

By: Bolton

H.B. No. 3963

A BILL TO BE ENTITLED

AN ACT

relating to health benefits coverage provided to persons who retire early from employment by certain counties or municipalities.

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

SECTION 1. 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.

SECTION 2. Section 175.002, Local Government Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) A person to whom this chapter applies is entitled to purchase continued health benefits coverage for the person and the person's dependents as provided by this chapter unless the person is eligible for group health benefits coverage through another employer. Except as provided by Subsection (a-1), the [The] coverage shall be provided under the group health insurance plan or group health coverage plan provided by or through the employing county or municipality to its employees.

(a-1) As an alternative to providing health benefits coverage under a group health insurance plan or group health coverage plan offered to active employees, a county or municipality

1 may provide coverage for early retirees under:

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

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

10 SECTION 3. Section 175.003(b), Local Government Code, is
11 amended to read as follows:

12 (b) Except as provided by Subsections (c) and (d), the level
13 of coverage provided under this chapter at any given time is:

14 (1) for persons other than early retirees, the same
15 level of coverage provided to current employees of the county or
16 municipality at that time; and

17 (2) for early retirees, a level of coverage that is
18 comparable to the level of coverage provided to active employees of
19 the county or municipality, as determined by the commissioners
20 court or governing body of the municipality for each enrollment
21 period.

22 SECTION 4. The changes in law made by this Act to Sections
23 175.002 and 175.003, Local Government Code, apply to a person who
24 retires from county or municipal employment regardless of the date
25 on which the person retires.

26 SECTION 5. This Act takes effect September 1, 2009.