

By: Huffman

S.B. No. 789

A BILL TO BE ENTITLED

AN ACT

relating to the administration of and benefits payable under the Texas School Employees Uniform Group Health Coverage Act.

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

SECTION 1. Section 1579.002(4), Insurance Code, is amended to read as follows:

(4) "Health coverage plan" means any ~~[group policy or contract, hospital service agreement, health maintenance organization agreement, preferred provider arrangement, or any similar]~~ group arrangement to provide health care benefits or to pay or reimburse ~~[or any combination of those policies, contracts, agreements, or arrangements that provides for, pays for, or reimburses]~~ expenses for health care services.

SECTION 2. Subchapter A, Chapter 1579, Insurance Code, is amended by adding Section 1579.0025 to read as follows:

Sec. 1579.0025. REFERENCES TO PRIMARY CARE COVERAGE PLAN.
A reference in this code to a "primary care coverage plan" under this chapter means the health coverage plan provided under Section 1579.101.

SECTION 3. The heading to Subchapter C, Chapter 1579, Insurance Code, is amended to read as follows:

SUBCHAPTER C. COVERAGES; HEALTH SAVINGS ACCOUNTS

SECTION 4. The heading to Section 1579.101, Insurance Code, is amended to read as follows:

1 Sec. 1579.101. HEALTH COVERAGE PLAN [~~PLANS OF GROUP~~
2 ~~COVERAGES~~].

3 SECTION 5. Section 1579.101(a), Insurance Code, is amended
4 to read as follows:

5 (a) The trustee [~~by rule~~] shall establish or contract for
6 and make available a high deductible health coverage plan to be
7 offered to eligible [~~plans of group coverages for~~] employees of all
8 participating entities [~~in the program~~] and their eligible
9 dependents and that provides for, pays for, or reimburses expenses
10 for health care services that the trustee considers advisable.

11 SECTION 6. Subchapter C, Chapter 1579, Insurance Code, is
12 amended by adding Section 1579.109 to read as follows:

13 Sec. 1579.109. HEALTH SAVINGS ACCOUNT PROGRAM. The trustee
14 may establish or contract for and make available a health savings
15 account program to be offered to eligible employees and their
16 eligible dependents.

17 SECTION 7. Subchapter D, Chapter 1579, Insurance Code, is
18 amended by adding Sections 1579.1511, 1579.1521, and 1579.1531 to
19 read as follows:

20 Sec. 1579.1511. PARTICIPATION OF ENTITIES WITH 1,000 OR
21 FEWER EMPLOYEES. (a) Except as provided by Section 1579.1521(b), a
22 participating entity that had 1,000 or fewer employees on January
23 1, 2017, is required to continue to participate in the program on
24 and after September 1, 2018, unless the participating entity makes
25 a one-time election to discontinue its participation in the program
26 effective September 1, 2018.

27 (b) An entity eligible to become a participating entity that

1 had 1,000 or fewer employees on January 1, 2017, may make a one-time
2 election to participate in the program effective September 1, 2018.

3 (c) An entity otherwise eligible to become a participating
4 entity that is established after January 1, 2017, and has 1,000 or
5 fewer employees on the date the entity begins operating may make a
6 one-time election to participate in the program effective on:

7 (1) the earliest September 1 that occurs after the
8 first anniversary of the date the entity begins operating; or

9 (2) an earlier date if approved by the trustee.

10 (d) An entity otherwise eligible to become a participating
11 entity that had more than 1,000 employees on January 1, 2017, that
12 subsequently has 1,000 or fewer employees for five consecutive
13 years may make a one-time election to participate in the program.

14 (e) The trustee shall prescribe the time and manner for
15 making an election under this section.

16 Sec. 1579.1521. PARTICIPATION OF ENTITIES WITH MORE THAN
17 1,000 EMPLOYEES. (a) An entity that has more than 1,000 employees
18 on January 1, 2017, may not participate in the program on or after
19 September 1, 2018.

20 (b) An entity that continued to participate in or elected to
21 participate in the program under Section 1579.1511 that
22 subsequently has more than 1,000 employees for five consecutive
23 years may not continue to participate in the program. The trustee
24 shall prescribe the time and manner of a participating entity's
25 exit from the program under this subsection.

26 Sec. 1579.1531. PARTICIPATION BY ENTITIES IN RISK POOLS.

27 (a) For purposes of determining the number of employees of an

1 entity for purposes of Sections 1579.1511 and 1579.1521, members of
2 a risk pool established under Chapter 172, Local Government Code,
3 as provided by Section 22.004, Education Code, may elect to be
4 treated as a single unit by notifying the trustee in the time and
5 manner prescribed by the trustee.

6 (b) Entities that make an election under this section,
7 acting as a risk pool, have the same rights and are subject to the
8 same restrictions under Sections 1579.1511 and 1579.1521 as an
9 entity that does not make an election under this section.

10 SECTION 8. Section 1579.202(b), Insurance Code, is amended
11 to read as follows:

12 (b) An employee described by Subsection (a) who applies for
13 coverage during an open enrollment period prescribed by the trustee
14 is automatically covered by the health [~~catastrophic care~~] coverage
15 plan provided under Section 1579.101 unless the employee[+]

16 [~~(1) specifically waives coverage under this chapter,~~
17 [~~(2) selects a higher tier coverage plan, or~~
18 [~~(3)~~] is expelled from the program.

19 SECTION 9. Sections 1579.203(a) and (c), Insurance Code,
20 are amended to read as follows:

21 (a) A participating employee may select coverage in the
22 health [~~any~~] coverage plan offered by the trustee.

23 (c) If the combined contributions received from the state
24 and the employing participating entity under Subchapter F exceed
25 the cost of the [~~a~~] coverage for [~~plan selected by~~] the employee,
26 the employee may use the excess amount of contributions to [~~obtain~~
27 ~~coverage under a higher tier coverage plan or to~~] pay all or part of

1 the cost of coverage for the employee's dependents.

2 SECTION 10. Section 1579.204, Insurance Code, is amended to
3 read as follows:

4 Sec. 1579.204. CERTAIN PART-TIME EMPLOYEES. A part-time
5 employee of a participating entity who is not a participating
6 member in the Teacher Retirement System of Texas is eligible to
7 participate in the program only if the employee pays all of the
8 premiums and other costs associated with the ~~[health]~~ coverage for
9 ~~[plan selected by]~~ the employee under the program.

10 SECTION 11. Section 1579.205, Insurance Code, is amended to
11 read as follows:

12 Sec. 1579.205. PAYMENT BY PARTICIPATING ENTITY.
13 Notwithstanding Section 1579.204, a participating entity may pay
14 any portion of what otherwise would be the employee share of
15 premiums and other costs associated with the coverage for ~~[selected~~
16 ~~by]~~ the employee under the program.

17 SECTION 12. Section 1579.253, Insurance Code, is amended to
18 read as follows:

19 Sec. 1579.253. CONTRIBUTION BY EMPLOYEE. (a) An employee
20 covered by the program shall pay that portion of the cost of
21 coverage for ~~[selected by]~~ the employee and the employee's enrolled
22 dependents that exceeds the amount of the state contribution under
23 Section 1579.251 and the participating entity contribution under
24 Section 1579.252.

25 (b) The employee may pay the employee's contribution under
26 this section ~~[subsection]~~ from the amount distributed to the
27 employee under Subchapter D, Chapter 22, Education Code.

1 (c) Notwithstanding Subsection (a), a participating entity
2 may pay any portion of what otherwise would be the employee share of
3 premiums and other costs associated with the coverage for [~~selected~~
4 ~~by~~] the employee.

5 SECTION 13. The following provisions of the Insurance Code
6 are repealed:

7 (1) Sections 1579.101(b), (c), and (d);

8 (2) Sections 1579.102, 1579.151, 1579.152, and
9 1579.153;

10 (3) Section 1579.154(b); and

11 (4) Section 1579.203(b).

12 SECTION 14. The changes in law made by this Act apply only
13 to health coverage provided under Chapter 1579, Insurance Code,
14 beginning with the 2018 plan year. A plan year before the 2018 plan
15 year is governed by the law as it existed immediately before the
16 effective date of this Act, and that law is continued in effect for
17 that purpose.

18 SECTION 15. This Act takes effect September 1, 2017.