

HEALTH AND SAFETY CODE

TITLE 2. HEALTH

SUBTITLE C. PROGRAMS PROVIDING HEALTH CARE BENEFITS AND SERVICES

CHAPTER 75. REGIONAL OR LOCAL HEALTH CARE PROGRAMS FOR EMPLOYEES OF
SMALL EMPLOYERS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 75.001. PURPOSE. The purpose of this chapter is to:

(1) improve the health of employees of small employers and their families by improving the employees' access to health care and by reducing the number of those employees who are uninsured;

(2) reduce the likelihood that those employees and their families will require services from state-funded entitlement programs such as Medicaid;

(3) contribute to economic development by helping small businesses remain competitive with a healthy workforce and health care benefits that will attract employees; and

(4) encourage innovative solutions for providing and funding health care services and benefits.

Added by Acts 2007, 80th Leg., R.S., Ch. 268 (S.B. 10), Sec. 13(a), eff. September 1, 2007.

Sec. 75.002. DEFINITIONS. In this chapter:

(1) "Employee" means an individual employed by an employer. The term includes a partner of a partnership and the proprietor of a sole proprietorship.

(2) "Governing body" means:

(A) the commissioners courts of the counties participating in a regional health care program;

(B) the commissioners court of a county participating in a local health care program; or

(C) the governing body of the joint council, nonprofit entity exempt from federal taxation, or other entity that operates a regional or local health care program.

(3) "Local health care program" means a local health

care program operating in one county and established for the benefit of the employees of small employers under Subchapter B.

(4) "Regional health care program" means a regional health care program operating in two or more counties and established for the benefit of the employees of small employers under Subchapter B.

(5) "Small employer" means a person who employed an average of at least two employees but not more than 50 employees on business days during the preceding calendar year and who employs at least two employees on the first day of the plan year.

Added by Acts 2007, 80th Leg., R.S., Ch. 268 (S.B. [10](#)), Sec. 13(a), eff. September 1, 2007.

SUBCHAPTER B. REGIONAL OR LOCAL HEALTH CARE PROGRAM

The following section was amended by the 89th Legislature. Pending publication of the current statutes, see H.B. [2655](#), 89th Legislature, Regular Session, for amendments affecting the following section.

Sec. 75.051. ESTABLISHMENT OF PROGRAM; MULTICOUNTY COOPERATION. (a) The commissioners court of a county may, by order, establish or participate in a local health care program under this subchapter.

(b) The commissioners courts of two or more counties may, by joint order, establish or participate in a regional health care program under this subchapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 268 (S.B. [10](#)), Sec. 13(a), eff. September 1, 2007.

The following section was amended by the 89th Legislature. Pending publication of the current statutes, see H.B. [2655](#), 89th Legislature, Regular Session, for amendments affecting the following section.

Sec. 75.052. GOVERNANCE OF PROGRAM. (a) A regional health care program may be operated subject to the direct governance of the commissioners courts of the participating counties. A local health care program may be operated subject to the direct

governance of the commissioners court of the participating county. A regional or local health care program may be operated by a joint council, tax-exempt nonprofit entity, or other entity that:

(1) operates the program under a contract with the commissioners court or courts, as applicable; or

(2) is an entity in which the county or counties participate or that is established or designated by the commissioners court or courts, as applicable, to operate the program.

(b) In selecting an entity described by Subsection (a)(1) or (2) to operate a regional or local health care program, the commissioners court or courts, as applicable, shall require, to the extent possible, that the entity be authorized under federal law to accept donations on a basis that is tax-deductible or otherwise tax-advantaged for the contributor.

Added by Acts 2007, 80th Leg., R.S., Ch. 268 (S.B. 10), Sec. 13(a), eff. September 1, 2007.

Sec. 75.053. OPERATION OF PROGRAM. A regional or local health care program provides health care services or benefits to the employees of participating small employers who are located within the boundaries of the participating county or counties, as applicable. A program may also provide services or benefits to the dependents of those employees.

Added by Acts 2007, 80th Leg., R.S., Ch. 268 (S.B. 10), Sec. 13(a), eff. September 1, 2007.

Sec. 75.054. PARTICIPATION BY SMALL EMPLOYERS; SHARE OF COST. Subject to Section 75.153, the governing body may establish criteria for participation in a regional or local health care program by small employers, the employees of the small employers, and their dependents. The criteria must require that participating employers and participating employees pay a share of the premium or other cost of the program.

Added by Acts 2007, 80th Leg., R.S., Ch. 268 (S.B. 10), Sec. 13(a), eff. September 1, 2007.

Sec. 75.055. ADDITIONAL FUNDING. (a) A governing body may accept and use state money made available through an appropriation from the general revenue fund or a gift, grant, or donation from any source to operate the regional or local health care program and to provide services or benefits under the program.

(b) A governing body may apply for and receive funding from the health opportunity pool trust fund under Subchapter D.

(b-1) Expired.

(c) A governing body shall actively solicit gifts, grants, and donations to:

(1) fund services and benefits provided under the regional or local health care program; and

(2) reduce the cost of participation in the program for small employers and their employees.

Added by Acts 2007, 80th Leg., R.S., Ch. 268 (S.B. 10), Sec. 13(a), eff. September 1, 2007.

SUBCHAPTER C. HEALTH CARE SERVICES AND BENEFITS

The following section was amended by the 89th Legislature. Pending publication of the current statutes, see H.B. 2655, 89th Legislature, Regular Session, for amendments affecting the following section.

Sec. 75.101. ALTERNATIVE PROGRAMS AUTHORIZED; PROGRAM OBJECTIVES. In developing a regional or local health care program, a governing body may provide health care services or benefits as described by this subchapter or may develop another type of program to accomplish the purposes of this chapter. A regional or local health care program must be developed, to the extent practicable, to:

(1) reduce the number of individuals without health benefit plan coverage within the boundaries of the participating county or counties;

(2) address rising health care costs and reduce the cost of health care services or health benefit plan coverage for small employers and their employees within the boundaries of the participating county or counties;

(3) promote preventive care and reduce the incidence of preventable health conditions, such as heart disease, cancer, and diabetes and low birth weight in infants;

(4) promote efficient and collaborative delivery of health care services;

(5) serve as a model for the innovative use of health information technology to promote efficient delivery of health care services, reduce health care costs, and improve the health of the community; and

(6) provide fair payment rates for health care providers.

Added by Acts 2007, 80th Leg., R.S., Ch. 268 (S.B. 10), Sec. 13(a), eff. September 1, 2007.

Sec. 75.102. HEALTH BENEFIT PLAN COVERAGE. (a) A regional or local health care program may provide health care benefits to the employees of small employers by purchasing or facilitating the purchase of health benefit plan coverage for those employees from a health benefit plan issuer, including coverage under:

(1) a small employer health benefit plan offered under Chapter 1501, Insurance Code;

(2) a standard health benefit plan offered under Chapter 1507, Insurance Code; or

(3) any other health benefit plan available in this state.

(b) The governing body may form one or more cooperatives under Subchapter B, Chapter 1501, Insurance Code.

(c) Notwithstanding Chapter 1251, Insurance Code, an insurer may issue a group accident and health insurance policy, including a group contract issued by a group hospital service corporation, to cover the employees of small employers participating in a regional or local health care program. The group policyholder of a policy issued in accordance with this subsection is the governing body or the designee of the governing body.

(d) A health maintenance organization may issue a health care plan to cover the employees of small employers participating

in a regional or local health care program. The group contract holder of a contract issued in accordance with this subsection is the governing body or the designee of the governing body.

Added by Acts 2007, 80th Leg., R.S., Ch. 268 (S.B. 10), Sec. 13(a), eff. September 1, 2007.

Sec. 75.103. OTHER HEALTH BENEFIT PLANS OR PROGRAMS. To the extent authorized by federal law, the governing body may establish or facilitate the establishment of self-funded health benefit plans or may facilitate the provision of health benefit coverage through health savings accounts and high-deductible health plans.

Added by Acts 2007, 80th Leg., R.S., Ch. 268 (S.B. 10), Sec. 13(a), eff. September 1, 2007.

Sec. 75.104. HEALTH CARE SERVICES. (a) A regional or local health care program may contract with health care providers within the boundaries of the participating county or counties to provide health care services directly to the employees of participating small employers and the dependents of those employees.

(b) A regional or local health care program shall allow any individual who receives state premium assistance to buy into the health benefit plan offered by the regional or local health care program.

(c) A governing body that operates a regional or local health care program under this section may require that participating employees and dependents obtain health care services only from health care providers that contract to provide those services under the program and may limit the health care services provided under the program to services provided within the boundaries of the participating county or counties.

(d) A governing body operating a regional or local health care program operated under this section is not an insurer or health maintenance organization and the program is not subject to regulation by the Texas Department of Insurance.

Added by Acts 2007, 80th Leg., R.S., Ch. 268 (S.B. 10), Sec. 13(a), eff. September 1, 2007.

SUBCHAPTER D. TEXAS HEALTH OPPORTUNITY POOL FUNDS

Sec. 75.151. DEFINITION. In this subchapter, "health opportunity pool trust fund" means the trust fund established under Subchapter D, Chapter 526, Government Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 268 (S.B. 10), Sec. 13(a), eff. September 1, 2007.

Amended by:

Acts 2023, 88th Leg., R.S., Ch. 769 (H.B. 4611), Sec. 2.32, eff. April 1, 2025.

Sec. 75.152. FUNDING AUTHORIZED. Notwithstanding any other law, a regional or local health care program may apply for funding from the health opportunity pool trust fund and the fund may provide funding in accordance with this subchapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 268 (S.B. 10), Sec. 13(a), eff. September 1, 2007.

Sec. 75.153. ELIGIBILITY FOR FUNDS; STATEWIDE ELIGIBILITY CRITERIA. To be eligible for funding from money in the health opportunity pool trust fund, a regional or local health care program must:

(1) comply with any requirement imposed under the waiver obtained under Section 526.0152, Government Code, including, to the extent applicable, any requirement that health care benefits or services provided under the program be provided in accordance with statewide eligibility criteria; and

(2) provide health care benefits or services under the program to a person receiving premium payment assistance for health benefits coverage through a program established under Section 526.0157, Government Code, regardless of whether the person is an employee, or dependent of an employee, of a small employer.

Added by Acts 2007, 80th Leg., R.S., Ch. 268 (S.B. 10), Sec. 13(a), eff. September 1, 2007.

Amended by:

Acts 2023, 88th Leg., R.S., Ch. 769 (H.B. 4611), Sec. 2.33, eff. April 1, 2025.