

# SENATE AMENDMENTS

2<sup>nd</sup> Printing

By: King of Parker, Fallon, Flynn

H.B. No. 2123

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to participation of the state military forces in the state  
3 group benefits program.

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

5 SECTION 1. Section 437.212, Government Code, is amended by  
6 amending Subsections (f) and (g) and adding Subsections (g-1),  
7 (g-2), and (g-3) to read as follows:

8 (f) A member of the state military forces [~~volunteer in the~~  
9 ~~Texas State Guard~~] who is not a full-time or part-time state  
10 employee and who has been on state active duty or on state training  
11 or other duty for more than 60 [~~90~~] days is, notwithstanding Section  
12 1551.1055, Insurance Code, eligible to participate in the state  
13 group benefits program under Chapter 1551, Insurance Code, to  
14 purchase health or dental insurance coverage, subject to the  
15 following requirements:

16 (1) the participant must be a member of the state  
17 military forces [~~Texas State Guard~~] at the time of enrollment in the  
18 group benefits program;

19 (2) the participant must pay the full cost of health or  
20 dental insurance coverage under the group benefits program [~~and may~~  
21 ~~not receive a state contribution for premiums~~]; and

22 (3) an application under this subsection for group  
23 benefit health or dental insurance coverage must be submitted in  
24 accordance with procedures established by the Employees Retirement

1 System of Texas.

2 (g) The adjutant general and the Employees Retirement  
3 System of Texas shall coordinate and consult to implement the  
4 benefits program provided by Subsection (f) and shall adopt a  
5 memorandum of understanding to establish:

6 (1) the procedures that a member of the state military  
7 forces [~~Texas State Guard~~] may use to elect to participate in the  
8 state group benefits program; and

9 (2) an appropriate method to annually confirm  
10 continuing eligibility to participate in the group benefits  
11 program.

12 (g-1) A member of the state military forces described by  
13 Subsection (f) is eligible to receive a stipend to be paid by the  
14 department in an amount to be determined by the department under  
15 Subsection (g-3) for each month following the 60th day that the  
16 member:

17 (1) is on state active duty or on state training or  
18 other duty; and

19 (2) subject to verification by the adjutant general as  
20 provided by Section 437.2121, pays the full cost of health or dental  
21 insurance coverage under:

22 (A) the state group benefits program;

23 (B) a government-funded health or dental  
24 insurance plan; or

25 (C) a private or nongovernmental health or dental  
26 insurance plan for which the member is required to pay premiums.

27 (g-2) A member of the state military forces who is eligible

1 to receive a stipend under Subsection (g-1) must notify the  
2 adjutant general of the member's health or dental insurance  
3 coverage by submitting the authorization form specified by Section  
4 437.2121. The adjutant general may adopt rules to implement and  
5 administer this subsection, including rules that prescribe the  
6 procedure a member must follow to submit an executed authorization  
7 form and the amount of time a member has to submit the authorization  
8 form. The comptroller may consult with the adjutant general to  
9 adopt rules governing the manner in which an eligible member may  
10 receive a stipend.

11 (g-3) A stipend paid to a member of the Texas National Guard  
12 may not exceed the amount of the member's TRICARE premium or an  
13 amount equal to that premium to be applied toward the member's  
14 private or nongovernmental insurance plan. A stipend paid to a  
15 member of the Texas State Guard or other member of a military force  
16 organized under state law may not exceed the amount of the member's  
17 health or dental insurance plan premium determined by the premium  
18 amount associated with the state group benefits program or an  
19 amount equal to that premium to be applied toward the member's  
20 private or nongovernmental insurance plan.

21 SECTION 2. Subchapter E, Chapter 437, Government Code, is  
22 amended by adding Section 437.2121 to read as follows:

23 Sec. 437.2121. AUTHORIZATION FORM FOR RELEASE OF PROTECTED  
24 HEALTH INFORMATION. (a) A member of the state military forces who  
25 meets the eligibility requirements under Section 437.212(g-1) may  
26 not receive a stipend under that section unless the member submits  
27 to the adjutant general the authorization form specified by this

1 section. The adjutant general must verify that the member has paid  
2 the full cost of the member's health or dental insurance coverage  
3 before the department may issue a stipend to the member.

4 (b) The authorization form specified by this section may not  
5 be altered or modified. A member who alters or modifies the  
6 authorization form, or who revokes an executed authorization, may  
7 not receive a stipend to which the member may otherwise be eligible  
8 until 60 days following receipt by the adjutant general of a newly  
9 executed authorization form.

10 (c) The authorization form required by this section shall be  
11 in the following form and shall be construed in accordance with the  
12 Standards for Privacy of Individually Identifiable Health  
13 Information (45 C.F.R. Parts 160 and 164):

14 AUTHORIZATION FORM FOR RELEASE OF PROTECTED HEALTH INFORMATION

15 A. I, \_\_\_\_\_ (name of state military forces member or  
16 authorized representative), hereby authorize \_\_\_\_\_ (name of  
17 health or dental insurance coverage provider to whom the  
18 authorization form is directed) to obtain and disclose (within the  
19 parameters set out below) the protected health information  
20 described below for the purpose of verifying that \_\_\_\_\_ (name  
21 of state military forces member), as a member of the state military  
22 forces called to state active duty or on state training or other  
23 duty for more than 60 days, is eligible for a stipend as provided by  
24 Section 437.212, Government Code.

25 B. The health information to be obtained, used, or disclosed  
26 extends to and includes the verbal as well as the written and is  
27 specifically described as all records documenting payment of health

1 or dental insurance coverage premiums by \_\_\_\_\_ (name of state  
2 military forces member), including information related to the  
3 eligibility for coverage, dates of coverage, billing, payments  
4 received, and termination of coverage.

5 C. The persons or class of persons to whom the health  
6 information of \_\_\_\_\_ (state military forces member) will be  
7 disclosed or who will make use of said information are:

8 1. The adjutant general of the state military forces;

9 2. Any agent, contractor, or staff of the state  
10 military forces, including secretarial, clerical, accounting,  
11 information technology, or administrative staff, designated by the  
12 adjutant general to assist with the determination of eligibility  
13 for a stipend or the processing or issuing of stipends;

14 3. The comptroller;

15 4. Any agent, contractor, or staff of the comptroller  
16 designated by the comptroller to assist with the determination of  
17 eligibility for a stipend or the processing or issuing of stipends.

18 D. This authorization shall expire on the discharge of the  
19 member from the state military forces.

20 E. I understand that, without exception, I have the right to  
21 revoke this authorization by providing written notice to a person  
22 or class of persons designated by the adjutant general. I further  
23 understand the consequence of any such revocation as set out in  
24 Section 437.2121, Government Code.

25 F. I understand that the signing of this authorization is  
26 not a condition for continued treatment, payment, enrollment, or  
27 eligibility for health plan benefits.

1        G. I understand that information used or disclosed under  
2 this authorization may be subject to redisclosure by the recipient  
3 and may no longer be protected by federal HIPAA privacy  
4 regulations.

5        Signature of state military forces member/representative

6        \_\_\_\_\_

7        Date

8        \_\_\_\_\_

9        Name of state military forces member/representative

10       \_\_\_\_\_

11       Description of representative's authority

12       \_\_\_\_\_

13       SECTION 3. This Act takes effect January 1, 2016.

# ADOPTED

MAY 25 2015

FLOOR AMENDMENT NO. 1

*Atty. Gen. B.:*  
Secretary of the Senate

*Chad Perry*

1 Amend H.B. No. 2123 (senate committee report) as follows:

2 (1) In the recital to SECTION 1 of the bill (page 1, lines  
3 24 and 25), strike "Subsections (g-1), (g-2), and (g-3)" and  
4 substitute "Subsection (f-1)".

5 (2) In SECTION 1 of the bill, strike amended Section  
6 437.212(f), Government Code (page 1, lines 26-43), and  
7 substitute the following:

8 (f) A member of the state military forces [~~volunteer in~~  
9 ~~the Texas State Guard~~] who is not a full-time or part-time state  
10 employee and who has been on state active duty or on state  
11 training or other duty for more than 60 [~~90~~] days is,  
12 notwithstanding Section 1551.1055, Insurance Code, eligible to  
13 participate in the state group benefits program under Chapter  
14 1551, Insurance Code, and is considered to be a full-time state  
15 employee for the purposes of that chapter, including the receipt  
16 of a full state contribution for [~~to purchase health or dental~~]  
17 insurance coverage, subject to Subsection (f-1) and the  
18 following requirements:

19 (1) the participant must be a member of the state  
20 military forces [~~Texas State Guard~~] at the time of enrollment in  
21 the group benefits program; and

22 (2) [~~the participant must pay the full cost of health~~  
23 ~~or dental insurance coverage under the group benefits program~~  
24 ~~and may not receive a state contribution for premiums; and~~

25 [~~+~~3] an application under this subsection for [~~group~~  
26 ~~benefit health or dental~~] insurance coverage must be submitted  
27 in accordance with procedures established by the Employees  
28 Retirement System of Texas.

29 (3) In SECTION 1 of the bill, immediately following

1 amended Section 437.212(f), Government Code (page 1, between  
2 lines 43 and 44), insert the following:

3 (f-1) The department shall require payment of the cost  
4 associated with paying the state contribution of a member of the  
5 state military forces who elects to participate in the state  
6 group benefits program under Subsection (f) by the person  
7 responsible for paying for the mission for which the member is  
8 on state active duty or state training and other duty. On  
9 receipt of payment, the department shall reimburse the board of  
10 trustees of the Employees Retirement System of Texas for that  
11 cost.

12 (4) In SECTION 1 of the bill, in amended Section 437.212,  
13 Government Code, strike page 1, line 50, through page 2, line  
14 28, and substitute the following:

15 state group benefits program; ~~and~~

16 (2) an appropriate method to annually confirm  
17 continuing eligibility to participate in the group benefits  
18 program; and

19 (3) an appropriate method of administering the  
20 reimbursement of the state contribution as required by  
21 Subsection (f-1).

22 (5) Strike SECTION 2 of the bill, adding proposed Section  
23 437.2121, Government Code (page 2, line 29, through page 3, line  
24 32).

25. (6) Renumber the SECTIONS of the bill accordingly.



LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 27, 2015

**TO:** Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB2123** by King, Phil (Relating to participation of the state military forces in the state group benefits program.), **As Passed 2nd House**

The fiscal implications of the bill cannot be determined at this time due to the unavailability of data regarding the number of members of Texas military forces that would be called to active duty for longer than 60 days. Furthermore, data for the number of service members that already have insurance coverage and would not participate in the state group benefits program is not available.

The bill would amend the Government Code to provide the full state contribution for insurance coverage with the Employees Retirement System (ERS) Group Benefits Program for Texas military forces called to state active duty or other duty that serve beyond 60 days. The bill would require ERS to provide the benefits and the Texas Military Department to reimburse the state contribution for the benefits after receiving payment from the person responsible for paying for the mission for which the member is on state active duty or state training if the member elects to participate in the Group Benefits Program. ERS and TMD indicate that any costs associated with the bill could be absorbed within existing agency resources.

The bill would pertain only to long term missions. Currently, the only military mission longer than 60 days is the current Operation Strong Safety II mission, for which the National Guard has been deployed since July 2014. TMD has estimated 725 service members as the average number of service members on mission longer than 60 days but this is based on only one mission. TMD has no information on the number of service members who would likely opt in for health insurance coverage. Though the fiscal impact to TMD would not be significant since the bill's provisions state that the person responsible for paying for the mission for which the service members are on state active duty or other duty would pay the cost of health insurance coverage to TMD, the fiscal impact of the bill cannot be determined as future mission length, number of service members deployed, and number of service members who would opt in for the health insurance cannot be determined.

Although the fiscal impact cannot be determined, the overall cost of the reimbursement would be based on the state portion of premium cost of insurance coverage for the HealthSelect program at ERS. According to ERS, the state cost of Plan Year 2015 Premium Rate for a full-time employee electing medical insurance coverage from HealthSelect of Texas is \$537.66 per month for employee only coverage, \$845.54 per month for employee and spouse coverage, \$743.80 per month for employee and child(ren) coverage, and \$1,051.68 per month for employee and family coverage.

## **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 327 Employees Retirement System, 401 Military Department

**LBB Staff:** UP, AG, AI, RCa, FR, EMo

**LEGISLATIVE BUDGET BOARD**  
Austin, Texas

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**May 21, 2015**

**TO:** Honorable Joan Huffman, Chair, Senate Committee on State Affairs

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB2123** by King, Phil (Relating to participation of the state military forces in the state group benefits program.), **As Engrossed**

The fiscal implications of the bill cannot be determined at this time due to the unavailability of data regarding the number of members of active military forces that would be called to state active duty for longer than 60 days and the length of time service members would remain on state active duty, which would determine eligibility to receive the healthcare insurance stipend each month. Furthermore, data for the number of service members that would seek the stipend is not available.

The bill would amend the Government Code to require the Texas Military Department (TMD) to provide a stipend for healthcare insurance for Texas military forces service members who have served on active duty for longer than 60 consecutive days, after verification that the member has paid the full cost of the member's health or dental insurance coverage and submitted a release of healthcare information authorization form. The stipend for National Guard members would be not greater than the member's military affiliated healthcare insurance premium or an amount equal to that premium to be applied toward the member's private or nongovernmental insurance plan, and the stipend for State Guard members would not be greater than the premium of the state group benefits program or an amount equal to that premium to be applied toward the member's private or nongovernmental insurance plan.

The bill would pertain only to long term missions. Currently, the only military mission longer than 60 days is the current Operation Strong Safety II mission, for which the National Guard has been deployed since July 2014. TMD estimated 725 service members as the average number of service members on mission longer than 60 days but this is based on only one mission. TMD has no information on the number of service members who would likely pay for health insurance coverage and seek the stipend. The impact to TMD cannot be determined as future mission length, number of service members deployed, and number of service members who would seek the health insurance stipend cannot be determined.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 327 Employees Retirement System, 401 Military Department

**LBB Staff:** UP, AG, AI, RCa, FR, EMO

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**April 20, 2015**

**TO:** Honorable Susan Lewis King, Chair, House Committee on Defense & Veterans' Affairs

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB2123** by King, Phil (Relating to participation of the state military forces in the state group benefits program.), **Committee Report 1st House, Substituted**

The fiscal implications of the bill cannot be determined at this time due to the unavailability of data regarding the number of members of active military forces that would be called to active duty for longer than 60 days. Furthermore, data for the number of service members that already have insurance coverage and would not participate in the state group benefits program is not available.

The bill would amend the Government Code to provide the full state contribution for insurance coverage with the Employees Retirement System (ERS) Group Benefits Program for state military forces called to active duty that serve beyond 60 days. The bill would also require the cost of the state contribution to be reimbursed to the ERS Board of Trustees by the Texas Military Department (TMD), if the member elects to participate in the Group Benefits Program. ERS indicates that any costs associated with the bill could be absorbed within existing agency resources.

The bill would pertain only to long term missions. Currently, the only military mission longer than 60 days is the current Operation Strong Safety II mission, for which the National Guard has been deployed since June 2014. TMD estimated 725 service members as the average number of service members on mission longer than 60 days but this is based on only one mission. TMD has no information on the number of service members who would likely opt in for health insurance coverage. The impact to TMD cannot be determined as future mission length, number of service members deployed, and number of service members who would opt in for the health insurance cannot be determined.

Although the fiscal impact to TMD cannot be determined, the overall cost of the reimbursement would be based on the state portion of premium cost of insurance coverage for the HealthSelect program at ERS. According to ERS, the state cost of Plan Year 2015 Premium Rate for a full-time employee electing medical insurance coverage from HealthSelect of Texas is \$537.66 per month for employee only coverage, \$845.54 per month for employee and spouse coverage, \$743.80 per month for employee and child(ren) coverage, and \$1,051.68 per month for employee and family coverage.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 327 Employees Retirement System, 401 Military Department

**LBB Staff:** UP, FR, AI, EMo

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**March 24, 2015**

**TO:** Honorable Susan Lewis King, Chair, House Committee on Defense & Veterans' Affairs

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB2123** by King, Phil (Relating to participation of the state military forces in the state group benefits program.), **As Introduced**

The fiscal implications of the bill cannot be determined at this time due to the unavailability of data regarding the number of members of active military forces that would be called to active duty for longer than 60 days. Furthermore, data for the number of service members that already have insurance coverage and would not participate in the state group benefits program is not available.

The bill would amend the Government Code to provide the full state contribution for insurance coverage with the Employees Retirement System (ERS) Group Benefits Program for state military forces called to active duty that serve beyond 60 days. The bill would also require the division of military forces within the Texas Military Department (TMD) to reimburse the cost of the state contribution to the ERS Board of Trustees, if the member elects to participate in the Group Benefits Program. ERS indicates that any costs associated with the bill could be absorbed within existing agency resources.

The bill would pertain only to long term missions. Currently, the only military mission longer than 60 days is the current Operation Strong Safety II mission, for which the National Guard has been deployed since June 2014. TMD estimated 725 service members as the average number of service members on mission longer than 60 days but this is based on only one mission. TMD has no information on the number of service members who would likely opt in for health insurance coverage. The impact to the TMD cannot be determined as future mission length, number of service members deployed, and number of service members who would opt in for the health insurance cannot be determined.

Although the fiscal impact to the Texas Military Department cannot be determined, the overall cost of the reimbursement would be based on the state portion of premium cost of insurance coverage for the HealthSelect program at ERS. According to ERS, the state cost of Plan Year 2015 Premium Rate for a full-time employee electing medical insurance coverage from HealthSelect of Texas is \$537.66 per month for employee only coverage, \$845.54 per month for employee and spouse coverage, \$743.80 per month for employee and child(ren) coverage, and \$1,051.68 per month for employee and family coverage.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 327 Employees Retirement System, 401 Military Department

**LBB Staff:** UP, FR, AI, EMO