

By: Rodriguez

H.B. No. 1654

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the cost of certain coverage provided by certain group  
3 benefits programs and uniform insurance benefits programs and to  
4 eligibility to participate in certain group benefits programs.

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

6 SECTION 1. Subchapter B, Chapter 1551, Insurance Code, is  
7 amended by adding Section 1551.067 to read as follows:

8 Sec. 1551.067. CONTRACT RATES FOR PRESCRIPTION DRUGS. The  
9 board of trustees shall make available to the public on request the  
10 contract rates paid for prescription drugs under the basic coverage  
11 plan.

12 SECTION 2. Subchapter C, Chapter 1551, Insurance Code, is  
13 amended by adding Section 1551.115 to read as follows:

14 Sec. 1551.115. PARTICIPATION BY CERTAIN INDIVIDUALS  
15 EMPLOYED BY SMALL EMPLOYERS. (a) In this section, "small employer"  
16 has the meaning assigned by Section 1501.002.

17 (b) An individual who is employed by a small employer may  
18 participate in the group benefits program as if the individual were  
19 an employee eligible to participate under Section 1551.101. An  
20 individual who participates in the group benefits program under  
21 this subsection may obtain coverage for the individual's dependents  
22 in the manner provided for any other employee.

23 (c) An individual who is employed by a small employer may  
24 participate as an employee in that portion of the group benefits

1 program that provides only prescription drug coverage. An  
2 individual who, under this subsection, participates in that portion  
3 of the group benefits program that provides only prescription drug  
4 coverage may obtain coverage for the individual's dependents at the  
5 same cost and level of coverage as any other employee.

6 (d) A participant under this section may not receive a state  
7 contribution for premiums, and the small employer who employs the  
8 participant is responsible for payment of:

9 (1) the contributions the state would make if an  
10 individual who participates in the program under Subsection (b)  
11 were a state employee; and

12 (2) the same percentage of the cost of coverage for an  
13 individual who, under Subsection (c), participates in that portion  
14 of the group benefits program that provides only prescription drug  
15 coverage for which the small employer would be responsible under  
16 Subdivision (1) if the person participated in the program under  
17 Subsection (b).

18 (e) The board of trustees shall adopt rules as necessary to  
19 implement this section.

20 SECTION 3. Subchapter B, Chapter 1601, Insurance Code, is  
21 amended by adding Section 1601.064 to read as follows:

22 Sec. 1601.064. CONTRACT RATES FOR PRESCRIPTION DRUGS. A  
23 system shall make available to the public on request the contract  
24 rates paid for prescription drugs under a contract with an  
25 administering carrier or a carrier providing coverage under this  
26 chapter.

27 SECTION 4. (a) The Employees Retirement System of Texas

1 shall develop a plan for the extension of benefits under the group  
2 benefits program under Section 1551.115, Insurance Code, as added  
3 by this Act. The system may employ persons as necessary to  
4 implement this subsection and Section 1551.115.

5 (b) An individual eligible to participate in the group  
6 benefits program under Section 1551.115, Insurance Code, as added  
7 by this Act, is first eligible to participate on the later of  
8 January 1, 2006, or the date that the health benefit plan coverage  
9 held by the individual on September 1, 2005, expires or terminates.

10 SECTION 5. This Act takes effect September 1, 2005.