

By: Williams

S.B. No. 1572

A BILL TO BE ENTITLED

AN ACT

relating to certain health coverage under the Texas Employees Group Benefits Act.

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

SECTION 1. Section 1551.104(a), Insurance Code, is amended to read as follows:

(a) Subject to Sections 1551.101 and 1551.102, each full-time employee is covered automatically by the basic coverage plan for employees and each annuitant is covered by the basic coverage plan for annuitants unless:

(1) participation is specifically waived as provided by Section 1551.1045;

(2) the employee or annuitant is expelled from the program under Section 1551.351; or

(3) eligibility is otherwise limited by this chapter.

SECTION 2. Subchapter C, Chapter 1551, Insurance Code, is amended by adding Section 1551.1045 to read as follows:

Sec. 1551.1045. WAIVER. (a) Subject to Subsection (b), an employee or annuitant may waive in writing any coverage provided under this chapter.

(b) To waive coverage under the basic coverage plan, a full-time employee must demonstrate, in the manner required by the board of trustees, that the employee is covered by another health benefit plan that provides substantially equivalent coverage, as

1 determined by the board of trustees, to the coverage provided by the
2 basic coverage plan.

3 SECTION 3. Subchapter E, Chapter 1551, Insurance Code, is
4 amended by adding Sections 1551.221 and 1551.222 to read as
5 follows:

6 Sec. 1551.221. OPTIONAL SUPPLEMENTAL HEALTH COVERAGE FOR
7 INDIVIDUALS ELIGIBLE UNDER TRICARE MILITARY HEALTH SYSTEM. (a)
8 The board of trustees shall offer, as an optional coverage under the
9 group benefits program, a supplemental health coverage program.

10 (b) Under the supplemental health coverage program, an
11 employee who is eligible to participate in the group benefits
12 program and who is also eligible for benefits under the TRICARE
13 Military Health System may elect to receive primary coverage under
14 the TRICARE Military Health System. An employee participating in
15 the supplemental health coverage program does not receive basic
16 coverage through the group benefits program, but receives
17 supplemental health coverage under this section.

18 (c) The cost of supplemental health coverage provided under
19 this section may be paid in the same manner as the cost of other
20 optional coverage is paid under Subchapter G.

21 (d) The board of trustees shall contract to purchase the
22 supplemental health coverage in accordance with Sections
23 1551.213-1551.216.

24 (e) The board of trustees may adopt rules to implement this
25 section.

26 Sec. 1551.222. INCENTIVE PAYMENTS. (a) The board of
27 trustees may allow an incentive payment under this section to an

1 employee who elects to:

2 (1) waive coverage under the basic coverage plan for
3 employees as provided by Section 1551.1045(b); or

4 (2) participate in the supplemental health coverage
5 program under Section 1551.221.

6 (b) The incentive payment authorized by this section is in
7 the amount authorized by the General Appropriations Act and may be
8 used by the employee, in the manner prescribed by the board of
9 trustees, only to pay for other group coverage plans provided under
10 the group benefits program, including the supplemental health
11 coverage offered under Section 1551.221.

12 (c) The board of trustees, at the time of initial enrollment
13 in the group benefits program and during subsequent open-enrollment
14 periods, shall inform employees that they may make an election
15 described by Subsection (a), if eligible, and receive any
16 authorized incentive payment.

17 SECTION 4. Subchapter G, Chapter 1551, Insurance Code, is
18 amended by adding Section 1551.324 to read as follows:

19 Sec. 1551.324. REDUCTION IN CONTRIBUTION FOR CERTAIN ACTIVE
20 EMPLOYEES; INCENTIVE PAYMENTS. (a) Notwithstanding any other
21 provision of this subchapter, the state contribution for an
22 employee's coverage under this chapter may be reduced, as provided
23 in the General Appropriations Act, to reflect the reduced cost of
24 coverage for:

25 (1) an employee who elects to receive supplemental
26 health coverage under the program established under Section
27 1551.221; or

1 (2) an employee who elects to waive basic coverage as
2 provided by Section 1551.1045(b).

3 (b) Instead of the full state contribution for an employee
4 who makes an election described by Subsection (a), the state may
5 contribute, as specified by the General Appropriations Act, an
6 amount for the incentive payment authorized by Section 1551.222.

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