

BILL ANALYSIS

C.S.H.B. 31
By: Pitts
Appropriations
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Legislation passed during the 78th regular legislative session raised the eligibility requirements for health insurance for retirees under the Teachers Retirement System of Texas (TRS). CSHB 31 would authorize TRS to offer health insurance to certain retirees who, as of August 31, 2004, are not eligible for health care benefits as part of the individual's retirement package.

Additional legislation passed during the 78th regular legislative session sought to limit supplemental health care compensation for public school employees to only teachers, counselors, librarians, and other professional staff, while eliminating eligibility for public school administrators. CSHB 31 clarifies the definition of "administrator" for this purpose.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

Section 1. CSHB 31 amends Section 1575.004, Insurance Code, to change the definition of a retiree.

Section 2. CSHB 31 amends Section 1575.211, Insurance Code, to require that retirees receiving health insurance must pay the full cost of the coverage for themselves and any dependents, until the individual is 65 years of age. Also provides that the General Appropriations Act, or similar legislation, may specify a different allocation of costs for retirees and dependants.

Section 3. CSHB 31 amends Subchapter E, Chapter 3, Insurance Code, by clarifying the administration of the active teacher health care compensation supplementation. Specifies that administrators are not eligible for the supplemental compensation. Clarifies, for purposes of this section, what constitutes an administrator as reported in the Public Education Information Management System (PEIMS). Specifies that this section expires September 1, 2004.

Section 4. CSHB 31 repeals Sections 2(e) and (f), Article 3.50-8, Insurance Code.

EFFECTIVE DATE

With the exception of Sections 1 and 2, the Act takes immediate effect if it receives a two-thirds vote of all the members of each chamber. If this Act does not receive a two-thirds vote, it takes effect 91 days after the last day of the legislative session. Sections 1 and 2 take effect September 1, 2004.

COMPARISON OF ORIGINAL TO SUBSTITUTE

CSHB 31 adds language that amends the definition of “retiree” by allowing military service up to five years to be used as service credit and removing language designating service credit as actual service in public schools.

CSHB 31 adds language that amends the definition of “retiree” to include an individual who purchases out-of state service credit that is credited on or before August 31, 2003 and retires on or before August 31, 2009, and at the time of retirement, meets the requirements for eligibility as a retiree as those requirements existed on August 31, 2004, including up to five years of out-of-state service toward retiree eligibility.

CSHB 31 adds language that amends the definition of “retiree” to include certain purchased service credit in the system, and adds language that amends the use of military service credit by requiring individuals using it to not include any other service credit purchased for equivalent or special service credit.

CSHB 31 adds language that clarifies the eligibility for individuals enrolled on or before August 31, 2004.

CSHB 31 removes language that repeals Section 2(g), Article 3.50-8, of the Insurance Code.