

## **BILL ANALYSIS**

C.S.H.B. 2772  
By: Farabee  
Pensions & Investments  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Health Savings Accounts (HSA's) were created in federal legislation to be used in conjunction with High Deductible Health Plans (HDHP's) in 2003. The federal government has implemented an HSA option for public employees and non-Medicare eligible retirees. The current group benefits program under the Employees Retirement System of Texas (ERS) does not provide for HSA's and HDHP's. Because of this, there is insufficient information available to determine the impact of implementing HSA's and HDHP's within ERS's group benefits program. House Bill 2772 directs the ERS to evaluate the long term impact of implementation of HSA's and HDHP's within the group benefits program on future costs and benefits, access to quality health care and provider availability. House Bill 2772 instructs ERS to take into consideration various characteristics of the participants in the program and issue a report of findings and recommendations to the Legislature.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

#### SECTION 1.

(a) Instructs the Employees Retirement System of Texas to evaluate the long-term impact of implementation of health savings accounts and high deductible health plans within the group benefits program on future costs and benefits of all health care plans included in the group benefits program, participant access to quality health care, provider availability and other issues ERS determines pertinent. In the evaluation, ERS must take into consideration the demographic, geographic and socioeconomic characteristics of the participants.

(b) Directs ERS to submit a report in connection with the evaluation, including findings and recommendations to the Governor, Lt. Governor and Speaker no later than December 31, 2006.

(c) Specifies that the section expires January 1, 2007.

#### SECTION 2. Effective Date.

### **EFFECTIVE DATE**

Effective immediately if it receives a two-thirds vote from all elected members in each house or September 1, 2005.

### **COMPARISON OF ORIGINAL TO SUBSTITUTE**

Substitute is in Legislative Council Format and includes an expiration date.