By: Averitt S.B. No. 11

A BILL TO BE ENTITLED

Т	AN ACT	
2	relating to health coverage, compensation supplementation,	and
3	health reimbursement arrangements for active school employees.	
4	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:	

- 5 SECTION 1. Chapter 1580, Insurance Code, is reenacted and 6 amended to read as follows:
- 7 CHAPTER 1580. ACTIVE EMPLOYEE HEALTH COVERAGE
- 8 OR COMPENSATION SUPPLEMENTATION
- 9 SUBCHAPTER A. GENERAL PROVISIONS
- 10 Sec. 1580.001. DEFINITIONS. In this chapter:
- 11 (1) "Cafeteria plan" means a plan as defined and 12 authorized by Section 125, Internal Revenue Code of 1986, and its
- 13 subsequent amendments.
- 14 (2) "Employee" means a participating member of the
- 15 Teacher Retirement System of Texas who:
- 16 (A) is employed by a school district, other
- 17 educational district whose employees are members of the Teacher
- 18 Retirement System of Texas, participating charter school, or
- 19 regional education service center; and
- 20 (B) is not a retiree covered under the program
- 21 established under Chapter 1575.
- 22 (3) "Participating charter school" means an
- 23 open-enrollment charter school established under Subchapter D,
- 24 Chapter 12, Education Code, that participates in the program

- 1 established under Chapter 1579.
- 2 (4) "Regional education service center" means a
- 3 regional education service center established under Chapter 8,
- 4 Education Code.
- 5 (5) "Trustee" means the Teacher Retirement System of
- 6 Texas.
- 7 Sec. 1580.002. AUTHORITY TO ADOPT RULES; OTHER AUTHORITY.
- 8 (a) The trustee may adopt rules to implement this chapter.
- 9 (b) The trustee may enter into interagency contracts with
- 10 any agency of this state for the purpose of assistance in
- 11 implementing this chapter.
- Sec. 1580.003. EXPIRATION. This chapter expires September
- 13 <u>1, 2005.</u>
- 14 [Sections 1580.004-1580.050 reserved for expansion]
- 15 SUBCHAPTER B. DISTRIBUTION OF STATE FUNDS BY TRUSTEE
- Sec. 1580.051. DISTRIBUTION BY TRUSTEE. Each year, the
- 17 trustee shall deliver to each school district, including a school
- 18 district that is ineligible for state aid under Chapter 42,
- 19 Education Code, each other educational district that is a member of
- 20 the Teacher Retirement System of Texas, each participating charter
- 21 school, and each regional education service center state funds in
- 22 an amount, as determined by the trustee, equal to the product of the
- 23 number of active employees employed by the district, school, or
- service center multiplied by \$1,000 or a greater amount as provided
- 25 by the General Appropriations Act for purposes of this chapter.
- Sec. 1580.052. EQUAL INSTALLMENTS. The trustee shall
- 27 distribute funds under this chapter in equal monthly installments.

Sec. 1580.053. FUNDS HELD IN TRUST. All funds received by a school district, other educational district, participating charter school, or regional education service center under this chapter are held in trust for the benefit of the active employees on whose behalf the district, school, or service center received the funds.

Sec. 1580.054. RECOVERY OF DISTRIBUTIONS. The trustee is entitled to recover from a school district, other educational district, participating charter school, or regional education service center any amount distributed under this chapter to which the district, school, or service center was not entitled.

Sec. 1580.055. DETERMINATION OF TRUSTEE FINAL. A
determination by the trustee under this subchapter is final and may
not be appealed.

[Sections 1580.056-1580.100 reserved for expansion]

15 SUBCHAPTER C. EMPLOYEE ELECTION

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Sec. 1580.101. EMPLOYEE COVERED BY CAFETERIA PLAN. (a) If an active employee is covered by a cafeteria plan of a school district, other educational district, participating charter school, or regional education service center, the state contribution under this chapter shall be deposited in the cafeteria plan, and the employee may elect among the options provided by the cafeteria plan.

- (b) A cafeteria plan receiving state contributions under this chapter may include a medical savings account option and must include, at a minimum, the following options:
- 26 (1) a health care reimbursement account;
- 27 (2) a benefit or coverage other than that provided

- 1 under Chapter 1579, or any employee coverage or dependent coverage
- 2 available under Chapter 1579 but not otherwise fully funded by the
- 3 state or the employer contributions, any of which must be a
- 4 "qualified benefit" under Section 125, Internal Revenue Code of
- 5 1986, and its subsequent amendments;
- 6 (3) an option for the employee to receive the state
- 7 contribution as supplemental compensation; or
- 8 (4) an option to divide the state contribution among
- 9 two or more of the other options provided under this subsection.
- 10 Sec. 1580.102. EMPLOYEE NOT COVERED BY CAFETERIA PLAN. If
- 11 an active employee is not covered by a cafeteria plan of a school
- 12 district, other educational district, participating charter
- 13 school, or regional education service center, the state
- 14 contribution under this chapter shall be paid to the active
- 15 employee as supplemental compensation.
- Sec. 1580.103. SUPPLEMENTAL COMPENSATION. Supplemental
- 17 compensation under this subchapter must be in addition to the rate
- 18 of compensation that:
- 19 (1) the school district, other educational district,
- 20 participating charter school, or regional education service center
- 21 paid the employee in the preceding school year; or
- 22 (2) the district, school, or service center would have
- 23 paid the employee in the preceding school year if the employee had
- 24 been employed by the district, school, or service center in the same
- 25 capacity in the preceding school year.
- Sec. 1580.104. TIME FOR ELECTION. For each state fiscal
- 27 year, an election under this subchapter must be made before the

- 1 later of:
- 2 (1) August 1 of the preceding state fiscal year; or
- 3 (2) the 31st day after the date the employee is hired.
- 4 Sec. 1580.105. WRITTEN EXPLANATION; ELECTION FORM. (a)
- 5 The trustee shall prescribe and distribute to each school district,
- 6 other educational district, participating charter school, and
- 7 regional education service center:
- 8 (1) a model explanation written in English and Spanish
- 9 of the options active employees may elect under this section and the
- 10 effect of electing each option; and
- 11 (2) an election form to be completed by active
- 12 employees.
- 13 (b) Each state fiscal year, a school district, other
- 14 educational district, participating charter school, or regional
- 15 education service center shall prepare and distribute to each
- 16 active employee a written explanation in English and Spanish, as
- 17 appropriate, of the options the employee may elect under this
- 18 section. The explanation must be based on the model explanation
- 19 prepared by the trustee under Subsection (a) and must reflect all
- 20 available health coverage options available to the employee. The
- 21 explanation must be distributed to an employee before the later of:
- 22 (1) July 1 of the preceding state fiscal year; or
- 23 (2) the fifth day after the date the employee is hired.
- (c) The written explanation under Subsection (b) must be
- 25 accompanied by a copy of the election form prescribed under
- 26 Subsection (a)(2).
- Sec. 1580.106. RETURN OF UNENCUMBERED FUNDS. Any

- 1 unencumbered funds that are returned to the school district from
- 2 accounts established under Section 1580.101 may be used only to
- 3 provide employee compensation, benefits, or both.
- 4 [Sections 1580.107-1580.150 reserved for expansion]
- 5 SUBCHAPTER D. MEDICAL SAVINGS ACCOUNT
- 6 Sec. 1580.151. DEFINITION. In this subchapter, "qualified
- 7 health care expense" means an expense paid by an employee for
- 8 medical care, as defined by Section 213(d), Internal Revenue Code
- 9 of 1986, and its subsequent amendments, for the employee or the
- 10 employee's dependents, as defined by Section 152, Internal Revenue
- 11 Code of 1986, and its subsequent amendments.
- Sec. 1580.152. RULES. The trustee, by rule, shall specify
- 13 the requirements for a medical savings account established under
- 14 this chapter.
- 15 Sec. 1580.153. QUALIFICATION OF ACCOUNT. (a) The trustee
- 16 shall request in writing a ruling or opinion from the Internal
- 17 Revenue Service as to whether the medical savings accounts
- 18 established under this chapter and the state rules governing those
- 19 accounts qualify the accounts for appropriate federal tax
- 20 exemptions.
- 21 (b) Based on the response of the Internal Revenue Service
- 22 under Subsection (a), the trustee shall:
- 23 (1) modify the rules, plans, and procedures adopted
- 24 under this section as necessary to ensure the qualification of
- 25 those accounts for appropriate federal tax exemptions; and
- 26 (2) certify the information regarding federal tax
- 27 qualifications to the comptroller.

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1	Sec. 1580.154. EMPLOYEE ELECTION. An employee who elects
2	under Section 1580.101 to have state funds distributed under this
3	chapter placed in a medical savings account may use the money in
4	that account only for a qualified health care expense.
5	SECTION 2. Subtitle H, Title 8, Insurance Code, is amended
6	by adding Chapter 1583 to read as follows:
7	CHAPTER 1583. ACTIVE EMPLOYEE HEALTH
8	REIMBURSEMENT ARRANGEMENTS FOR CERTAIN EDUCATION EMPLOYEES
9	SUBCHAPTER A. GENERAL PROVISIONS
10	Sec. 1583.001. GENERAL DEFINITIONS. In this chapter:
11	(1) "Account" means a health reimbursement
12	arrangement account established under this chapter for a
13	<pre>participating employee.</pre>
14	(2) "Administering firm" means any entity designated
15	by the trustee to administer any coverages, services, benefits, or
16	requirements under this chapter and the trustee's rules adopted
17	under this chapter.
18	(3) "Approved health benefit plan provider" means an
19	entity approved by the trustee to offer health benefit plan
20	coverage under this chapter.
21	(4) "Dependent" means:
22	(A) the spouse of a person;
23	(B) an unmarried child of the person if that
24	child is under 25 years of age, including:
25	(i) an adopted child;
26	(ii) a stepchild, foster child, or other

child who has a regular parent-child relationship with the person;

1	<u>or</u>
2	(iii) a recognized natural child; or
3	(C) the person's recognized natural child,
4	adopted child, foster child, stepchild, or other child who is in a
5	regular parent-child relationship with the participating employee
6	and who lives with or has his or her care provided by the person on a
7	regular basis regardless of the child's age if the child is mentally
8	retarded or physically incapacitated to an extent that the child is
9	dependent on the person for care or support, as determined by the
10	trustee.
11	(5) "Employee" means a participating member of the
12	Teacher Retirement System of Texas who:
13	(A) is employed by a school district, other
14	educational district whose employees are members of the Teacher
15	Retirement System of Texas, participating charter school, or
16	regional education service center;
17	(B) is not a retiree covered under the program
18	established under Chapter 1575;
19	(C) is not covered by a group insurance program
20	under Chapter 1551 or 1601; and
21	(D) is not an individual performing personal
22	services for a participating entity as an independent contractor.
23	(6) "Health benefit plan" means a plan designed to
24	provide, pay for, or reimburse expenses for health care services.
25	The term includes:
26	(A) an insurance policy, contract, or
27	<pre>certificate;</pre>

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1	(B) a medical or hospital service agreement; and
2	(C) a similar arrangement, including coverage
3	through a health maintenance organization operating under Chapter
4	<u>843.</u>
5	(7) "Health benefit plan issuer" means an entity that
6	provides health benefit plan coverage in this state. The term
7	<pre>includes:</pre>
8	(A) an insurance company authorized to do
9	business in this state;
10	(B) a group hospital service corporation
11	operating under Chapter 842;
12	(C) a health maintenance organization operating
13	under Chapter 843;
14	(D) a stipulated premium insurance company
15	operating under Chapter 884;
16	(E) a multiple employer welfare arrangement
17	subject to Chapter 846;
18	(F) an approved nonprofit health corporation
19	that holds a certificate of authority issued under Chapter 844; and
20	(G) any other entity providing a plan of health
21	insurance or health benefits coverage subject to state regulation
22	by the department.
23	(8) "Health reimbursement arrangement" is a health
24	<pre>benefit plan that:</pre>
25	(A) is paid for solely by the employer;
26	(B) is not provided under a salary reduction
27	election:

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- 2 health care expense incurred by the participant or the
- 3 participant's dependent;
- 4 (D) provides reimbursements up to a maximum
- 5 dollar amount at the end of a coverage period; and
- (E) provides that any unused portion of the
- 7 maximum dollar amount at the end of a coverage period is carried
- 8 forward to increase the maximum reimbursement amount in subsequent
- 9 coverage periods.
- 10 (9) "Participant" means a person enrolled in the
- 11 program.
- 12 (10) "Participating charter school" means an
- open-enrollment charter school established under Subchapter D,
- 14 Chapter 12, Education Code, that participates in the program
- 15 <u>established under Chapter 1579.</u>
- 16 (11) "Program" means the health reimbursement
- 17 arrangement program established under this chapter.
- 18 (12) "Qualified health care expense" means an expense
- 19 paid by an employee for medical care, as defined by Section 213(d),
- 20 Internal Revenue Code of 1986, and its subsequent amendments, for
- 21 the employee or the employee's dependents, as defined by Section
- 22 152, Internal Revenue Code of 1986, and its subsequent amendments.
- 23 (13) "Regional education service center" means a
- 24 regional education service center established under Chapter 8,
- 25 <u>Education Code</u>.
- 26 (14) "Trustee" means the Teacher Retirement System of
- 27 Texas.

Sec. 1583.002. DEFINITION OF EMPLOYER. (a) For purposes of qualification under federal law of a health reimbursement arrangement established under this chapter, "employer" means this state and a school district, another educational district whose employees are members of the Teacher Retirement System of Texas, a participating charter school, or a regional education service center.

- (b) This chapter does not make an employee an employee of this state for any purpose other than the limited purpose described by Subsection (a).
- 11 [Sections 1583.003-1583.050 reserved for expansion]
- 12 SUBCHAPTER B. HEALTH REIMBURSEMENT ARRANGEMENT PROGRAM;
- 13 STATE CONTRIBUTION
- Sec. 1583.051. DISTRIBUTION TO HEALTH REIMBURSEMENT

 ARRANGEMENT. (a) For each employee, the state shall annually

 contribute \$1,000 or the amount specified in the General

 Appropriations Act to the health reimbursement arrangement account

 established for that employee for the payment of qualified health

 care expenses.
 - (b) Each year, the trustee shall contribute to the health reimbursement arrangement account of each employee of each school district, including a school district that is ineligible for state aid under Chapter 42, Education Code, each other educational district that is a member of the Teacher Retirement System of Texas, each participating charter school, and each regional education service center the amount to which the employee is entitled under
- 27 Subsection (a).

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Sec. 1583.052. EQUAL INSTALLMENTS. The trustee shall 1 2 distribute funds under this chapter in equal monthly installments. 3 Sec. 1583.053. DIRECTION OF EXPENDITURES BY EMPLOYEE. (a) 4 Each employee shall direct the expenditure of the amount of the state contribution made under this subchapter and that is allocated 5 6 to the employee in accordance with the General Appropriations Act and this chapter. 7 8 (b) An employee may use money described by Subsection (a) 9 only in accordance with this chapter for the employee and the employee's dependents for health benefit plan coverage offered by 10 approved health benefit plan providers and for other qualified 11 12 health care expenses. Sec. 1583.054. EFFECT ON CAFETERIA PLAN. Any funds in a 13 cafeteria plan authorized by Section 125, Internal Revenue Code of 14 15 1986, and its subsequent amendments, and described by Section 1580.101, for an employee who received the funds under Chapter 1580 16 17 as that chapter existed immediately before September 1, 2005, that were designated by the employee for health care expenses and are 18 unspent as of September 1, 2005, must be spent by the employee for 19 qualified health care expenses before the employee may spend any 20 21 funds from the health reimbursement arrangement account established for that employee under this section. 22 Sec. 1583.055. EQUITABILITY IN NEGOTIATED RATES. (a) A 23 24 health benefit plan used to provide coverage under the program must 25 be designed to ensure that an employee who purchases coverage under

the health benefit plan through the employee's health reimbursement

arrangement account is entitled to pay a physician or other health

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- 1 care provider for services provided to the employee that are not
- 2 reimbursed from the account at the same rate negotiated with the
- 3 physician or other health care provider by the approved health
- 4 benefit plan provider for provision of those services under the
- 5 plan.
- 6 (b) Subsection (a) applies to medical services, dental
- 7 <u>services</u>, and vision care services.
- 8 [Sections 1583.056-1583.100 reserved for expansion]
- 9 SUBCHAPTER C. PROGRAM FUNDING STRUCTURE
- Sec. 1583.101. PROGRAM FUNDING STRUCTURE. (a) The
- 11 trustee, in consultation with the comptroller, shall by rule
- 12 develop a funding structure that:
- (1) implements Subchapter B in accordance with this
- 14 chapter;
- 15 (2) permits an employee to carry over money allocated
- to the employee throughout the period the employee is eligible to
- 17 participate in the program; and
- 18 (3) ensures, to the extent feasible and consistent
- 19 with this chapter, favorable federal tax treatment to the employee.
- 20 (b) The funding structure shall use a health reimbursement
- 21 arrangement established in a manner compatible with federal tax
- 22 law.
- Sec. 1583.102. COMPTROLLER DUTIES. To implement Section
- 24 1583.101, the comptroller shall, as requested by the trustee:
- (1) establish separate accounts attributable to
- 26 individual participating employees within the Texas school
- 27 employees uniform group coverage trust fund; or

- 1 (2) transfer funds from the Texas school employees
- 2 uniform group coverage trust fund to trust accounts outside the
- 3 fund in the custody of the comptroller established for the benefit
- 4 of employees.
- 5 Sec. 1583.103. EFFECT OF EMPLOYEE SEPARATION FROM SERVICE.
- 6 On an employee's separation from service with an entity described
- 7 by Section 1583.051(b), the employee may continue to use for
- 8 qualified health care expenses any money carried over by the
- 9 employee under Section 1583.101(a)(2) that was allocated to the
- 10 employee under this chapter and was not spent before the effective
- 11 date of the separation.
- 12 [Sections 1583.104-1583.150 reserved for expansion]
- SUBCHAPTER D. GENERAL RULES AND ADMINISTRATION OF PROGRAM
- Sec. 1583.151. RULES. The trustee shall adopt rules to
- implement this chapter.
- Sec. 1583.152. TRUSTEE AUTHORITY; LIMITATIONS. (a) The
- 17 trustee may not directly administer health benefit plan coverages
- 18 made available under the program and may not provide those
- 19 coverages on a self-funded basis.
- 20 (b) The trustee may not establish, approve, or limit premium
- 21 rates for health benefit plan coverages made available under the
- 22 program.
- (c) Notwithstanding Subchapter B, the trustee may pay all
- 24 administrative costs incurred by the trustee in operating the
- 25 program from the contributions made by the state under Section
- 26 1583.051(a).
- Sec. 1583.153. CONTRACTS. (a) The trustee may contract

- 1 with an independent and experienced group insurance consultant or
- 2 actuary for advice and counsel in implementing and administering
- 3 the program.
- 4 (b) The trustee may enter into interagency contracts with
- 5 any agency of this state, including the Employees Retirement System
- 6 of Texas and the department, for the purpose of assistance in
- 7 <u>implementing this chapter.</u>
- 8 Sec. 1583.154. COMPETITIVE BIDDING REQUIREMENTS. (a) The
- 9 trustee may, on a competitive bid basis, contract with an entity to
- 10 act for the trustee as an independent administrator or manager of
- 11 the coverages, services, and benefits authorized under this
- 12 chapter.
- 13 (b) The entity must be a qualified, experienced firm of
- 14 group insurance specialists or an administering firm and shall
- 15 assist the trustee in ensuring the proper administration of this
- 16 chapter and the coverages, services, and benefits authorized under
- 17 this chapter.
- 18 Sec. 1583.155. CONTRACT AWARD; CONSIDERATIONS. (a) In
- 19 awarding a contract under this chapter, the trustee is not required
- 20 to select the lowest bid and may consider also any relevant
- 21 <u>criteria</u>, including the bidder's:
- 22 <u>(1) ability to service contracts;</u>
- (2) past experience, including experience with the
- operation of health reimbursement arrangements; and
- 25 (3) financial stability.
- (b) If the trustee awards a contract to a bidder whose bid
- 27 deviates from that advertised, the trustee shall record the

1	deviation and fully justify the reason for the deviation in the
2	minutes of the next trustee meeting.
3	Sec. 1583.156. CONFIDENTIALITY OF PARTICIPANT RECORDS. (a)
4	The records of a participant in the program in the custody of the
5	trustee, or of an administrator or health benefit plan issuer
6	acting under the program, are confidential and not subject to
7	disclosure and are exempt from the public access provisions of
8	Chapter 552, Government Code, except as provided by this section.
9	(b) The trustee may release the records to:
10	(1) an administrator, health benefit plan issuer,
11	agent, or attorney acting under the program;
12	(2) another governmental entity;
13	(3) a medical provider of the participant to
14	accomplish the purposes of this chapter; or
15	(4) a party in response to a subpoena issued under
16	applicable law.
17	[Sections 1583.157-1583.200 reserved for expansion]
18	SUBCHAPTER E. DUTIES OF HEALTH BENEFIT PLAN ISSUER
19	Sec. 1583.201. CERTIFICATE OF COVERAGE. An approved health
20	benefit plan provider shall issue, to each employee purchasing
21	health benefit plan coverage from the health benefit plan provider
22	under the program, a certificate of coverage that states:
23	(1) the benefits to which the participant is entitled;
24	(2) to whom the benefits are payable;

(3) to whom a claim must be submitted; and

form, that principally affect the participant.

(4) the provisions of the plan document, in summary

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- 1 Sec. 1583.202. ISSUER RECORDS. A health benefit plan
- 2 issuer providing coverages to participants in the program shall:
- 3 (1) furnish any reasonable report the trustee
- 4 determines is necessary to enable the trustee to perform its
- 5 functions under this chapter; and
- 6 (2) permit the trustee and a representative of the
- 7 state auditor to examine records of the health benefit plan issuer
- 8 as necessary to accomplish the purposes of this chapter.
- 9 SECTION 3. Section 822.201(c), Government Code, is
- 10 reenacted and amended to read as follows:
- 11 (c) Excluded from salary and wages are:
- 12 (1) expense payments;
- 13 (2) allowances;
- 14 (3) payments for unused vacation or sick leave;
- 15 (4) maintenance or other nonmonetary compensation;
- 16 (5) fringe benefits;
- 17 (6) deferred compensation other than as provided by
- 18 Subsection (b)(3);
- 19 (7) compensation that is not made pursuant to a valid
- 20 employment agreement;
- 21 (8) payments received by an employee in a school year
- that exceed \$5,000 for teaching a driver education and traffic
- 23 safety course that is conducted outside regular classroom hours;
- 24 (9) the benefit replacement pay a person earns as a
- result of a payment made under Subchapter B or C, Chapter 661;
- 26 (10) supplemental compensation received by an
- 27 employee under <u>Chapter 1580</u> [Article 3.50-8], Insurance Code, or

- 1 contributions to a health reimbursement arrangement account
- 2 received by an employee under Chapter 1583, Insurance Code; and
- 3 (11) any compensation not described by [in] Subsection
- 4 (b).
- 5 SECTION 4. (a) The following laws are repealed:
- 6 (1) Section 57, Chapter 201, Acts of the 78th
- 7 Legislature, Regular Session, 2003; and
- 8 (2) Chapter 313, Acts of the 78th Legislature, Regular
- 9 Session, 2003.
- 10 (b) Chapter 1580, Insurance Code, as reenacted and amended
- 11 by this Act, applies beginning with the 2004-2005 school year.
- 12 (c) Chapter 1583, Insurance Code, as added by this Act,
- 13 applies beginning with the 2005-2006 school year and takes effect
- 14 September 1, 2005.
- 15 SECTION 5. (a) The Teacher Retirement System of Texas
- 16 shall continue to operate the medical savings account program
- 17 established under Chapter 1580, Insurance Code, as reenacted and
- amended by this Act, until September 1, 2005.
- 19 (b) Any unspent funds in a medical savings account
- 20 established for an employee under Chapter 1580, Insurance Code, as
- 21 reenacted and amended by this Act, are transferred to the health
- 22 reimbursement arrangement account established for that employee
- under Chapter 1583, Insurance Code, as added by this Act, effective
- 24 September 1, 2005.
- 25 (c) The Teacher Retirement System of Texas, in consultation
- 26 with the comptroller, shall develop the funding structure required
- 27 by Subchapter B, Chapter 1583, Insurance Code, as added by this Act,

- 1 and shall take necessary action to implement the health
- 2 reimbursement arrangement program in accordance with Chapter 1583,
- 3 Insurance Code, as added by this Act, not later than September 1,
- 4 2005.
- 5 (d) Notwithstanding any other law, until September 1, 2005,
- 6 the Teacher Retirement System of Texas may pay for administrative
- 7 expenses incurred by the system in developing the health
- 8 reimbursement arrangement program from funds received by the system
- 9 in fiscal year 2004 under Chapter 1580, Insurance Code, as
- 10 reenacted and amended by this Act, for operation of the employee
- 11 health coverage and compensation supplementation program.
- 12 (e) Not later than July 31, 2005, the Teacher Retirement
- 13 System of Texas shall provide written information to school
- 14 districts eligible to participate in the health reimbursement
- arrangement program under Chapter 1583, Insurance Code, as added by
- 16 this Act, that provides a general description of the requirements
- for such a program under Chapter 1583, Insurance Code, as added by
- 18 this Act.
- 19 (f) During the initial implementation of Chapter 1583,
- 20 Insurance Code, as added by this Act, and notwithstanding any
- 21 bidding requirements or other requirements set forth in Chapter
- 22 1580, Insurance Code, as reenacted and amended by this Act, the
- 23 Teacher Retirement System of Texas may amend any agreement in
- 24 effect on September 1, 2004, that it has entered into under Chapter
- 25 1580, Insurance Code, as reenacted and amended by this Act, as
- 26 necessary to comply with Chapter 1583, Insurance Code, as added by
- 27 this Act.

SECTION 6. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect on the 91st day after the last day of the legislative session.