

BILL ANALYSIS

Senate Research Center
78R4977 AKH-D

S.B. 1547
By: Janek
State Affairs
4/10/2003
As Filed

DIGEST AND PURPOSE

Current law authorizing a county to provide hospitalization insurance for county employees, officials, and their dependents, fails to address the complexities of today's health care system, including coverage and benefits available, financing options, and the flexibility of a commissioners court to provide benefits.

As proposed, S.B. 1547 authorizes and provides a mechanism for financing health and related benefits for county employees, officials, and their dependents, in a county with a population of 3.2 million or more.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends the heading to Chapter 157, Subchapter A, Local Government Code, to read as follows:

SUBCHAPTER A. MEDICAL CARE, HOSPITALIZATION, AND INSURANCE IN CERTAIN COUNTIES

SECTION 2. Amends Section 157.001, Local Government Code, as follows:

Sec. 157.001. HOSPITALIZATION INSURANCE. (a) Provides that this subchapter applies only to a county with a population of less than 3.2 million.

(b) Redesignated from existing text.

SECTION 3. Amends the heading to Section 157.002, Local Government Code, to read as follows:

Sec. 157.002. MEDICAL CARE, HOSPITALIZATION, AND INSURANCE IN CERTAIN COUNTIES.

SECTION 4. Amends Chapter 157, Local Government Code, by adding Subchapter F, as follows:

SUBCHAPTER F. GROUP HEALTH AND RELATED BENEFITS IN POPULOUS COUNTIES

Sec. 157.101. APPLICABILITY. Provides that this subchapter applies only to a county with a population of 3.2 million or more.

Sec. 157.102. GROUP HEALTH AND RELATED BENEFITS IN POPULOUS COUNTIES. (a) Authorizes the commissioners court by rule to provide for group health and related benefits, including medical care, surgical care, hospitalization, and pharmaceutical, life, accident, disability, long-term care, vision, dental, mental health, and substance abuse benefits,

for certain persons if their salaries are paid from the funds of the county or of a flood control district located entirely in the county or if they are employees of another governmental entity for which the county is obligated to provide benefits.

(b) Authorizes the commissioners court to provide the benefits under Subsection (a) through insurance, self-insurance, or a contract with a county-operated hospital, a hospital operated jointly by a municipality and county, or a private hospital.

(c) Requires a rule adopted under this section relating to a person's group health or related benefits coverage to be included in the person's employment contract or otherwise communicated in writing to the person.

(d) Authorizes a rule adopted under this section to be subject to the approval of the county auditor.

(e) Requires a commissioners court, before adopting a rule under this section, to provide notice of a hearing about the proposed adoption in accordance with Chapter 551, Government Code. Entitles an employee or taxpayer of the county to appear and protest the adoption of a rule.

(f) Authorizes a county providing coverage under this section to reinsure its potential liability or purchase stop-loss coverage for any amount of potential liability that is in excess of projected paid losses. Requires a county that reinsures its potential liability or purchases stop-loss coverage for any amount of potential liability to do so from an insurance company admitted to do business in this state that holds a certificate of authority from the Texas Department of Insurance.

Sec. 157.103. GROUP HEALTH AND RELATED BENEFITS FUND. (a) Authorizes the commissioners court of a county that adopts rules under Section 157.102 to require persons participating in the group health and related benefits plan to contribute toward the payment of the plan. Authorizes the commissioners court to establish a fund to pay for the group health and related benefits. Provides that the fund may take the form of a single nonprofit trust as described by Section 2(c)(1), Article 4.11, Insurance Code.

(b) Requires a person who elects to participate in any aspect of the group health and related benefits plan and is required to make contributions toward the payment of the plan to authorize contributions to the fund by salary deduction. Requires the authorization to be submitted in writing to the county officer authorized by the commissioners court to administer payroll deductions. Provides that the authorization remains in effect as long as the person is required to make contributions toward the payment of the plan. Requires the county, if the amount of the person's required contributions changes after the date the request for deduction is submitted, to notify the person of the change before the change takes effect. Authorizes the county and any participating flood control district to also contribute to the fund.

(c) Limits the use of the fund to the purposes stated in Subsection (a). Provides that employees who are discharged or who end their employment voluntarily have no vested right to contributions made to the fund. Requires the fund to continue to be used for the benefit of the remaining employees.

(d) Requires claims to be paid from the fund in the same manner as provided by law for the payment of other claims of the county or flood control district.

(e) Requires the remaining funds to be transferred to the county and to any participating flood control district in proportion to the total contributions made by them

if a plan established under this section is terminated by the commissioners court.

Sec. 157.104. SUBROGATION. (a) Provides that a county that has paid group health and related benefits for a sheriff, deputy sheriff, constable, deputy constable, or other county or precinct law enforcement official is subrogated to the law enforcement official's right of recovery for personal injuries caused by another to the extent of the payments made by the county.

(b) Prohibits a county from refusing to pay group health and related benefits on the ground that the law enforcement official has a claim for damages for personal injury.

Sec. 157.105. PAYMENTS FOR CERTAIN HEALTH COVERAGE. Authorizes a county to purchase and pay premiums for coverages as described by Section 157.006.

SECTION 5. Effective date: September 1, 2003.