

**Resolution of the Executive Committee In Support of
Three-Share Insurance Programs and the Establishment of
Regional Healthcare Programs**

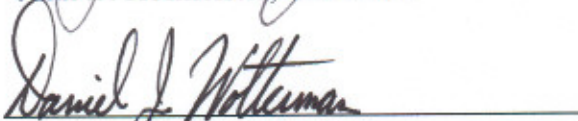
On September 6, 2006 the Greater Houston Partnership passed a resolution supporting the development of the "Three-Share" insurance project. The purpose of "Three-Share" is to develop public-private low costs health care partnerships between the employee, employer and third party subsidy to address the problem of uninsured workers in the Houston/Harris County area.

The Greater Houston Partnership expands the above-referenced resolution to support pending state legislation which will authorize the establishment of regional health care programs for employees of small business owners. The proposed legislation will provide cost sharing by the employee, employer and state through the establishment of grant programs. The Partnership does not support the utilization of existing Medicaid funds to subsidize the program.

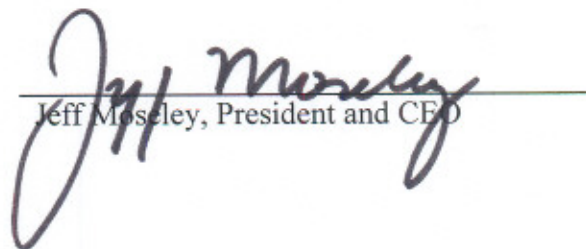
The Greater Houston Partnership continues to support the implementation of effective and creative health care programs which contribute to the economic development of our region by reducing the number of uninsured and helping small businesses remain competitive with a healthy workforce.



John D. Hofmeister, Chairman



Daniel J. Wolterman, Secretary



Jeff Moseley, President and CEO



MEMORANDUM

DATE: April 18, 2007

TO: Greater Houston Partnership Executive Committee

FROM: Jim Edmonds, Chairman
Health Care Advisory Committee

SUBJECT: Resolution of the Executive Committee In Support of
Three-Share Insurance Programs and the Establishment of
Regional Healthcare Programs

RECOMMENDATION

On September 6, 2006 the Greater Houston Partnership passed a resolution supporting the development of the "Three-Share" insurance project. The purpose of "Three-Share" is to develop public-private low costs health care partnerships between the employee, employer and third party subsidy to address the problem of uninsured workers in the Houston/Harris County area.

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BACKGROUND

On September 6, 2006 the Partnership passed the following resolution:

"The Greater Houston Partnership supports the development of public-private partnerships to address the problem of uninsured workers in the Houston/Harris County area.

In February 2006, the Harris County Public Health Council submitted a request for funding to the U.S. Department of Health and Human Services for a three-year demonstration

project, which would provide insurance coverage to 100,000 area employees earning less than \$50,000 per year. Pursuant to the proposed "Three-Share" plan, the \$150 per month insurance premium costs would be shared by the employee, his or her employer and the federal government through a subsidy fund. The Greater Houston Partnership coordinated the task force which developed the "Three-Share" plan and supports the implementation of effective and creative options that address the cost of health care and the unacceptably high and growing number of uninsured residents in our region."

This resolution was passed in response to the number of uninsured residents in the Houston/Harris County area escalating to over 1.1 million, County Judge Robert Eckels and Mayor Bill White appointed the 19-member Public Health Task Force, which was coordinated by the Greater Houston Partnership, to examine the public health care delivery system and make recommendations for improvements. The Task Force identified three primary causes of the region's health crisis:

- A fragmented public health delivery system.
- Inadequate access to outpatient preventive, primary and specialty care.
- An unacceptably high number of uninsured residents who obtain their health care in emergency rooms, which are an inefficient use of health care dollars and a waste of scarce resources.

The Task Force, which continues now under the auspices of the Harris County Public Healthcare System Council (the "Council"), recommended consideration of a number of options to increase the number of insured people including premium assistance programs for publicly sponsored insurance, subsidization of private indemnity insurance products for low-income working adults, and development of small employer insurance products.

After studying several options, the Council developed a low-income working individual product for the Houston/Harris County area. This product is referred to as the "Three-Share" health care program.

An overview of the "Three-Share" program is as follows:

- Coverage of 100,000 uninsured, employed adults with annual incomes below \$50,000 in the Houston/Harris County area.
- Average premium cost of \$150 per person/per month is shared by the covered individual, the employer and subsidy fund.
- The program will cost \$90 million (\$600/per individual) over the first three years.

This current resolution is being proposed to expand the Partnership's support the "Three-Share" project in response to companion bills SB 922 and HB 822, which are currently pending before the 80th Texas Legislature. These bills authorize one or more counties to establish a regional health care program for employees of small business owners. The bills also establish funding for the program by requiring cost sharing by participating employers, employees, and the state, by authorizing the governing body of a program to seek, accept,

and use additional funding, and by authorizing the Health and Human Services Commission to establish a grant program toward starting and operating a demonstration project in one or more regions of the state. The proposed legislation additionally authorizes a county to design its program in a way that best meets the needs of that county.

PROS:

- The program will reduce the number of uninsured workers in the region.
- Establishes the region as one of the leaders in public healthcare.
- Creation of a healthier workforce, therefore resulting in economic growth and prosperity for the region.

FISCAL IMPACT:

If the demonstration program is successful, significant reduction in public healthcare costs will be realized.

KNOWN OPPOSITION:

There is no known opposition to this initiative

RESOURCES REQUIRED:

This recommendation can be implemented with available Greater Houston Partnership staff and within current operating budget resources.