

By: Márquez

H.B. No. 1797

A BILL TO BE ENTITLED

AN ACT

relating to coverage for certain individuals under certain health benefit plans offered to governmental employees.

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

SECTION 1. Subchapter A, Chapter 1551, Insurance Code, is amended by adding Section 1551.0041 to read as follows:

Sec. 1551.0041. DEFINITION OF QUALIFIED INDIVIDUAL. In this chapter, "qualified individual" means an individual who is at least 18 years old and unmarried in this state and who is, with respect to an individual eligible to participate in the group benefits program under Section 1551.101, 1551.102, 1551.1021, or 1551.1022:

(1) not related to the eligible individual within the third degree of consanguinity;

(2) financially interdependent with the eligible individual; and

(3) cohabitating with the eligible individual.

SECTION 2. Section 1551.151, Insurance Code, is amended to read as follows:

Sec. 1551.151. ENTITLEMENT TO COVERAGE. An individual who is eligible to participate in the group benefits program under Section 1551.101, 1551.102, 1551.1021, or 1551.1022 is entitled to secure for a dependent of the individual or for a qualified individual any group coverages provided under this chapter, as

determined by the board of trustees and subject to the exceptions provided by this subchapter.

SECTION 3. Subchapter D, Chapter 1551, Insurance Code, is amended by adding Section 1551.1511 to read as follows:

Sec. 1551.1511. PROOF OF QUALIFIED INDIVIDUAL STATUS. The board of trustees may require an individual who secures coverage under this chapter for a qualified individual to provide proof of any two of the following documents:

(1) joint liability of the individuals for a mortgage, lease, or loan;

(2) the designation of one of the individuals as the primary beneficiary under a life insurance policy on the life of the other individual or under a retirement plan of the other individual;

(3) the designation of one of the individuals as the primary beneficiary of the will of the other individual;

(4) a durable power of attorney for health care or financial management granted by one of the individuals to the other individual;

(5) joint ownership or lease by the individuals of a motor vehicle;

(6) a joint checking account, joint investments, or a joint credit account;

(7) a joint renter's or homeowner's insurance policy;

(8) joint responsibility for child care, such as guardianship or school documents; or

(9) a relationship or cohabitation contract.

SECTION 4. Section 1551.310, Insurance Code, is amended to read as follows:

Sec. 1551.310. STATE CONTRIBUTION REQUIRED. (a) The state shall contribute to the cost of each participant's group coverages, including dependents' group coverages, the amounts appropriated for the coverages in the General Appropriations Act.

(b) The state shall pay the same portion of the cost of the required contributions for a qualified individual as this state pays for similar dependent coverage for an employee or annuitant participating in the program.

SECTION 5. Subchapter A, Chapter 1575, Insurance Code, is amended by adding Section 1575.0031 to read as follows:

Sec. 1575.0031. DEFINITION OF QUALIFIED INDIVIDUAL. In this chapter, "qualified individual" means an individual who is at least 18 years old and unmarried in this state and who is, with respect to a retiree:

(1) not related to the retiree within the third degree of consanguinity;

(2) financially interdependent with the retiree; and

(3) cohabitating with the retiree.

SECTION 6. Section 1575.155(a), Insurance Code, is amended to read as follows:

(a) A retiree participating in the group program is entitled to secure for the retiree's dependents or a qualified individual group coverage provided for the retiree under this chapter, as determined by the trustee.

SECTION 7. Subchapter D, Chapter 1575, Insurance Code, is

amended by adding Section 1575.1551 to read as follows:

Sec. 1575.1551. PROOF OF QUALIFIED INDIVIDUAL STATUS. The trustee may require a retiree who secures coverage under this chapter for a qualified individual to provide proof of any two of the following documents:

(1) joint liability of the individuals for a mortgage, lease, or loan;

(2) the designation of one of the individuals as the primary beneficiary under a life insurance policy on the life of the other individual or under a retirement plan of the other individual;

(3) the designation of one of the individuals as the primary beneficiary of the will of the other individual;

(4) a durable power of attorney for health care or financial management granted by one of the individuals to the other individual;

(5) joint ownership or lease by the individuals of a motor vehicle;

(6) a joint checking account, joint investments, or a joint credit account;

(7) a joint renter's or homeowner's insurance policy;

(8) joint responsibility for child care, such as guardianship or school documents; or

(9) a relationship or cohabitation contract.

SECTION 8. Section 1575.201, Insurance Code, is amended by adding Subsection (a-1) and amending Subsection (b) to read as follows:

1        (a-1) The state shall pay the same portion of the cost of the  
2 required contributions for a qualified individual as this state  
3 pays for similar dependent coverage for a retiree participating in  
4 the group program.

5        (b) The trustee shall collect the amount of premium required  
6 for basic coverage under the group program that exceeds the amount  
7 contributed by the state for those individuals described by  
8 Subsections [Subsection] (a)(2) and (a-1).

9        SECTION 9. Subchapter A, Chapter 1579, Insurance Code, is  
10 amended by adding Section 1579.0041 to read as follows:

11        Sec. 1579.0041. DEFINITION OF QUALIFIED INDIVIDUAL. In  
12 this chapter, "qualified individual" means an individual who is at  
13 least 18 years old and unmarried in this state and who is, with  
14 respect to a participating employee:

15                (1) not related to the participating employee within  
16 the third degree of consanguinity;

17                (2) financially interdependent with the participating  
18 employee; and

19                (3) cohabitating with the participating employee.

20        SECTION 10. Section 1579.101(a), Insurance Code, is amended  
21 to read as follows:

22        (a) The trustee by rule shall establish plans of group  
23 coverages for employees participating in the program, and ~~and~~ their  
24 dependents, and qualified individuals.

25        SECTION 11. Subchapter C, Chapter 1579, Insurance Code, is  
26 amended by adding Section 1579.1011 to read as follows:

27        Sec. 1579.1011. PROOF OF QUALIFIED INDIVIDUAL STATUS. The

1 trustee may require an employee who secures coverage under this  
2 chapter for a qualified individual to provide proof of any two of  
3 the following documents:

4 (1) joint liability of the individuals for a mortgage,  
5 lease, or loan;

6 (2) the designation of one of the individuals as the  
7 primary beneficiary under a life insurance policy on the life of the  
8 other individual or under a retirement plan of the other  
9 individual;

10 (3) the designation of one of the individuals as the  
11 primary beneficiary of the will of the other individual;

12 (4) a durable power of attorney for health care or  
13 financial management granted by one of the individuals to the other  
14 individual;

15 (5) joint ownership or lease by the individuals of a  
16 motor vehicle;

17 (6) a joint checking account, joint investments, or a  
18 joint credit account;

19 (7) a joint renter's or homeowner's insurance policy;

20 (8) joint responsibility for child care, such as  
21 guardianship or school documents; or

22 (9) a relationship or cohabitation contract.

23 SECTION 12. Section 1579.203(c), Insurance Code, is amended  
24 to read as follows:

25 (c) If the combined contributions received from the state  
26 and the employing participating entity under Subchapter F exceed  
27 the cost of a coverage plan selected by the employee, the employee

1 may use the excess amount of contributions to obtain coverage under  
2 a higher tier coverage plan or to pay all or part of the cost of  
3 coverage for the employee's dependents or a qualified individual.

4 SECTION 13. Subchapter A, Chapter 1601, Insurance Code, is  
5 amended by adding Section 1601.0041 to read as follows:

6 Sec. 1601.0041. DEFINITION OF QUALIFIED INDIVIDUAL. In  
7 this chapter, "qualified individual" means an individual who is at  
8 least 18 years old and unmarried in this state and who is, with  
9 respect to an individual eligible to participate in the group  
10 benefits program under Section 1601.101, 1601.102, or 1601.1021:

11 (1) not related to the eligible individual within the  
12 third degree of consanguinity;

13 (2) financially interdependent with the eligible  
14 individual; and

15 (3) cohabitating with the eligible individual.

16 SECTION 14. Section 1601.107, Insurance Code, is amended to  
17 read as follows:

18 Sec. 1601.107. COVERAGE FOR DEPENDENTS AND QUALIFIED  
19 INDIVIDUALS. An individual who is eligible to participate in the  
20 uniform program under Section 1601.101, 1601.102, or 1601.1021 is  
21 entitled to secure for a dependent of the individual or for a  
22 qualified individual any group coverages provided under this  
23 chapter for dependents under rules adopted by the applicable  
24 system.

25 SECTION 15. Subchapter C, Chapter 1601, Insurance Code, is  
26 amended by adding Section 1601.1071 to read as follows:

27 Sec. 1601.1071. PROOF OF QUALIFIED INDIVIDUAL STATUS. A

1 system may require an individual who secures coverage under this  
2 chapter for a qualified individual to provide proof of any two of  
3 the following documents:

4 (1) joint liability of the individuals for a mortgage,  
5 lease, or loan;

6 (2) the designation of one of the individuals as the  
7 primary beneficiary under a life insurance policy on the life of the  
8 other individual or under a retirement plan of the other  
9 individual;

10 (3) the designation of one of the individuals as the  
11 primary beneficiary of the will of the other individual;

12 (4) a durable power of attorney for health care or  
13 financial management granted by one of the individuals to the other  
14 individual;

15 (5) joint ownership or lease by the individuals of a  
16 motor vehicle;

17 (6) a joint checking account, joint investments, or a  
18 joint credit account;

19 (7) a joint renter's or homeowner's insurance policy;

20 (8) joint responsibility for child care, such as  
21 guardianship or school documents; or

22 (9) a relationship or cohabitation contract.

23 SECTION 16. Section 1601.201, Insurance Code, is amended by  
24 amending Subsections (b) and (c) and adding Subsection (e) to read  
25 as follows:

26 (b) For an employee designated by the system as working 40  
27 or more hours a week, the system may contribute:



1           (1) the full cost of basic coverage for the employee;  
2 and

3           (2) not more than 50 percent of the cost of dependent  
4 coverage, including the cost of coverage of a qualified individual.

5           (c) For an employee designated by the system as working less  
6 than 40 hours a week, including an individual employed by the system  
7 in a position that as a condition of employment requires the  
8 individual to be enrolled as a student in the system in  
9 graduate-level courses, the system, from money appropriated from  
10 the general revenue fund, may contribute:

11           (1) not more than 50 percent of the cost of basic  
12 coverage for the employee; and

13           (2) not more than 25 percent of the cost of dependent  
14 coverage, including the cost of coverage of a qualified individual.

15           (e) The state shall pay the same portion of the cost of the  
16 required contributions for a qualified individual as this state  
17 pays for similar dependent coverage for an employee participating  
18 in the program.

19           SECTION 17. As soon as practicable after the effective date  
20 of this Act, but not later than January 1, 2016, The University of  
21 Texas System, The Texas A&M University System, the board of  
22 trustees of the Teacher Retirement System of Texas, and the board of  
23 trustees of the Employees Retirement System of Texas shall adopt  
24 rules necessary to implement the changes in law made by this Act.

25           SECTION 18. The changes in law made by this Act apply only  
26 to health benefit plans provided under Chapters 1551, 1575, 1579,  
27 and 1601, Insurance Code, beginning with the 2016-2017 plan year. A

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1 plan year before 2016-2017 is governed by the law as it existed  
2 immediately before September 1, 2015, and that law is continued in  
3 effect for that purpose.

4 SECTION 19. This Act takes effect September 1, 2015.