

BILL ANALYSIS

C.S.H.B. 2026
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Pensions, Investments & Financial Services
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The percentage of U.S. adults classified as obese doubled between 1980 and 2000. A morbidly obese adult has a 33 percent chance of surviving to 65 years of age as compared to a normal-weight adult. Approximately \$200 million or 9.1 percent of national health-care-related costs are associated with obesity-related conditions. The need for coverage for bariatric surgery stems from the overwhelming failure rate of non-surgical treatment for those suffering from morbid obesity.

The Teacher Retirement System of Texas, Medicaid, and Medicare currently cover bariatric surgery, and a number of employers are investigating or tentatively approving coverage. The health benefit plan currently administered by the Employees Retirement System of Texas does not include coverage for bariatric surgery.

C.S.H.B. 2026 requires the board of trustees of the Employees Retirement System of Texas to develop a plan for providing bariatric surgery coverage for plan members.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the board of trustees of the Employees Retirement System of Texas in SECTION 1 of this bill.

ANALYSIS

C.S.H.B. 2026 amends the Insurance Code to require the board of trustees of the Employees Retirement System of Texas to develop a cost-neutral or cost-positive plan for providing bariatric surgery coverage for eligible employees under the group benefits program. The bill authorizes the board of trustees to adopt rules as necessary to implement this coverage and requires the board of trustees to implement the required plan as soon as practicable, but not later than September 1, 2010.

EFFECTIVE DATE

September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 2026 requires the board of trustees of the Employees Retirement System of Texas to develop a cost-neutral or cost-positive plan for providing bariatric surgery coverage for eligible employees under the group benefits program, grants rulemaking authority to the board of trustees to carry out this requirement, and establishes a date by which the plan must be implemented, whereas the original requires the board of trustees each year to study the issue of providing bariatric surgery coverage under the group benefits program, requires the board of trustees to do a cost analysis on providing this coverage to determine whether the benefit should be provided for the following plan year, and establishes a date by which the first study must be completed.