

BILL ANALYSIS

H.B. 3470
By: Delisi
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

In the 79th Regular Session, the Texas Legislature approved legislation to facilitate state employees whose prior military service allowed them to access TRICARE health benefits to volunteer to use their TRICARE benefits in lieu of their standard state health care benefits. The State of Texas would assist these employees by offering access to an enhanced TRICARE benefits package. This voluntary arrangement provides financial benefits to both the State of Texas and the employees. However, the program's implementation was delayed to an unanticipated statutory conflict which prevented the Employee Retirement System from awarding the contract.

H.B. 3470 would reconcile the conflict and permit the Employee Retirement System to implement the voluntary program and realize the budgetary savings.

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

H.B. 3470 relates to the program of supplemental health coverage for individuals eligible under the TRICARE military health system offered through the Employees Retirement System of Texas.

H.B. 3470 in SECTION 1 seeks to amend Section 1551.221 of the Texas Insurance Code by amending Subsection (d) and by adding Subsection (d-1). Section 1551.221(d) now states that the board of trustees may: purchase the supplemental health coverage in accordance with Sections 1551.213-1551.216; offer the coverage through an entity that is not an eligible carrier but that is authorized to offer health insurance; or if the board of trustees determines that it would be cost-effective, provide the supplemental health coverage directly from the employees life, accident, and health insurance benefits fund in accordance with Sections 1551.208-1551.212.

Next, H.B. 3470 adds Subsection (d-1) to Section 1551.221 of the Texas Insurance Code. This subsection states that if the board of trustees enters into a contract under Subsection (d), the board may determine that the Employees Retirement System of Texas or any other entity may be named policyholder.

SECTION 2 of H.B. 3470 states that Section 1551.221 of the Texas Insurance Code, as added by Chapter 899, Acts of the 79th Legislature, Regular Session, 2005 is repealed.

SECTION 3 of H.B. 3470 reads that in implementing the voluntary supplemental health coverage program under Section 1551.221 of the Texas Insurance Code, as amended by this Act, the board of trustees of the Employees Retirement System of Texas may enter into a contract based on a request for proposal before the effective date of this Act. An entity seeking to contract with the system under the program is not required to resubmit a proposal if the entity submitted a proposal before the effective date of this Act in response to the request for proposal by the board of trustees. This section expires September 1, 2008.

Finally, SECTION 4 of H.B. 3470 states that this Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2007.

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EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2007.