

Amend CSHB 3257 as follows:

(1) On page 1, strike lines 6-9.

(2) Strike SECTION 1.05 of the bill (page 5, line 17 through page 7, line 17) and substitute the following:

SECTION 1.05. Sections 3(a) and (b), Article 3.50-8, Insurance Code, are amended to read as follows:

(a) For purposes of this section, "cafeteria plan" means a plan as defined and authorized by Section 125, Internal Revenue Code of 1986, and its subsequent amendments. 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 article may [shall] be deposited in the cafeteria plan, and the employee may elect among the options provided by the cafeteria plan. A cafeteria plan receiving state contributions under this article may include a medical savings account option and must include, at a minimum, the following options:

(1) [a health care reimbursement account;

(2) ] a benefit or coverage other than that provided under Article 3.50-7 of this code, or any employee coverage or dependent coverage available under Article 3.50-7 of this code but not otherwise fully funded by the state or the employer contributions, any of which must be a "qualified benefit" under Section 125, Internal Revenue Code of 1986, and its subsequent amendments;

(2) [(3)] an option for the employee to receive the state contribution as supplemental compensation; or

(3) [(4)] an option to divide the state contribution among two or more of the other options provided under this subsection.

(b) If an active employee is not 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 article shall, at the election of the employee:

(1) be paid to the active employee as supplemental compensation; or

(2) contributed to a health reimbursement arrangement account established for that employee as provided by this article.

SECTION 1.06. Article 3.50-8, Insurance Code, is amended by adding Sections 3A and 3B to read as follows:

Sec. 3A. HEALTH REIMBURSEMENT ARRANGEMENT PROGRAM. (a) Each employee that elects to participate in the health reimbursement arrangement program authorized under Section 3 of this article shall direct the expenditure of the amount of the state contribution made to an account for that employee under this article.

(b) Money described by Subsection (a) of this section may be used by an employee only in accordance with this article for the employee and the employee's dependents for health benefit plan coverage offered by approved health benefit plan providers and for other qualified health care expenses.

(3) On page 7, line 18, strike "Sec. 2A." and substitute "Sec.3B.".

(4) On page 7, line 21, strike "Section 2" and substitute "Section 3A".

(5) On page 9, line 10, strike "Section 2" and substitute "Section 3A".

(6) On page 9, line 13, strike "Section 2(a) of this article" and substitute "Section 3(b) of this article".

(7) Renumber the SECTIONS of ARTICLE 1 of the bill appropriately.

(8) On page 12, line 7, strike "[supplemental compensation]" and substitute "or supplemental compensation".

(9) On page 12, strike lines 11-12.

(10) On page 12, line 16, strike "Section 2A" and substitute "Section 3B".

(11) On page 13, strike lines 1-11.

(12) Renumber the SECTIONS of ARTICLE 3 of the bill appropriately.