

By: Gooden

H.B. No. 151

A BILL TO BE ENTITLED

AN ACT

relating to the administration of certain group benefits by the Teacher Retirement System of Texas; making an appropriation.

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

SECTION 1. Subchapter G, Chapter 1575, Insurance Code, is amended by adding Section 1575.307 to read as follows:

Sec. 1575.307. CERTAIN MONEY APPROPRIATED TO FUND. (a) Notwithstanding Section 1575.303 and subject to Subsections (b) and (c), the trustee shall use the money appropriated to the fund by the Act enacting this section to:

(1) reduce deductibles for health benefit plan coverage provided under a basic plan;

(2) provide some level of first-dollar coverage for prescription drugs;

(3) provide subsidies for the contributions required for:

(A) coverage for retirees, dependents, surviving spouses, or surviving dependent children who are eligible for Medicare; or

(B) dependent coverage; or

(4) otherwise reduce out-of-pocket costs for health benefit plan coverage provided under the group program.

(b) The trustee shall use \$250 million of the appropriation described by Subsection (a) for each of the following plan years:

1 2018, 2019, 2020, and 2021.

2 (c) The trustee may not use the appropriated money described  
3 by Subsection (a):

4 (1) to offset the amount of the required state  
5 contribution under Section 1575.201 or 1575.202, the active  
6 employee contribution under Section 1575.203, or the public school  
7 contribution under Section 1575.204; or

8 (2) for any purpose not authorized by Subsection (a).

9 (d) The trustee shall consult with actuaries to determine  
10 how to discharge the trustee's obligations under this section for  
11 each plan year. The trustee may allow and consider public comment  
12 regarding the use of the appropriated money described by Subsection  
13 (a) for purposes of this section.

14 (e) Not later than December 1 of each year, the trustee  
15 shall prepare a report detailing the trustee's intended use of the  
16 appropriated money described by Subsection (a) for the following  
17 plan year and submit the report to the governor, the lieutenant  
18 governor, the speaker of the house of representatives, the chair of  
19 the Senate Committee on State Affairs, the chair of the House  
20 Committee on Pensions, the chair of the Senate Committee on  
21 Finance, the chair of the House Committee on Appropriations, and  
22 the Legislative Budget Board.

23 (f) This section expires December 31, 2023.

24 SECTION 2. Section 1575.452, Insurance Code, is amended to  
25 read as follows:

26 Sec. 1575.452. ANNUAL REPORTS [~~REPORT~~]. (a) Not later than  
27 the 180th day after the last day of each state fiscal year, the

1 trustee shall submit a written report to the department concerning  
2 the group coverages provided to and the benefits and services being  
3 received by individuals covered under this chapter.

4 (b) Each year, the trustee shall prepare a written report  
5 containing:

6 (1) projected health care cost trends and predicted  
7 expenses related to group coverages and the group program for the  
8 following plan year;

9 (2) information relevant to determining cost  
10 increases for the group program, including claims history, medical  
11 utilization, pharmacy cost information, and network discounts  
12 applied to the group program; and

13 (3) estimates of the effect on the funding sufficiency  
14 of the group program of an increase in the state contribution under  
15 Section 1575.202 to 2 percent, 2.25 percent, 2.5 percent, 2.75  
16 percent, and 3 percent of the salary of each active employee.

17 (c) Not later than December 1 of each year, the trustee  
18 shall submit the report described by Subsection (b) to the  
19 governor, the lieutenant governor, the speaker of the house of  
20 representatives, the chair of the Senate Committee on State  
21 Affairs, the chair of the House Committee on Pensions, the chair of  
22 the Senate Committee on Finance, the chair of the House Committee on  
23 Appropriations, and the Legislative Budget Board.

24 SECTION 3. (a) In this section:

25 (1) "Active employee" has the meaning assigned by  
26 Section 1575.002, Insurance Code.

27 (2) "Dependent," "surviving dependent child," and

1 "surviving spouse" have the meanings assigned by Section 1575.003,  
2 Insurance Code.

3 (3) "Retiree" has the meaning assigned by Section  
4 1575.004, Insurance Code.

5 (b) The Teacher Retirement System of Texas shall conduct a  
6 study of the feasibility of:

7 (1) combining into a single group health benefit plan  
8 active employees, retirees, dependents, surviving spouses, and  
9 surviving dependent children who are not eligible to enroll in  
10 Medicare; and

11 (2) creating a group health benefit plan for active  
12 employees, retirees, dependents, surviving spouses, and surviving  
13 dependent children who are eligible to enroll in Medicare.

14 (c) Not later than January 1, 2019, the Teacher Retirement  
15 System of Texas shall prepare and submit a report of the results of  
16 the study conducted under Subsection (a) of this section together  
17 with recommendations for legislation, if appropriate, to the  
18 governor, the lieutenant governor, the speaker of the house of  
19 representatives, the chair of the Senate Committee on State  
20 Affairs, the chair of the House Committee on Pensions, the chair of  
21 the Senate Committee on Finance, the chair of the House Committee on  
22 Appropriations, and the Legislative Budget Board.

23 SECTION 4. The amount of \$1 billion is appropriated from the  
24 economic stabilization fund to the retired school employees group  
25 insurance fund established under Section 1575.301, Insurance Code,  
26 for distribution by the Teacher Retirement System of Texas as  
27 provided by Section 1575.307, Insurance Code, as added by this Act.

1 SECTION 5. (a) Subject to Subsection (b) of this section:

2 (1) this Act takes effect immediately if it receives a  
3 vote of two-thirds of all the members elected to each house, as  
4 provided by Section 39, Article III, Texas Constitution; and

5 (2) if this Act does not receive the vote necessary for  
6 immediate effect, this Act takes effect on the 91st day after the  
7 last day of the legislative session.

8 (b) This Act takes effect only if it receives a vote of  
9 two-thirds of the members present in each house of the legislature,  
10 as provided by Section 49-g(m), Article III, Texas Constitution.