

Amend SB 654 as follows:

(1) Add the following appropriately numbered SECTION to the bill (page 1, between lines 22 and 23):

SECTION _____. Chapter 175, Local Government Code, is amended by adding Section 175.0015 to read as follows:

Sec. 175.0015. DEFINITION. In this chapter, "early retiree" means a person who retires from county or municipal employment before the person is eligible for federal Medicare benefits.

(2) In SECTION 3 of the bill, in the recital for that section (page 1, lines 23 and 24), strike "Subsections (a) and (b), Section 175.002, Local Government Code, are amended" and substitute "Section 175.002, Local Government Code, is amended by amending Subsections (a) and (b) and adding Subsections (a-1) and (a-2)".

(3) In SECTION 3 of the bill, in amended Section 175.002(a), Local Government Code (page 2, line 5), strike "The" and substitute "Except as provided by Subsections (a-1) and (a-2), the [The]".

(4) In SECTION 3 of the bill, in amended Section 175.002, Local Government Code (page 2, between lines 8 and 9), insert the following:

(a-1) In addition to providing health benefits coverage for early retirees under a group health insurance plan or group health coverage plan offered to active employees, a county or municipality may provide coverage for early retirees under:

(1) a fully insured health benefits plan or a self-insured health benefits plan that is separate from the plans offered to its active employees; or

(2) a group health insurance plan or group health coverage plan offered by a pool established under Chapter 172 or a health benefits plan issuer authorized to do business in this state and designated by the municipality or county as exclusively for early retirees.

(a-2) Participation by an early retiree in the health benefits coverage provided under Subsection (a-1) is at the early retiree's discretion. An early retiree may not be forced to change coverage from a group health insurance plan or group health coverage plan offered to active employees. An early retiree may

elect to return to participation in the active employee group health insurance plans during open enrollment.

(5) In SECTION 4 of the bill, in amended Section 175.003(b), Local Government Code (page 2, line 27, through page 3, line 2), strike "is the same level of coverage provided to current employees of the political subdivision [~~county or municipality~~] at that time." and substitute the following:

is:

(1) for persons other than early retirees who do not choose to use the early retiree health benefits coverage provided under Section 175.002(a-1), the same level of coverage provided to current employees of the political subdivision [~~county or municipality~~] at that time; and

(2) for early retirees, a level of coverage that is comparable to the level of coverage provided to active employees of the political subdivision, as determined by the governing body of the political subdivision for each enrollment period.

(b-1) For purposes of Subsection (b)(2), "comparable" means the health benefits defined in the contract and summary plan description do not limit the choices of the person or the person's health care provider in any way that is not also limited for active employees.

(6) In SECTION 5 of the bill, immediately after Subsection (b) of that section (page 5, between lines 24 and 25), insert the following:

(c) Sections 175.002 and 175.003, Local Government Code, as amended by this Act, apply to a person who retires from county or municipal employment regardless of the date on which the person retires.