

BILL ANALYSIS

Senate Research Center
80R17398 AJA-D

S.B. 2040
By: Jackson, Mike
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The percentage of United States adults classified as obese doubled between 1980 and 2000, from 15 percent of the adult population to 31 percent. Morbidly obese males between 25 and 35 have 12 times the chance of dying as men with normal weight, while a morbidly obese adult has one-third the chance of a normal weight person of living to the age of 65. Currently, \$200 million, or 9.1 percent of national health related costs are associated with obesity and obesity related comorbid conditions. The need for coverage for bariatric surgery stems from a 100 percent failure rate of non-surgical treatment for those suffering from morbid obesity.

As proposed, S.B. 2040 authorizes certain state employee benefits to include coverage for bariatric surgery.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subtitle B, Title 6, Government Code, by adding Chapter 672, as follows:

CHAPTER 672. BARIATRIC SURGERY BENEFITS FOR STATE EMPLOYEES

Sec. 672.001. DEFINITION. Defines "state agency."

Sec. 672.002. PROVISION OF BENEFIT. (a) Defines "service."

(b) Authorizes a state agency to use available public funds to provide to an employee of the state agency with at least five years of service coverage for the expenses of bariatric surgical procedures, except as provided by Subsection (c).

(c) Prohibits coverage from being provided to an employee under this section to the extent that coverage is available to the employee under Chapter 1551 (Texas Employees Group Benefits Act), Insurance Code.

SECTION 2. Amends Subchapter E, Chapter 1551, Insurance Code, by adding Section 1551.228, as follows:

Sec. 1551.228. COVERAGE FOR BARIATRIC SURGICAL PROCEDURES. Requires a group health benefit plan offered under the group benefits program to provide an employee with at least five years of services coverage for bariatric surgical procedures that is at least as extensive as the benefit for bariatric surgery provided to Medicare beneficiaries under the National Coverage Determinations Manual published by the Centers for Medicare and Medicaid Services on February 15, 2006.

SECTION 3. (a) Provides that an interim committee is created to study the cost that the state can be expected to incur and the benefits the state can be expected to realize by providing the coverage for bariatric surgical procedures for state employees required by Section 1551.228, Insurance Code, as added by this Act. Requires the committee's study to include, to the extent feasible, a study of the costs incurred and benefits realized by any political subdivision of the

state that has provided benefits for bariatric surgical procedures to the employees of the political subdivision. Requires a political subdivision that provides a benefit described by this subsection to provide the committee with any information related to the provision of those benefits, other than information that would identify the recipient of the benefit.

(b) Provides that the committee is composed of five certain members.

(c) Requires the committee to convene at the call of the presiding officer.

(d) Provides that the committee has all other powers and duties provided to a special or select committee by the rules of the senate and house of representatives, by Subchapter B, Chapter 301, Government Code, and by policies of the senate and house committees on administration.

(e) Entitles the members of the committee to reimbursement for expenses incurred in carrying out the provisions of this Act from the contingent expense fund of the senate and the contingent expense fund of the house of representatives equally in accordance with the rules of the senate and house of representatives and the policies of the senate and house committees on administration.

(f) Requires the committee, not later than January 15, 2009, to report the committee's findings and recommendations to certain elected officials. Requires the committee to include in its recommendations specific statutory changes that appear necessary or advisable from the results of the committee's study under Subsection (a) of this section, including changes to the eligibility requirements or benefit levels under Section 1551.228, Insurance Code, as added by this Act, or the repeal of that section.

(g) Requires certain officials to appoint the members of the interim committee created under this section not later than the 60th day after the effective date of this Act.

(h) Provides that this section expires September 1, 2009.

SECTION 4. Makes application of Section 1551.228, Insurance Code, as added by this Act, prospective beginning with the 2010-2011 plan year.

SECTION 5. Effective date: September 1, 2007.