

BILL ANALYSIS

H.B. 3373
By: Murphy
Pensions, Investments & Financial Services
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The state currently pays a significant percentage of the cost of health insurance for dependents of state employees. In recent years, employers in the private sector and other government employers have begun to encourage spouses of employees who are eligible for health insurance elsewhere to obtain that other health insurance. H.B. 3373 seeks to further encourage this practice by reducing the amount of the state contribution for spousal health insurance by 10 percent when a spouse is eligible for health insurance elsewhere but elects to stay on the state plan.

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. 3373 amends the Insurance Code to prohibit the state from contributing more than 90 percent of the amount that the state contributes for group coverage of a participant's dependent under the Texas Employees Group Benefits Act for a spouse who participates in the group benefits program in lieu of participating in another health benefit plan in which the spouse is eligible to participate, including a health benefit plan offered by the spouse's employer. The bill makes its provisions applicable only to group coverage provided under the act for a plan year beginning on or after September 1, 2011. The bill makes a conforming change.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.