

## Who Is The Pool Accountable To?

TX Health Benefits Pool (TXHB) is different; it is not an insurance company. Our authorizing statute is the Texas Local Government Code Chapter 172, which allows certain political subdivisions to pool resources to provide health benefits to their employees. Importantly, the authorizing statute specifically states that a Ch. 172 risk pool is not to be regulated as insurance:

### **Sec. 172.014. APPLICATION OF CERTAIN LAWS.**

A risk pool created under this chapter is not insurance or an insurer under the Insurance Code and other laws of this state, and the State Board of Insurance does not have jurisdiction over a pool created under this chapter.

This means that most of the Texas insurance code, even if they apply to health insurers generally, do not apply to TXHB. Typically, new Texas regulations regarding insurance companies and HMOs don't apply to us either. The Texas Legislature designed it that way when they authorized the creation so Pools for local governments.

### **LEAD BY A BOARD OF TRUSTEES**

TXHB is self-governed by a Board of Trustees, elected officials and appointed municipal officials that act as fiduciaries to our +29K members. This independence granted to us by Chapter 172 is a great benefit to our members. By being able to self-govern, we are allowed the flexibility to keep rates low enough for cities and municipalities to remain in their budgets while still offering competitive health plans to employees.

But this isn't to say TXHB is completely without government regulation as federal laws still apply to us, including the Affordable Care Act, No Surprises Act, and HIPAA. This means we still cover federally required procedures including colonoscopies, preventive care, and mental health parity, while still being held to the highest standard of protecting the private healthcare information of our members.





# Why is TX<sup>+</sup>HB Not Regulated As a Commercial Plan?

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## BUILT-IN ACCOUNTABILITY

Commercial plans selling to employers are primarily responsible to their shareholders, not the employers or participants. Members' rights need to be safeguarded by the Texas Department of Insurance.

But TXHB is governed by a Board of Directors, elected by our employer members themselves. Uniquely, we are already directly accountable to our members, who are empowered to scrutinize and control plan decisions. The board also has fiduciary duties, meaning they are required by law to make decisions in the best interest of the plan and its members, not for profits or other motivations.

2

## NON-PROFIT STATUS

As a nonprofit and public trust, TXHB is already held to extremely high standards regarding the choices it makes regarding its plan and benefits. In the eyes of the law, the money held in trust by TXHB, in a sense, actually belongs to the members themselves and must be spent for their benefit.

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## EXISTING PROTECTIONS

Participants in TXHB's plans have protections provided by federal laws such as HIPAA, the No Surprises Act, and the Affordable Care Act. These regulations all set requirements for transparency, notice, and minimum coverage that the pool must meet, even without being subject to state requirements.