

1-1 By: Delisi, et al. (Senate Sponsor - Williams) H.B. No. 417
1-2 (In the Senate - Received from the House April 7, 2005;
1-3 April 11, 2005, read first time and referred to Committee on State
1-4 Affairs; May 6, 2005, reported favorably by the following vote:
1-5 Yeas 9, Nays 0; May 6, 2005, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to a supplemental health coverage program under the Texas
1-9 Employees Group Benefits Act for certain persons.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Subchapter E, Chapter 1551, Insurance Code, is
1-12 amended by adding Section 1551.221 to read as follows:

1-13 Sec. 1551.221. VOLUNTARY SUPPLEMENTAL HEALTH COVERAGE FOR
1-14 INDIVIDUALS ELIGIBLE UNDER TRICARE MILITARY HEALTH SYSTEM.

1-15 (a) The board of trustees may offer a voluntary supplemental
1-16 health coverage program under this section.

1-17 (b) Under the supplemental health coverage program, an
1-18 individual who is eligible to participate in the group benefits
1-19 program and who is also eligible for benefits under the TRICARE
1-20 Military Health System may elect to receive primary coverage under
1-21 the TRICARE Military Health System. An individual participating in
1-22 the supplemental health coverage program does not receive basic
1-23 coverage through the group benefits program, but receives
1-24 supplemental health coverage under this section.

1-25 (c) The cost of supplemental health coverage provided under
1-26 this section shall be paid from state, employer, and employee
1-27 contributions in the same manner that the cost of basic coverage is
1-28 paid under Subchapter G.

1-29 (d) The board of trustees may purchase the supplemental
1-30 health coverage in accordance with Sections 1551.213-1551.216, or,
1-31 if the board of trustees determines that it would be
1-32 cost-effective, may provide the supplemental health coverage
1-33 directly from the employees life, accident, and health insurance
1-34 benefits fund in accordance with Sections 1551.208-1551.212.

1-35 (e) The board of trustees may not implement a supplemental
1-36 health coverage program under this section if the board finds that
1-37 the program would not be cost-effective or would otherwise not be
1-38 advantageous to the state or program participants.

1-39 (f) The board of trustees may coordinate purchasing,
1-40 contracting, or administrative functions relating to the
1-41 supplemental health coverage program with:

1-42 (1) an agency or a political subdivision of this
1-43 state; or

1-44 (2) a retirement system that provides benefits to
1-45 retired employees of this state or a political subdivision of this
1-46 state.

1-47 (g) The board of trustees may enter into a contract to
1-48 implement Subsection (f), including an interagency contract with an
1-49 agency of this state.

1-50 (h) The board of trustees may adopt rules to implement this
1-51 section.

1-52 SECTION 2. Section 1551.319, Insurance Code, is amended by
1-53 adding Subsection (f) to read as follows:

1-54 (f) Notwithstanding any other provision of this section, if
1-55 the board of trustees establishes a supplemental health coverage
1-56 program under Section 1551.221, the amount of the contribution made
1-57 for an individual who elects to receive supplemental health
1-58 coverage under the program may be reduced, as provided in the
1-59 General Appropriations Act, to reflect the reduced cost of the
1-60 supplemental health coverage.

1-61 SECTION 3. This Act takes effect immediately if it receives
1-62 a vote of two-thirds of all the members elected to each house, as
1-63 provided by Section 39, Article III, Texas Constitution. If this
1-64 Act does not receive the vote necessary for immediate effect, this

2-1 Act takes effect September 1, 2005.

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