollment in traditional commercial health coverage and by taking certain actions, rather than authorizing the commissioner, subject to any requirements for obtaining federal funds held in the pool, to use pool funds to provide coverage to eligible individuals that does not diminish the availability of traditional commercial health care coverage and to take certain other actions.

(b) Authorizes the commissioner, if necessary to ensure access to quality individual health insurance coverage for individuals with preexisting conditions,

to take actions necessary to establish a temporary high risk pool substantially similar to the risk pool authorized by former Chapter 1506, Insurance Code, repealed by Chapter 615 (S.B. 1367), Acts of the 83rd Legislature, Regular Session, 2013, including:

- (1) appointing a board of directors to govern the temporary high risk pool;
- (2) adopting rules or a plan of operation for the temporary high risk pool;
and
- (3) contracting with a third party.

(d) Provides that any rule or plan of operation adopted under Subsection (b) remains in effect only until 30 days following the end of the next regular session of the legislature unless a law is enacted that authorizes coverage to be issued by the temporary risk pool and provides funding for coverage under the temporary risk pool.

SECTION 4. Amends Section 1510.008(a), Insurance Code, to authorize the commissioner to apply to the United States secretary of health and human services under any applicable provision of federal law, rather than any applicable provision of federal law enacted on or after May 1, 2017, for a waiver of certain provisions.

SECTION 5. Amends Section 1510.012(a), Insurance Code, as follows:

(a) Requires the Texas Department of Insurance, beginning June 1, 2020, rather than June 1, 2018, to submit a report on temporary health insurance risk pool activities to the governor, the lieutenant governor, and the speaker of the house of representatives not later than June 1 of each year.

SECTION 6. Amends Section 1510.013, Insurance Code, as follows:

Sec. 1510.013. EXPIRATION OF CHAPTER. Provides that this chapter (Temporary Health Insurance Risk Pool) expires August 31, 2021, rather than August 31, 2019.

SECTION 7. Effective date: upon passage or September 1, 2019.