



**HealthyTexas** will expand insurance coverage among Texas small business owners and their employees.

**HealthyTexas** is a new statewide health insurance program designed for small business owners and their employees.

### Background

Almost 6 million Texans do not have health insurance. Having health insurance and access to a regular source of care have consistently been shown to lead to better health status. Primarily because of the high cost, health insurance is particularly difficult for Texas small business owners to provide to their employees.

With the awareness that there are many competing priorities for limited state funds, the **HealthyTexas** program allows for strategic targeting of state dollars to where they are most needed and can do the most good – low-income, uninsured small business workers.

### How It Works

Per Person Annual Claims Costs	Responsibility
\$75,000+	Private insurer pays 100%
\$5,000-75,000	Healthy Texas pays 80% Private insurer pays 20%
\$0-5,000	Private insurer pays 100%

**HealthyTexas** uses a state-funded reinsurance pool to pay for above average health care claims costs. Enrollees will choose from approved, private health plans offered by insurers selected by TDI through a competitive bidding process. From the enrollee's perspective, the health plan will operate like any private market plan. However, the state-funded **HealthyTexas** reinsurance program will pay for 80 percent of the costs if an individual's total claims fall between \$5,000 and \$75,000 in a calendar year. The health plan will cover 100 percent of claims below the \$5,000 threshold and above \$75,000, up to the annual benefit limit. The health plan also covers the remaining 20 percent of costs between the \$5,000 and \$75,000 risk corridor.

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A reinsurance approach allows the state to leverage both public and private funds. It minimizes additional administrative costs by building on the existing employer-based health insurance model and by creating an infrastructure compatible with insurance exchange models.

### Who It's For

Requirements for small business owners to participate in **HealthyTexas** include:

- The employer must qualify as a small business with 2-50 employees;
- An employer must not have provided group insurance 12 months prior to **HealthyTexas** application;
- At least 30 percent of employees must receive annual wages at or below 300 percent of the federal poverty level;
- The employer must pay at least 50 percent of the premium costs for employees;
- At least 60 percent of eligible employees must elect to participate in the program.

### For More Information

Implementation plans are in progress and updates will be available on TDI's website. Enrollment will begin in summer 2010.

Please contact [healthytexas@tdi.state.tx.us](mailto:healthytexas@tdi.state.tx.us) with any questions or for more information.



### Texas Department of Insurance

333 Guadalupe • P.O. Box 149104, Austin, Texas 78714-9104  
[www.tdi.state.tx.us](http://www.tdi.state.tx.us)