

BILL ANALYSIS

Senate Research Center
79R1283 DLF-D

H.B. 417
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State Affairs
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Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

There are state employees whose prior military service makes them eligible for the TRICARE Military Health System. Many might find this an attractive option if a supplemental policy was offered that enhanced the TRICARE benefits and increased the number of TRICARE providers. There are financial benefits to the state if these employees decide to move from the coverage through the Employee Retirement System of Texas to TRICARE. H.B. 417 authorizes the Employees Retirement System of Texas to offer a TRICARE supplemental policy to state employees as an alternative to the state's standard health care benefits package.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the board of trustees of the Employees Retirement System of Texas in SECTION 1 (Section 1551.221, Insurance Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter E, Chapter 1551, Insurance Code, by adding Section 1551.221, as follows:

Sec. 1551.221. VOLUNTARY SUPPLEMENTAL HEALTH COVERAGE FOR INDIVIDUALS ELIGIBLE UNDER TRICARE MILITARY HEALTH SYSTEM. (a) Authorizes the board of trustees of the Employees Retirement System of Texas (board of trustees) to offer a voluntary supplemental health coverage program under this section.

(b) Authorizes an individual who is eligible, under the supplemental health coverage program, to participate in the group benefits program and who is also eligible for benefits under the TRICARE Military Health System to elect to receive primary coverage under the TRICARE Military Health System. Provides that an individual participating in the supplemental health coverage program does not receive basic coverage through the group benefits program, but receives supplemental health coverage under this section.

(c) Requires the cost of supplemental health coverage provided under this section to be paid from state, employer, and employee contributions in the same manner that the cost of basic coverage is paid under Subchapter G (Contributions and Cost).

(d) Authorizes the board of trustees to purchase the supplemental health coverage in accordance with Sections 1551.213-1551.216 (relating to bids for purchased coverage), or, if the board of trustees determines that it would be cost-effective, to provide the supplemental health coverage directly from the employees life, accident, and health insurance benefits fund in accordance with Sections 1551.208-1551.212 (relating to self-funded coverage).

(e) Prohibits the board of trustees from implementing a supplemental health coverage program under this section if the board finds that the program would not be cost-effective or would otherwise not be advantageous to the state or program participants.

(f) Authorizes the board of trustees to coordinate purchasing, contracting, or administrative functions relating to the supplemental health coverage program with an agency or a political subdivision of this state or a retirement system that provides benefits to retired employees of this state or a political subdivision of this state.

(g) Authorizes the board of trustees to enter into a contract to implement Subsection (f), including an interagency contract with an agency of this state.

(h) Authorizes the board of trustees to adopt rules to implement this section.

SECTION 2. Amends Section 1551.319, Insurance Code, by adding Subsection (f), as follows:

(f) Authorizes the amount of the contribution made for an individual who elects to receive supplemental health coverage under the program, if the board of trustees establishes a supplemental health coverage program under Section 1551.221, to be reduced, as provided in the General Appropriations Act, to reflect the reduced cost of the supplemental health coverage, notwithstanding any other provision of this section.

SECTION 3. Effective date: upon passage or September 1, 2005.