

By: Martinez

H.B. No. 1416

A BILL TO BE ENTITLED

AN ACT

relating to health insurance benefits provided to certain public school retirees and their dependents.

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

SECTION 1. Section 1575.152, Insurance Code, is amended to read as follows:

Sec. 1575.152. REQUIREMENTS FOR BASIC PLAN [~~MUST COVER PREEXISTING CONDITIONS~~]. A basic plan must:

(1) cover preexisting conditions; and

(2) provide for a coinsurance payment by an insured that does not exceed 10 percent.

SECTION 2. Section 1575.161, Insurance Code, is amended by adding Subsection (f) as follows:

(f) The trustee by rule shall set at least one open enrollment period for each calendar year during which a retiree may select or modify previously selected coverage under this chapter. The open enrollment period set under this subsection must be at least 30 days.

SECTION 3. Sections 1575.211(b) and (c), Insurance Code, are amended to read as follows:

(b) In determining the allocation of total costs under this section, the state shall pay the same percentage of the cost of coverage for a retiree and a retiree's dependents under the basic plan as the state annually contributes for an annuitant and an

1 annuitant's dependents covered by the basic coverage plan under
2 Chapter 1551. The ~~[not more than 55 percent of the total costs,~~
3 ~~retirees shall pay at least 30 percent of the total costs, and the]~~
4 balance of the cost of coverage under the basic plan for a retiree
5 and a retiree's dependents under the basic plan shall be paid by
6 active employees and public schools.

7 (c) The trustee by rule shall allocate the total cost of
8 coverage for a retiree and a retiree's dependents in an optional
9 plan elected by the retiree among the state, retirees, active
10 employees, and public schools. The allocation adopted by the
11 trustee under this subsection must comply with the requirements of
12 Section 1575.205. ~~[A retiree eligible to participate under Section~~
13 ~~1575.004(a)(1)(B) is, except as provided by this subsection,~~
14 ~~required to pay the total cost, as determined by the trustee,~~
15 ~~attributable to the participation of that individual and the~~
16 ~~dependents of that individual until the date the individual is~~
17 ~~otherwise eligible under Section 1575.004. The General~~
18 ~~Appropriations Act or other similar legislation may specify a~~
19 ~~different allocation of total costs for retirees eligible to~~
20 ~~participate under Section 1575.004(a)(1)(B) and the dependents of~~
21 ~~those retirees. This subsection applies only to an individual who~~
22 ~~is eligible to participate as an annuitant under Section~~
23 ~~1575.004(a)(1)(B) and who is not otherwise eligible to participate~~
24 ~~under another provision of Section 1575.004 at the time of~~
25 ~~retirement.]~~

26 SECTION 4. Section 1575.212, Insurance Code, is repealed.

27 SECTION 5. The Teacher Retirement System of Texas shall set

1 and hold the first open enrollment period required by Section
2 1575.161(f), Insurance Code, as added by this Act not later than
3 July 1, 2006.

4 SECTION 6. This Act takes effect immediately if it receives
5 a vote of two-thirds of all the members elected to each house, as
6 provided by Section 39, Article III, Texas Constitution. If this
7 Act does not receive the vote necessary for immediate effect, this
8 Act takes effect September 1, 2005.