

Three-Share Premium Assistance Programs

**Report on Rider 15, Title VIII
81st Legislature, Regular Session, 2009**



**Submitted by the
Texas Department of Insurance**

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THREE-SHARE APPROPRIATIONS

The General Appropriations Act (SB1) of the 81st Texas Legislature provided two separate funding opportunities for three-share premium assistance programs in Texas during the 2010-2011 biennium.

The Act appropriated \$450,000 in general revenue to TDI during each fiscal year of the biennium to award grants for the research, planning, development, and continuation of three-share premium assistance programs in Texas. These grants were to be awarded to local government entities through a competitive application process, with the stated goal of improving access to private healthcare coverage for the uninsured.

In addition, Section 17.08 of SB1 appropriated contingency funds for three-share premium assistance programs out of the fines, penalties and sanctions imposed on health insurers by TDI. These funds were not to exceed \$1.5 million in each year of the biennium, and they only become available if the amounts collected by TDI are in excess of the Comptroller's Biennial Revenue Estimate.

GRANTEE SELECTION

TDI developed a request for proposal (RFP) to meet each of these directives in order to ensure a fair grantee selection process, as well as sufficient oversight and accountability of the three-share program. TDI engaged in a thorough solicitation process for both of these RFPs (10-RFP-3ShareGrant and 10-MVB-3-SHARE) which established the parameters required for the three-shares to receive the appropriated funds. As part of the evaluation process, TDI considered the availability of local matching funds, the uninsured population in each area, existing efforts by each community to pursue premium assistance programs, and local healthcare use and delivery factors affecting the healthcare infrastructure and capacity in each community.

In response to both RFPs, the Department received proposals from the TexHealth Coalition, which coordinated the responses from the six currently existing three-shares. The Coalition is a collaborative group of organizations in six regions, including Central Texas, Dallas, El Paso, Galveston, Houston and Brazos Valley. The Brazos Valley Council of Governments served as the lead proposer on behalf of the Coalition.

As part of the procurement process, Coalition members were required to submit proposed budgets for 2010-2011 that allocated available grant funds over the biennium. The budget proposal submitted by the Coalition also included budgetary detail for each of the six existing three-share programs. Upon review, TDI determined that the Coalition met the requirements stated in both RFPs.

OVERSIGHT AND ACCOUNTABILITY

On a quarterly basis, TDI receives enrollment and financial information to ensure that the three-shares are meeting all of the requirements of the grants that were outlined in the RFPs. The table below reflects the six three-share regions and their enrollment as of November 2010.

Three-Share Enrollment by Region (as of November 2010)

Three-Share Region	Number of Businesses Covered	Total Covered Lives
Brazos Valley	8	21
Central Texas	131	468
El Paso	0	0
Galveston County	117	429
Harris County	37	172
North Texas	2	7

The Department is currently distributing funds on a quarterly basis contingent on the Coalition's compliance with the grant contract agreements. In addition to quarterly invoices for payment, the Coalition submits a progress report on a quarterly basis that breaks down the progress for each three-share program.

HEALTHY TEXAS

In addition to the direct funding available through the two riders described above, three-share programs are also allowed to participate in the Healthy Texas program, created by the 81st Legislature through Senate Bill 78. An application for three-shares seeking to participate in Healthy Texas was developed with input from TDI's actuarial and financial areas, among others. The Department is in the process of reviewing the applications that were received as part of this process.