

By: Janek

S.B. No. 1547

A BILL TO BE ENTITLED

AN ACT

relating to group health and related benefits provided by populous counties.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. The heading to Subchapter A, Chapter 157, Local Government Code, is amended to read as follows:

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

SECTION 2. Section 157.001, Local Government Code, is amended to read as follows:

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

(b) The commissioners court of a county may provide hospitalization insurance to a county official, deputy, assistant, or other county employee.

SECTION 3. The heading to Section 157.002, Local Government Code, is amended to read as follows:

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

SECTION 4. Chapter 157, Local Government Code, is amended by adding Subchapter F to read as follows:

SUBCHAPTER F. GROUP HEALTH AND RELATED BENEFITS IN POPULOUS COUNTIES

1 Sec. 157.101. APPLICABILITY. This subchapter applies only
2 to a county with a population of 3.2 million or more.

3 Sec. 157.102. GROUP HEALTH AND RELATED BENEFITS IN POPULOUS
4 COUNTIES. (a) The commissioners court by rule may provide for group
5 health and related benefits, including medical care, surgical care,
6 hospitalization, and pharmaceutical, life, accident, disability,
7 long-term care, vision, dental, mental health, and substance abuse
8 benefits, for the following persons if their salaries are paid from
9 the funds of the county or of a flood control district located
10 entirely in the county or if they are employees of another
11 governmental entity for which the county is obligated to provide
12 benefits:

13 (1) deputies, assistants, and other employees of the
14 county, or of the flood control district, who work under the
15 commissioners court or its appointees;

16 (2) county and district officers and their deputies
17 and assistants appointed under Subchapter A, Chapter 151;

18 (3) employees of a community supervision and
19 corrections department established under Chapter 76, Government
20 Code;

21 (4) a retired person formerly holding a status listed
22 in Subdivisions (1)-(3); and

23 (5) the dependents of a person listed in Subdivisions
24 (1)-(3).

25 (b) The commissioners court may provide the benefits under
26 Subsection (a) through insurance, self-insurance, or a contract
27 with a county-operated hospital, a hospital operated jointly by a

1 municipality and county, or a private hospital.

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

6 (d) A rule adopted under this section may be subject to the
7 approval of the county auditor.

8 (e) Before adopting a rule under this section, the
9 commissioners court must provide notice of a hearing about the
10 proposed adoption in accordance with Chapter 551, Government Code.
11 At the hearing, an employee or taxpayer of the county is entitled to
12 appear and protest the adoption of a rule.

13 (f) A county providing coverage under this section may
14 reinsure its potential liability or purchase stop-loss coverage for
15 any amount of potential liability that is in excess of projected
16 paid losses. A county that reinsures its potential liability or
17 purchases stop-loss coverage for any amount of potential liability
18 must do so from an insurance company admitted to do business in this
19 state that holds a certificate of authority from the Texas
20 Department of Insurance.

21 Sec. 157.103. GROUP HEALTH AND RELATED BENEFITS FUND. (a)
22 The commissioners court of a county that adopts rules under Section
23 157.102 may require persons participating in the group health and
24 related benefits plan to contribute toward the payment of the plan.
25 The commissioners court may establish a fund to pay for the group
26 health and related benefits. The fund may take the form of a single
27 nonprofit trust as described by Section 2(c)(1), Article 4.11,

1 Insurance Code.

2 (b) A person who elects to participate in any aspect of the
3 group health and related benefits plan and is required to make
4 contributions toward the payment of the plan must authorize
5 contributions to the fund by salary deduction. The authorization
6 must be submitted in writing to the county officer authorized by the
7 commissioners court to administer payroll deductions. The
8 authorization remains in effect as long as the person is required to
9 make contributions toward the payment of the plan. If the amount of
10 the person's required contributions changes after the date the
11 request for deduction is submitted, the county shall notify the
12 person of the change before the change takes effect. The county and
13 any participating flood control district may also contribute to the
14 fund.

15 (c) The fund may be used only for the purposes stated in
16 Subsection (a). Employees who are discharged or who end their
17 employment voluntarily have no vested right to contributions made
18 to the fund. The fund shall continue to be used for the benefit of
19 the remaining employees.

20 (d) Claims shall be paid from the fund in the same manner as
21 provided by law for the payment of other claims of the county or
22 flood control district.

23 (e) If a plan established under this section is terminated
24 by the commissioners court, the remaining funds shall be
25 transferred to the county and to any participating flood control
26 district in proportion to the total contributions made by them.

27 Sec. 157.104. SUBROGATION. (a) A county that has paid

1 group health and related benefits for a sheriff, deputy sheriff,
2 constable, deputy constable, or other county or precinct law
3 enforcement official is subrogated to the law enforcement
4 official's right of recovery for personal injuries caused by
5 another to the extent of the payments made by the county.

6 (b) A county may not refuse to pay group health and related
7 benefits on the ground that the law enforcement official has a claim
8 for damages for personal injury.

9 Sec. 157.105. PAYMENTS FOR CERTAIN HEALTH COVERAGE. A
10 county may purchase and pay premiums for coverages as described by
11 Section 157.006.

12 SECTION 5. This Act takes effect September 1, 2003.