

# SENATE AMENDMENTS

2<sup>nd</sup> Printing

By: Ashby, Zerwas, Huberty, Bernal,  
Bonnen of Brazoria, et al.

H.B. No. 3976

A BILL TO BE ENTITLED

AN ACT

relating to the administration of and benefits payable under the  
Texas Public School Retired Employees Group Benefits Act.

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

SECTION 1. Section 1575.002, Insurance Code, is amended by  
amending Subdivision (5) and adding Subdivisions (5-a) and (5-b) to  
read as follows:

(5) "Health benefit plan" means any ~~[a group insurance  
policy, contract, or certificate, medical or hospital service  
agreement, membership or subscription contract, salary  
continuation plan, or similar]~~ group arrangement to provide health  
care benefits ~~[services]~~ or to pay or reimburse expenses for ~~[of]~~  
health care services.

(5-a) "Medicare Advantage plan" means a health benefit  
plan operated under Part C of the Medicare program.

(5-b) "Medicare prescription drug plan" means a health  
benefit plan operated under Part D of the Medicare program.

SECTION 2. Subchapter A, Chapter 1575, Insurance Code, is  
amended by adding Section 1575.0025 to read as follows:

Sec. 1575.0025. REFERENCES TO BASIC PLAN. A reference in  
this code to a "basic plan" under this chapter means a health  
benefit plan provided under this chapter other than a Medicare  
Advantage plan or a Medicare prescription drug plan.

SECTION 3. Section 1575.006(a), Insurance Code, is amended

1 to read as follows:

2 (a) The following are exempt from execution, attachment,  
3 garnishment, or any other process:

4 (1) benefit payments, [~~including optional benefits~~  
5 ~~payments,~~] active employee and state contributions, and retiree,  
6 surviving spouse, and surviving dependent child contributions;

7 (2) any rights, benefits, or payments accruing to any  
8 person under this chapter; and

9 (3) any money in the fund.

10 SECTION 4. Section 1575.052(a), Insurance Code, is amended  
11 to read as follows:

12 (a) The trustee may adopt rules, plans, procedures, and  
13 orders reasonably necessary to implement this chapter, including:

14 (1) minimum benefit and financing standards for group  
15 coverage for retirees, dependents, surviving spouses, and  
16 surviving dependent children;

17 (2) [~~basic and optional~~] group coverage for retirees,  
18 dependents, surviving spouses, and surviving dependent children;

19 (3) procedures for contributions and deductions;

20 (4) periods for enrollment and selection of [~~optional~~]  
21 coverage and procedures for enrolling and exercising options under  
22 the group program;

23 (5) procedures for claims administration;

24 (6) procedures to administer the fund; and

25 (7) a timetable for:

26 (A) developing minimum benefit and financial  
27 standards for group coverage;

(B) establishing health benefit plans offered under the group program [~~plans~~]; and

(C) taking bids and awarding contracts for health benefit plans offered under the group program [~~plans~~].

SECTION 5. Section 1575.152, Insurance Code, is amended to read as follows:

Sec. 1575.152. HEALTH BENEFIT [~~BASIC~~] PLAN MUST COVER PREEXISTING CONDITIONS. A health benefit [~~basic~~] plan offered under the group program, other than a Medicare Advantage plan or a Medicare prescription drug plan, must cover preexisting conditions.

SECTION 6. Section 1575.153, Insurance Code, is amended to read as follows:

Sec. 1575.153. HEALTH BENEFIT PLAN [~~BASIC~~] COVERAGE FOR RETIREES. (a) A retiree who applies for coverage during an enrollment period may not be denied coverage in a health benefit [~~basic~~] plan provided under this chapter for which the retiree is eligible unless the trustee finds under Subchapter K that the retiree defrauded or attempted to defraud the group program.

(b) A retiree who has coverage under a health benefit plan offered under the group program shall pay a monthly contribution, as determined by the trustee.

(c) As a condition of electing coverage under a health benefit plan, the retiree must, in writing, authorize the trustee to deduct the amount of the contribution from the retiree's monthly annuity payment. The trustee shall deduct the contribution in the manner and form determined by the trustee.

1        (d) Notwithstanding Subsection (b), a retiree is not  
2 required to pay a monthly contribution under this section until the  
3 2022 plan year if the retiree:

4            (1) has taken a disability retirement under the  
5 Teacher Retirement System of Texas on or before January 1, 2017;

6            (2) is receiving disability retirement benefits from  
7 the Teacher Retirement System of Texas; and

8            (3) is not eligible to enroll in Medicare.

9        (e) This subsection and Subsection (d) expire at the end of  
10 the 2021 plan year on December 31, 2021.

11        SECTION 7. Section 1575.155(a), Insurance Code, is amended  
12 to read as follows:

13        (a) A retiree participating in the group program is entitled  
14 to secure for the retiree's dependents group coverage [~~provided for~~  
15 ~~the retiree~~] under this chapter for which the dependents are  
16 eligible under this chapter or any other law, including  
17 requirements established [~~, as determined~~] by the trustee.

18        SECTION 8. Section 1575.156, Insurance Code, is amended by  
19 amending Subsection (a) and adding Subsections (c) and (d) to read  
20 as follows:

21        (a) A surviving spouse who is entitled to group coverage  
22 under this chapter may elect to retain or obtain coverage for which  
23 the surviving spouse or dependents of the surviving spouse are  
24 eligible [~~at the applicable rate for the deceased participant~~].

25        (c) A surviving spouse who elects under this section to  
26 retain or obtain coverage under a health benefit plan offered under  
27 the group program for the surviving spouse or dependents of the



1 surviving spouse shall pay a monthly contribution, as determined by  
2 the trustee.

3 (d) As a condition of electing coverage under a health  
4 benefit plan, the surviving spouse must, in writing, authorize the  
5 trustee to deduct the amount of the contribution from the surviving  
6 spouse's monthly annuity payment. The trustee shall deduct the  
7 contribution in the manner and form determined by the trustee.

8 SECTION 9. Section 1575.157, Insurance Code, is amended to  
9 read as follows:

10 Sec. 1575.157. COVERAGE FOR SURVIVING DEPENDENT CHILD. (a)  
11 A surviving dependent child, the guardian of the child's estate, or  
12 the person having custody of the child may elect to retain or obtain  
13 group coverage for which the surviving dependent child is eligible  
14 at the applicable rate for a dependent.

15 (b) A surviving dependent child who has coverage under a  
16 health benefit plan offered under the group program shall pay a  
17 monthly contribution, as determined by the trustee. The applicable  
18 contributions must be provided by the surviving dependent child in  
19 the manner established [~~by Section 1575.205 and~~] by the trustee.

20 SECTION 10. The heading to Section 1575.158, Insurance  
21 Code, is amended to read as follows:

22 Sec. 1575.158. [~~OPTIONAL~~] GROUP HEALTH BENEFIT PLANS  
23 [~~PLAN~~].

24 SECTION 11. Section 1575.158, Insurance Code, is amended by  
25 amending Subsection (a) and adding Subsections (c) and (d) to read  
26 as follows:

27 (a) The [~~Subject to Section 1575.1581, the~~] trustee shall

1 establish or [~~may, in addition to providing a basic plan,~~] contract  
2 for and make available under the group program a high deductible [~~an~~  
3 ~~optional group~~] health [~~benefit~~] plan for retirees, dependents,  
4 surviving spouses, or surviving dependent children who are eligible  
5 under Section 1575.1582.

6 (c) The trustee shall establish or contract for and make  
7 available under the group program a Medicare Advantage plan and a  
8 Medicare prescription drug plan for retirees, dependents,  
9 surviving spouses, and surviving dependent children who are  
10 eligible under Section 1575.1582.

11 (d) Notwithstanding Subsection (c), if the trustee  
12 determines that a Medicare Advantage plan or a Medicare  
13 prescription drug plan is no longer appropriate for the group  
14 program, the trustee may establish or contract for and make  
15 available under the group program other health benefit plans to  
16 provide medical or pharmacy benefits.

17 SECTION 12. Subchapter D, Chapter 1575, Insurance Code, is  
18 amended by adding Section 1575.1582 to read as follows:

19 Sec. 1575.1582. ELIGIBILITY FOR GROUP HEALTH BENEFIT PLANS.

20 (a) A retiree, dependent, surviving spouse, or surviving dependent  
21 child who is not eligible to enroll in Medicare is eligible to  
22 enroll in a high deductible health plan offered under the group  
23 program, subject to any other applicable eligibility requirements,  
24 including requirements established by the trustee, but is not  
25 eligible to enroll in another health benefit plan offered under the  
26 group program.

27 (b) A retiree, dependent, surviving spouse, or surviving

1 dependent child who is eligible to enroll in Medicare is eligible to  
2 enroll in a Medicare Advantage plan or a Medicare prescription drug  
3 plan offered under the group program, subject to any other  
4 applicable eligibility requirements, including requirements  
5 established by the trustee, but is not eligible to enroll in another  
6 health benefit plan offered under the group program unless  
7 authorized by Subsection (c).

8 (c) If the trustee makes another health benefit plan  
9 available under Section 1575.158(d), any individual otherwise  
10 eligible under this section to enroll in a Medicare Advantage plan  
11 or Medicare prescription drug plan is eligible to enroll in that  
12 health benefit plan.

13 SECTION 13. Section 1575.159, Insurance Code, is amended to  
14 read as follows:

15 Sec. 1575.159. COVERAGE FOR PROSTATE-SPECIFIC ANTIGEN  
16 TEST. A health benefit plan offered under the group program, other  
17 than a Medicare Advantage plan or a Medicare prescription drug  
18 plan, must provide coverage for a medically accepted  
19 prostate-specific antigen test used for the detection of prostate  
20 cancer for each male enrolled in the health benefit plan who:

21 (1) is at least 50 years of age; or

22 (2) is at least 40 years of age and:

23 (A) has a family history of prostate cancer; or

24 (B) exhibits another cancer risk factor.

25 SECTION 14. The heading to Section 1575.161, Insurance  
26 Code, is amended to read as follows:

27 Sec. 1575.161. [~~OPEN ENROLLMENT, ADDITIONAL~~] ENROLLMENT

1 PERIODS.

2 SECTION 15. Section 1575.161, Insurance Code, is amended by  
3 amending Subsection (a) and adding Subsection (f) to read as  
4 follows:

5 (a) A retiree eligible for coverage under the group program  
6 may select for the retiree and the retiree's eligible dependents  
7 any coverage provided under this chapter for which each of those  
8 individuals ~~[the person]~~ is otherwise eligible:

9 (1) on any date that is on or after the date the  
10 retiree ~~[person]~~ retires and on or before the 90th day after that  
11 date;

12 (2) during a period beginning on the date the retiree  
13 reaches 65 years of age and ending on a date set by the trustee by  
14 rule; and

15 (3) ~~[(2)]~~ during any other open enrollment periods for  
16 retirees set by the trustee by rule.

17 (f) An individual enrolled in a health benefit plan offered  
18 under the group program may remain enrolled in that health benefit  
19 plan as long as the individual remains eligible for that health  
20 benefit plan. If an individual becomes ineligible for a health  
21 benefit plan in which the individual is enrolled, the trustee shall  
22 enroll the individual in a health benefit plan for which the  
23 individual is eligible, if any, in accordance with procedures  
24 established by the trustee.

25 SECTION 16. Section 1575.164(b), Insurance Code, is amended  
26 to read as follows:

27 (b) A health benefit plan provided under this chapter, other

1 than a Medicare Advantage plan or a Medicare prescription drug  
2 plan, must provide disease management services or coverage for  
3 disease management services in the manner required by the Teacher  
4 Retirement System of Texas, including:

- 5 (1) patient self-management education;
- 6 (2) provider education;
- 7 (3) evidence-based models and minimum standards of  
8 care;
- 9 (4) standardized protocols and participation  
10 criteria; and
- 11 (5) physician-directed or physician-supervised care.

12 SECTION 17. Section 1575.170(b), Insurance Code, is amended  
13 to read as follows:

14 (b) A health benefit plan provided under this chapter, other  
15 than a Medicare Advantage plan or a Medicare prescription drug  
16 plan, that uses a drug formulary in providing a prescription drug  
17 benefit must require prior authorization for coverage of the  
18 following categories of prescribed drugs if the specific drug  
19 prescribed is not included in the formulary:

- 20 (1) a gastrointestinal drug;
- 21 (2) a cholesterol-lowering drug;
- 22 (3) an anti-inflammatory drug;
- 23 (4) an antihistamine; and
- 24 (5) an antidepressant drug.

25 SECTION 18. Section 1575.201, Insurance Code, is amended by  
26 amending Subsection (a) and adding Subsection (c) to read as  
27 follows:

(a) The state through the trustee shall contribute from money in the fund ~~an~~+

~~[(1) the total cost of the basic plan covering each participating retiree, and~~

~~[(2) for each participating dependent, surviving spouse, and surviving dependent child, the]~~ amount prescribed by the General Appropriations Act to cover all or part of the cost for each retiree ~~[of the basic plan covering the dependent]~~, surviving spouse, and surviving dependent child enrolled in a health benefit plan offered under the group program.

(c) The trustee may spend a part of the money received for the group program to offset a part of the costs for dependent coverage if the group program is projected to remain financially solvent during the currently funded biennium.

SECTION 19. Section 1575.202(a), Insurance Code, is amended to read as follows:

(a) Each state fiscal year, the state shall contribute to the fund an amount equal to 1.25 ~~[one]~~ percent of the salary of each active employee.

SECTION 20. Section 1575.210(a), Insurance Code, is amended to read as follows:

(a) Contributions allocated and appropriated under this subchapter for a state fiscal year shall be:

(1) paid ~~[from the general revenue fund]~~ in equal monthly installments;

(2) based on the estimated amount certified by the trustee to the comptroller for that year; and

(3) subject to any express limitations specified in the Act making the appropriation.

SECTION 21. Section 1575.211(a), Insurance Code, is amended to read as follows:

(a) The total costs for the operation of the group program shall be shared among the state, the public schools, the active employees, ~~[and]~~ the retirees, the surviving spouses, and the surviving dependent children in the manner prescribed by the General Appropriations Act.

SECTION 22. Section 1575.212, Insurance Code, is amended by adding Subsection (a-1) and amending Subsection (b) to read as follows:

(a-1) The trustee shall establish and collect payments for the share of total costs allocated under Section 1575.211 to retirees, surviving spouses, and surviving dependent children.

(b) In establishing the payments under Subsection (a-1) ~~[ranges for payment of the share of total costs allocated under Section 1575.211 to retirees]~~, the trustee may consider various factors, including an enrollee's Medicare status, health benefit plan election, and dependent coverage ~~[the years of service credit accrued by a retiree and may reward those retirees with more years of service credit]~~.

SECTION 23. Section 1575.302, Insurance Code, is amended to read as follows:

Sec. 1575.302. PAYMENTS INTO FUND. The following shall be paid into the fund:

(1) contributions from active employees and the

1 state[, ~~including contributions for optional coverages~~];

2 (2) investment income;

3 (3) appropriations for implementation of the group  
4 program; and

5 (4) other money required or authorized to be paid into  
6 the fund.

7 SECTION 24. The following provisions of the Insurance Code  
8 are repealed:

9 (1) Section 1575.103;

10 (2) Section 1575.156(b);

11 (3) Section 1575.158(b);

12 (4) Section 1575.1581;

13 (5) Sections 1575.161(b), (c), (d), and (e);

14 (6) Section 1575.201(b);

15 (7) Section 1575.205;

16 (8) Section 1575.211(b); and

17 (9) Section 1575.212(a).

18 SECTION 25. The changes in law made by this Act apply only  
19 to health benefits provided under Chapter 1575, Insurance Code, as  
20 amended by this Act, beginning with the 2018 plan year. A plan year  
21 before the 2018 plan year is governed by the law as it existed  
22 immediately before the effective date of this Act, and that law is  
23 continued in effect for that purpose.

24 SECTION 26. This Act takes effect September 1, 2017.



ADOPTED

MAY 21 2017

*Leta Spaw*  
Secretary of the Senate

By: Ashby/Hoffman

H.B. No. 3976

Substitute the following for H.B. No. 3976:

By: Garrett Hoffman

C.S. H.B. No. 3976

A BILL TO BE ENTITLED

AN ACT

relating to the administration of and benefits payable under the Texas Public School Retired Employees Group Benefits Act.

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

SECTION 1. Section 1575.002, Insurance Code, is amended by amending Subdivision (5) and adding Subdivisions (5-a) and (5-b) to read as follows:

(5) "Health benefit plan" means any ~~[a group insurance policy, contract, or certificate, medical or hospital service agreement, membership or subscription contract, salary continuation plan, or similar]~~ group arrangement to provide health care benefits ~~[services]~~ or to pay or reimburse expenses for ~~[of]~~ health care services.

(5-a) "Medicare Advantage plan" means a health benefit plan operated under Part C of the Medicare program.

(5-b) "Medicare prescription drug plan" means a health benefit plan operated under Part D of the Medicare program.

SECTION 2. Subchapter A, Chapter 1575, Insurance Code, is amended by adding Section 1575.0025 to read as follows:

Sec. 1575.0025. REFERENCES TO BASIC PLAN. A reference in this code to a "basic plan" under this chapter means a health benefit plan provided under this chapter other than a Medicare Advantage plan or a Medicare prescription drug plan.

SECTION 3. Section 1575.006(a), Insurance Code, is amended

1 to read as follows:

2 (a) The following are exempt from execution, attachment,  
3 garnishment, or any other process:

4 (1) benefit payments, [~~including optional benefits~~  
5 ~~payments,~~] active employee and state contributions, and retiree,  
6 surviving spouse, and surviving dependent child contributions;

7 (2) any rights, benefits, or payments accruing to any  
8 person under this chapter; and

9 (3) any money in the fund.

10 SECTION 4. Section 1575.052(a), Insurance Code, is amended  
11 to read as follows:

12 (a) The trustee may adopt rules, plans, procedures, and  
13 orders reasonably necessary to implement this chapter, including:

14 (1) minimum benefit and financing standards for group  
15 coverage for retirees, dependents, surviving spouses, and  
16 surviving dependent children;

17 (2) [~~basic and optional~~] group coverage for retirees,  
18 dependents, surviving spouses, and surviving dependent children;

19 (3) procedures for contributions and deductions;

20 (4) periods for enrollment and selection of [~~optional~~]  
21 coverage and procedures for enrolling and exercising options under  
22 the group program;

23 (5) procedures for claims administration;

24 (6) procedures to administer the fund; and

25 (7) a timetable for:

26 (A) developing minimum benefit and financial  
27 standards for group coverage;

1 (B) establishing health benefit plans offered  
2 under the group program [~~plans~~]; and

3 (C) taking bids and awarding contracts for health  
4 benefit plans offered under the group program [~~plans~~].

5 SECTION 5. Section 1575.152, Insurance Code, is amended to  
6 read as follows:

7 Sec. 1575.152. HEALTH BENEFIT [~~BASIC~~] PLAN MUST COVER  
8 PREEXISTING CONDITIONS. A health benefit [~~basic~~] plan offered  
9 under the group program, other than a Medicare Advantage plan or a  
10 Medicare prescription drug plan, must cover preexisting  
11 conditions.

12 SECTION 6. Section 1575.153, Insurance Code, is amended to  
13 read as follows:

14 Sec. 1575.153. HEALTH BENEFIT PLAN [~~BASIC~~] COVERAGE FOR  
15 RETIREEES. (a) A retiree who applies for coverage during an  
16 enrollment period may not be denied coverage in a health benefit  
17 [~~basic~~] plan provided under this chapter for which the retiree is  
18 eligible unless the trustee finds under Subchapter K that the  
19 retiree defrauded or attempted to defraud the group program.

20 (b) A retiree who has coverage under a health benefit plan  
21 offered under the group program shall pay a monthly contribution,  
22 as determined by the trustee.

23 (c) As a condition of electing coverage under a health  
24 benefit plan, the retiree must, in writing, authorize the trustee  
25 to deduct the amount of the contribution from the retiree's monthly  
26 annuity payment. The trustee shall deduct the contribution in the  
27 manner and form determined by the trustee.

1        (d) Notwithstanding Subsection (b), a retiree is not  
2 required to pay a monthly contribution under this section until the  
3 2022 plan year if the retiree:

4            (1) has taken a disability retirement under the  
5 Teacher Retirement System of Texas on or before January 1, 2017;

6            (2) is receiving disability retirement benefits from  
7 the Teacher Retirement System of Texas; and

8            (3) is not eligible to enroll in Medicare.

9        (e) This subsection and Subsection (d) expire at the end of  
10 the 2021 plan year on December 31, 2021.

11        SECTION 7. Section 1575.155(a), Insurance Code, is amended  
12 to read as follows:

13        (a) A retiree participating in the group program is entitled  
14 to secure for the retiree's dependents group coverage [~~provided for~~  
15 ~~the retiree~~] under this chapter for which the dependents are  
16 eligible under this chapter or any other law, including  
17 requirements established [~~, as determined~~] by the trustee.

18        SECTION 8. Section 1575.156, Insurance Code, is amended by  
19 amending Subsection (a) and adding Subsections (c) and (d) to read  
20 as follows:

21        (a) A surviving spouse who is entitled to group coverage  
22 under this chapter may elect to retain or obtain coverage for which  
23 the surviving spouse or dependents of the surviving spouse are  
24 eligible [~~at the applicable rate for the deceased participant~~].

25        (c) A surviving spouse who elects under this section to  
26 retain or obtain coverage under a health benefit plan offered under  
27 the group program for the surviving spouse or dependents of the

1 surviving spouse shall pay a monthly contribution, as determined by  
2 the trustee.

3 (d) As a condition of electing coverage under a health  
4 benefit plan, the surviving spouse must, in writing, authorize the  
5 trustee to deduct the amount of the contribution from the surviving  
6 spouse's monthly annuity payment. The trustee shall deduct the  
7 contribution in the manner and form determined by the trustee.

8 SECTION 9. Section 1575.157, Insurance Code, is amended to  
9 read as follows:

10 Sec. 1575.157. COVERAGE FOR SURVIVING DEPENDENT CHILD. (a)  
11 A surviving dependent child, the guardian of the child's estate, or  
12 the person having custody of the child may elect to retain or obtain  
13 group coverage for which the surviving dependent child is eligible  
14 at the applicable rate for a dependent.

15 (b) A surviving dependent child who has coverage under a  
16 health benefit plan offered under the group program shall pay a  
17 monthly contribution, as determined by the trustee. The applicable  
18 contributions must be provided by the surviving dependent child in  
19 the manner established [~~by Section 1575.205 and~~] by the trustee.

20 SECTION 10. The heading to Section 1575.158, Insurance  
21 Code, is amended to read as follows:

22 Sec. 1575.158. [~~OPTIONAL~~] GROUP HEALTH BENEFIT PLANS  
23 [~~PLAN~~].

24 SECTION 11. Section 1575.158, Insurance Code, is amended by  
25 amending Subsection (a) and adding Subsections (c), (d), and (e) to  
26 read as follows:

27 (a) The [~~Subject to Section 1575.1581, the~~] trustee shall

1 establish or ~~[may, in addition to providing a basic plan,]~~ contract  
2 for and make available under the group program a high deductible ~~[an~~  
3 ~~optional group]~~ health ~~[benefit]~~ plan for retirees, dependents,  
4 surviving spouses, or surviving dependent children who are eligible  
5 under Section 1575.1582.

6 (c) The trustee shall establish or contract for and make  
7 available under the group program a Medicare Advantage plan and a  
8 Medicare prescription drug plan for retirees, dependents,  
9 surviving spouses, and surviving dependent children who are  
10 eligible under Section 1575.1582.

11 (d) Notwithstanding Subsection (c), if the trustee  
12 determines that a Medicare Advantage plan or a Medicare  
13 prescription drug plan is no longer appropriate for the group  
14 program, the trustee may establish or contract for and make  
15 available under the group program other health benefit plans to  
16 provide medical or pharmacy benefits.

17 (e) To the extent the group program has available funds, the  
18 trustee shall consider implementing a plan design for non-Medicare  
19 eligible enrollees in the high deductible health plan established  
20 or made available under Subsection (a) that provides assistance in  
21 the payment of preventive care, including generic preventive  
22 maintenance medications, in a manner that is consistent with  
23 federal law.

24 SECTION 12. Subchapter D, Chapter 1575, Insurance Code, is  
25 amended by adding Section 1575.1582 to read as follows:

26 Sec. 1575.1582. ELIGIBILITY FOR GROUP HEALTH BENEFIT PLANS.

27 (a) A retiree, dependent, surviving spouse, or surviving dependent

1 child who is not eligible to enroll in Medicare is eligible to  
2 enroll in a high deductible health plan offered under the group  
3 program, subject to any other applicable eligibility requirements,  
4 including requirements established by the trustee, but is not  
5 eligible to enroll in another health benefit plan offered under the  
6 group program.

7 (b) A retiree, dependent, surviving spouse, or surviving  
8 dependent child who is eligible to enroll in Medicare is eligible to  
9 enroll in a Medicare Advantage plan or a Medicare prescription drug  
10 plan offered under the group program, subject to any other  
11 applicable eligibility requirements, including requirements  
12 established by the trustee, but is not eligible to enroll in another  
13 health benefit plan offered under the group program unless  
14 authorized by Subsection (c).

15 (c) If the trustee makes another health benefit plan  
16 available under Section 1575.158(d), any individual otherwise  
17 eligible under this section to enroll in a Medicare Advantage plan  
18 or Medicare prescription drug plan is eligible to enroll in that  
19 health benefit plan.

20 SECTION 13. Section 1575.159, Insurance Code, is amended to  
21 read as follows:

22 Sec. 1575.159. COVERAGE FOR PROSTATE-SPECIFIC ANTIGEN  
23 TEST. A health benefit plan offered under the group program, other  
24 than a Medicare Advantage plan or a Medicare prescription drug  
25 plan, must provide coverage for a medically accepted  
26 prostate-specific antigen test used for the detection of prostate  
27 cancer for each male enrolled in the health benefit plan who:

1 (1) is at least 50 years of age; or

2 (2) is at least 40 years of age and:

3 (A) has a family history of prostate cancer; or

4 (B) exhibits another cancer risk factor.

5 SECTION 14. The heading to Section 1575.161, Insurance  
6 Code, is amended to read as follows:

7 Sec. 1575.161. [~~OPEN ENROLLMENT, ADDITIONAL~~] ENROLLMENT  
8 PERIODS.

9 SECTION 15. Section 1575.161, Insurance Code, is amended by  
10 amending Subsection (a) and adding Subsection (f) to read as  
11 follows:

12 (a) A retiree eligible for coverage under the group program  
13 may select for the retiree and the retiree's eligible dependents  
14 any coverage provided under this chapter for which each of those  
15 individuals [~~the person~~] is otherwise eligible:

16 (1) on any date that is on or after the date the  
17 retiree [~~person~~] retires and on or before the 90th day after that  
18 date;

19 (2) during a period beginning on the date the retiree  
20 reaches 65 years of age and ending on a date set by the trustee by  
21 rule; and

22 (3) [~~(2)~~] during any other open enrollment periods for  
23 retirees set by the trustee by rule.

24 (f) An individual enrolled in a health benefit plan offered  
25 under the group program may remain enrolled in that health benefit  
26 plan as long as the individual remains eligible for that health  
27 benefit plan. If an individual becomes ineligible for a health



1 benefit plan in which the individual is enrolled, the trustee shall  
2 enroll the individual in a health benefit plan for which the  
3 individual is eligible, if any, in accordance with procedures  
4 established by the trustee.

5 SECTION 16. Section 1575.164(b), Insurance Code, is amended  
6 to read as follows:

7 (b) A health benefit plan provided under this chapter, other  
8 than a Medicare Advantage plan or a Medicare prescription drug  
9 plan, must provide disease management services or coverage for  
10 disease management services in the manner required by the Teacher  
11 Retirement System of Texas, including:

- 12 (1) patient self-management education;
- 13 (2) provider education;
- 14 (3) evidence-based models and minimum standards of  
15 care;
- 16 (4) standardized protocols and participation  
17 criteria; and
- 18 (5) physician-directed or physician-supervised care.

19 SECTION 17. Section 1575.170(b), Insurance Code, is amended  
20 to read as follows:

21 (b) A health benefit plan provided under this chapter, other  
22 than a Medicare Advantage plan or a Medicare prescription drug  
23 plan, that uses a drug formulary in providing a prescription drug  
24 benefit must require prior authorization for coverage of the  
25 following categories of prescribed drugs if the specific drug  
26 prescribed is not included in the formulary:

- 27 (1) a gastrointestinal drug;

1 (2) a cholesterol-lowering drug;

2 (3) an anti-inflammatory drug;

3 (4) an antihistamine; and

4 (5) an antidepressant drug.

5 SECTION 18. Section 1575.201, Insurance Code, is amended by  
6 amending Subsection (a) and adding Subsection (c) to read as  
7 follows:

8 (a) The state through the trustee shall contribute from  
9 money in the fund an [+

10 ~~[(1) the total cost of the basic plan covering each~~  
11 ~~participating retiree, and~~

12 ~~[(2) for each participating dependent, surviving~~  
13 ~~spouse, and surviving dependent child, the]~~ amount prescribed by  
14 the General Appropriations Act to cover all or part of the cost for  
15 each retiree ~~[of the basic plan covering the dependent]~~, surviving  
16 spouse, and surviving dependent child enrolled in a health benefit  
17 plan offered under the group program.

18 (c) The trustee may spend a part of the money received for  
19 the group program to offset a part of the costs for dependent  
20 coverage if the group program is projected to remain financially  
21 solvent during the currently funded biennium.

22 SECTION 19. Section 1575.202(a), Insurance Code, is amended  
23 to read as follows:

24 (a) Each state fiscal year, the state shall contribute to  
25 the fund an amount equal to 1.25 ~~[one]~~ percent of the salary of each  
26 active employee.

27 SECTION 20. Section 1575.210(a), Insurance Code, is amended

1 to read as follows:

2 (a) Contributions allocated and appropriated under this  
3 subchapter for a state fiscal year shall be:

4 (1) paid [~~from the general revenue fund~~] in equal  
5 monthly installments;

6 (2) based on the estimated amount certified by the  
7 trustee to the comptroller for that year; and

8 (3) subject to any express limitations specified in  
9 the Act making the appropriation.

10 SECTION 21. Section 1575.211(a), Insurance Code, is amended  
11 to read as follows:

12 (a) The total costs for the operation of the group program  
13 shall be shared among the state, the public schools, the active  
14 employees, [~~and~~] the retirees, the surviving spouses, and the  
15 surviving dependent children in the manner prescribed by the  
16 General Appropriations Act.

17 SECTION 22. Section 1575.212, Insurance Code, is amended by  
18 adding Subsection (a-1) and amending Subsection (b) to read as  
19 follows:

20 (a-1) The trustee shall establish and collect payments for  
21 the share of total costs allocated under Section 1575.211 to  
22 retirees, surviving spouses, and surviving dependent children.

23 (b) In establishing the payments under Subsection (a-1)  
24 [ranges for payment of the share of total costs allocated under  
25 Section 1575.211 to retirees], the trustee may consider various  
26 factors, including an enrollee's Medicare status, health benefit  
27 plan election, and dependent coverage [~~the years of service credit~~]

1 ~~accrued by a retiree and may reward those retirees with more years~~  
2 ~~of service credit]~~.

3 SECTION 23. Section 1575.302, Insurance Code, is amended to  
4 read as follows:

5 Sec. 1575.302. PAYMENTS INTO FUND. The following shall be  
6 paid into the fund:

- 7 (1) contributions from active employees and the  
8 state[, ~~including contributions for optional coverages~~];  
9 (2) investment income;  
10 (3) appropriations for implementation of the group  
11 program; and  
12 (4) other money required or authorized to be paid into  
13 the fund.

14 SECTION 24. The following provisions of the Insurance Code  
15 are repealed:

- 16 (1) Section 1575.103;  
17 (2) Section 1575.156(b);  
18 (3) Section 1575.158(b);  
19 (4) Section 1575.1581;  
20 (5) Sections 1575.161(b), (c), (d), and (e);  
21 (6) Section 1575.201(b);  
22 (7) Section 1575.205;  
23 (8) Section 1575.211(b); and  
24 (9) Section 1575.212(a).

25 SECTION 25. The changes in law made by this Act apply only  
26 to health benefits provided under Chapter 1575, Insurance Code, as  
27 amended by this Act, beginning with the 2018 plan year. A plan year

1 before the 2018 plan year is governed by the law as it existed  
2 immediately before the effective date of this Act, and that law is  
3 continued in effect for that purpose.

4 SECTION 26. This Act takes effect September 1, 2017.

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 22, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB3976** by Ashby (Relating to the administration of and benefits payable under the Texas Public School Retired Employees Group Benefits Act.), **As Passed 2nd House**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3976, As Passed 2nd House: a negative impact of (\$162,112,477) through the biennium ending August 31, 2019.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2018	(\$79,662,151)
2019	(\$82,450,326)
2020	(\$85,336,088)
2021	(\$88,322,851)
2022	(\$91,414,151)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1
2018	(\$79,662,151)
2019	(\$82,450,326)
2020	(\$85,336,088)
2021	(\$88,322,851)
2022	(\$91,414,151)

Fiscal Analysis

The bill would amend the Insurance Code relating to the administration of and benefits payable under the Texas Public School Retired Employees Group Benefits Act (TRS-Care). The bill would eliminate the requirement for TRS to provide a premium-free health plan to retirees and instead require eligible retirees, surviving spouses, and dependents participating in the plan to pay a

monthly contribution (premium) to TRS-Care as determined by the TRS board of trustees. The bill would provide that TRS shall establish and collect payments for the share of total costs allocated to retirees, surviving spouses, and surviving dependent children.

The bill would require TRS to establish three plans to be offered to retirees, surviving spouses, and dependents participating in the program, according to their eligibility. TRS would be required to establish a Medicare Advantage plan and a Medicare prescription drug plan for participants eligible to enroll in Medicare. Participants not eligible to enroll in Medicare would be eligible to enroll in a high deductible (HD) plan offered under the Retiree Health group benefits plan. If TRS made another health benefit plan available, any individual otherwise eligible to enroll in Medicare Advantage would be eligible to enroll in this plan.

The bill would establish that certain exemptions apply to disability retirees until the 2022 plan year. Under the provisions of the bill, a retiree would not be required to pay a monthly contribution to TRS if the retiree has taken a disability retirement effective on or before January 1, 2017; if the retiree is receiving disability retirement benefits from TRS; and if the retiree is not eligible to enroll in Medicare. These provisions would expire on December 31, 2021.

The bill would expand enrollment options by establishing that a retiree and a retiree's eligible dependents may enroll in the TRS-Care program during a period beginning on the date the retiree reaches 65 years of age and ending on a date set by the trustee by rule.

The bill would establish that, to the extent the program has available funds, TRS shall consider implementing a plan design for non-Medicare eligible members of the HD plan that provides assistance in the payment of preventive care, including generic preventive maintenance medications, in a manner consistent with federal law.

The bill would increase the state contribution rate from 1.0 to 1.25 percent of public education payroll. In addition, the bill would allow the trustee, as needed, to set premium contribution rates of participants and to modify benefit plan design to maintain the solvency of the fund.

The bill would take effect September 1, 2017.

## **Methodology**

The bill would result in a fiscal impact to the state of an estimated \$79.7 million in fiscal year 2018 and \$82.4 million in fiscal year 2019, for a 2018-19 biennial total of \$162.1 million, based on an increase of the state contribution rate from 1.0 to 1.25 percent of total public education payroll covered by the state. The bill's provision to allow eligible retirees and their dependents to enroll in TRS-Care upon becoming Medicare eligible at age 65 could only result in a savings to the TRS-Care fund.

These estimates are based on an annual growth assumption of 3.5 percent for public education payroll from fiscal year 2017 through the 2018-19 biennium, and the same growth assumption for out-year projections for 2020-22. The estimated fiscal impact to the state excludes employer contributions made for public education payroll covered by Federal Funds and private grants in accordance with current law on proportionality of benefits paid. Federal Funds and private grants cover an estimated 7.4 percent of total public education payroll.

The provisions related to preventive care and exemptions for disability retirees would result in some costs to the plan, but the costs would be absorbed by the program and are not expected to result in additional costs to the state. The exemptions for disability retirees would expire at the

end of plan year 2021. The provisions related to preventive care would be contingent on the program having available funds, and therefore any costs to the plan would be subject to funding, revenue, plan experience, and decisions of the TRS Board of Trustees.

Based on an increase of the state contribution rate from 1.0 to 1.25 percent of payroll, phased-in premium increases, a proposed increase of the district contribution rate from 0.55 to 0.75 percent, and plan design changes, TRS anticipates that the bill would change the projected 2018-19 TRS-Care fund balance from negative \$1.06 billion to positive \$203.7 million. Increased premium revenue, decreased benefit payments due to anticipated plan design changes, and increased state and district contribution rates would each contribute to the reduction of the shortfall. The bill permits but does not require the increase of the district contribution rate. The district contribution rate is set by the General Appropriations Act within a range established by statute.

### **Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 323 Teacher Retirement System

**LBB Staff:** UP, SD, AG, KK, AM, TSI



LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 16, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB3976** by Ashby (Relating to the administration of and benefits payable under the Texas Public School Retired Employees Group Benefits Act.), **Committee Report 2nd House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3976, Committee Report 2nd House, Substituted: a negative impact of (\$162,112,477) through the biennium ending August 31, 2019.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2018	(\$79,662,151)
2019	(\$82,450,326)
2020	(\$85,336,088)
2021	(\$88,322,851)
2022	(\$91,414,151)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1
2018	(\$79,662,151)
2019	(\$82,450,326)
2020	(\$85,336,088)
2021	(\$88,322,851)
2022	(\$91,414,151)

Fiscal Analysis

The bill would amend the Insurance Code relating to the administration of and benefits payable under the Texas Public School Retired Employees Group Benefits Act (TRS-Care). The bill would

eliminate the requirement for TRS to provide a premium-free health plan to retirees and instead require eligible retirees, surviving spouses, and dependents participating in the plan to pay a monthly contribution (premium) to TRS-Care as determined by the TRS board of trustees. The bill would provide that TRS shall establish and collect payments for the share of total costs allocated to retirees, surviving spouses, and surviving dependent children.

The bill would require TRS to establish three plans to be offered to retirees, surviving spouses, and dependents participating in the program, according to their eligibility. TRS would be required to establish a Medicare Advantage plan and a Medicare prescription drug plan for participants eligible to enroll in Medicare. Participants not eligible to enroll in Medicare would be eligible to enroll in a high deductible (HD) plan offered under the Retiree Health group benefits plan. If TRS made another health benefit plan available, any individual otherwise eligible to enroll in Medicare Advantage would be eligible to enroll in this plan.

The bill would establish that certain exemptions apply to disability retirees until the 2022 plan year. Under the provisions of the bill, a retiree would not be required to pay a monthly contribution to TRS if the retiree has taken a disability retirement effective on or before January 1, 2017; if the retiree is receiving disability retirement benefits from TRS; and if the retiree is not eligible to enroll in Medicare. These provisions would expire on December 31, 2021.

The bill would expand enrollment options by establishing that a retiree and a retiree's eligible dependents may enroll in the TRS-Care program during a period beginning on the date the retiree reaches 65 years of age and ending on a date set by the trustee by rule.

The bill would establish that, to the extent the program has available funds, TRS shall consider implementing a plan design for non-Medicare eligible members of the HD plan that provides assistance in the payment of preventive care, including generic preventive maintenance medications, in a manner consistent with federal law.

The bill would increase the state contribution rate from 1.0 to 1.25 percent of public education payroll. In addition, the bill would allow the trustee, as needed, to set premium contribution rates of participants and to modify benefit plan design to maintain the solvency of the fund.

The bill would take effect September 1, 2017.

## **Methodology**

The bill would result in a fiscal impact to the state of an estimated \$79.7 million in fiscal year 2018 and \$82.4 million in fiscal year 2019, for a 2018-19 biennial total of \$162.1 million, based on an increase of the state contribution rate from 1.0 to 1.25 percent of total public education payroll covered by the state. The bill's provision to allow eligible retirees and their dependents to enroll in TRS-Care upon becoming Medicare eligible at age 65 could only result in a savings to the TRS-Care fund.

These estimates are based on an annual growth assumption of 3.5 percent for public education payroll from fiscal year 2017 through the 2018-19 biennium, and the same growth assumption for out-year projections for 2020-22. The estimated fiscal impact to the state excludes employer contributions made for public education payroll covered by Federal Funds and private grants in accordance with current law on proportionality of benefits paid. Federal Funds and private grants cover an estimated 7.4 percent of total public education payroll.

The provisions related to preventive care and exemptions for disability retirees would result in

some costs to the plan, but the costs would be absorbed by the program and are not expected to result in additional costs to the state. The exemptions for disability retirees would expire at the end of plan year 2021. The provisions related to preventive care would be contingent on the program having available funds, and therefore any costs to the plan would be subject to funding, revenue, plan experience, and decisions of the TRS Board of Trustees.

Based on an increase of the state contribution rate from 1.0 to 1.25 percent of payroll, phased-in premium increases, a proposed increase of the district contribution rate from 0.55 to 0.75 percent, and plan design changes, TRS anticipates that the bill would change the projected 2018-19 TRS-Care fund balance from negative \$1.06 billion to positive \$203.7 million. Increased premium revenue, decreased benefit payments due to anticipated plan design changes, and increased state and district contribution rates would each contribute to the reduction of the shortfall. The bill permits but does not require the increase of the district contribution rate. The district contribution rate is set by the General Appropriations Act within a range established by statute.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 323 Teacher Retirement System

**LBB Staff:** UP, AG, KK, AM, TSI

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 11, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB3976** by Ashby (Relating to the administration of and benefits payable under the Texas Public School Retired Employees Group Benefits Act.), **As Engrossed**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3976, As Engrossed: a negative impact of (\$162,112,477) through the biennium ending August 31, 2019.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2018	(\$79,662,151)
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All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund
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Fiscal Analysis

The bill would amend the Insurance Code relating to the administration of and benefits payable under the Texas Public School Retired Employees Group Benefits Act (TRS-Care). The bill would eliminate the requirement for TRS to provide a premium-free health plan to retirees and instead require eligible retirees, surviving spouses, and dependents participating in the plan to pay a

monthly contribution (premium) to TRS-Care as determined by the TRS board of trustees. The bill would provide that TRS shall establish and collect payments for the share of total costs allocated to retirees, surviving spouses, and surviving dependent children.

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The bill would expand enrollment options by establishing that a retiree and a retiree's eligible dependents may enroll in the TRS-Care program during a period beginning on the date the retiree reaches 65 years of age and ending on a date set by the trustee by rule.

The bill would increase the state contribution rate from 1.0 to 1.25 percent of public education payroll. In addition, the bill would allow the trustee, as needed, to set premium contribution rates of participants and to modify benefit plan design to maintain the solvency of the fund.

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## **Methodology**

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No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 323 Teacher Retirement System

**LBB Staff:** UP, AG, KK, AM, TSI

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 19, 2017

**TO:** Honorable John Zerwas, Chair, House Committee on Appropriations

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

**IN RE: HB3976** by Ashby (relating to the administration of and benefits payable under the Texas Public School Retired Employees Group Benefits Act.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3976, Committee Report 1st House, Substituted: a negative impact of (\$162,112,477) through the biennium ending August 31, 2019.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

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**All Funds, Five-Year Impact:**

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1
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**Fiscal Analysis**

The bill would amend the Insurance Code relating to the administration of and benefits payable under the Texas Public School Retired Employees Group Benefits Act (TRS-Care). The bill would

eliminate the requirement for TRS to provide a premium-free health plan to retirees and instead require eligible retirees, surviving spouses, and dependents participating in the plan to pay a monthly contribution (premium) to TRS-Care as determined by the TRS board of trustees. The bill would provide that TRS shall establish and collect payments for the share of total costs allocated to retirees, surviving spouses, and surviving dependent children.

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Based on an increase of the state contribution rate from 1.0 to 1.25 percent of payroll, phased-in premium increases, a proposed increase of the district contribution rate from 0.55 to 0.75 percent, and plan design changes, TRS anticipates that the bill would change the projected 2018-19 TRS-Care fund balance from negative \$1.06 billion to positive \$203.7 million. Increased premium revenue, decreased benefit payments due to anticipated plan design changes, and increased state and district contribution rates would each contribute to the reduction of the shortfall.



**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 323 Teacher Retirement System

**LBB Staff:** UP, KK, AM, TSI

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 17, 2017

TO: Honorable John Zerwas, Chair, House Committee on Appropriations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3976 by Ashby (Relating to the administration of and benefits payable under the Texas Public School Retired Employees Group Benefits Act.), As Introduced

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3976, As Introduced: a negative impact of (\$162,112,477) through the biennium ending August 31, 2019.

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monthly contribution (premium) to TRS-Care as determined by the TRS board of trustees. The bill would provide that TRS shall establish and collect payments for the share of total costs allocated to retirees, surviving spouses, and surviving dependent children.

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The bill would increase the state contribution rate from 1.0 to 1.25 percent of public education payroll. In addition, the bill would allow the trustee, as needed, to set premium contribution rates of participants and to modify benefit plan design to maintain the solvency of the fund.

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The bill would result in a fiscal impact to the state of an estimated \$79.7 million in fiscal year 2018 and \$82.4 million in fiscal year 2019, for a 2018-19 biennial total of \$162.1 million, based on an increase of the state contribution rate from 1.0 to 1.25 percent of total public education payroll covered by the state.

These estimates are based on an annual growth assumption of 3.5 percent for public education payroll from fiscal year 2017 through the 2018-19 biennium, and the same growth assumption for out-year projections for 2020-22. The estimated fiscal impact to the state excludes employer contributions made for public education payroll covered by Federal Funds and private grants in accordance with current law on proportionality of benefits paid. Federal Funds and private grants cover an estimated 7.4 percent of total public education payroll.

Based on an increase of the state contribution rate from 1.0 to 1.25 percent of payroll, phased-in premium increases, and plan design changes, TRS anticipates that the bill would reduce the 2018-19 TRS-Care fund shortfall from \$1.06 billion to \$257.4 million. Increased premium revenue, decreased benefit payments due to anticipated plan design changes, and the increased state contribution rate would each contribute to the reduction of the shortfall.

### **Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 323 Teacher Retirement System

**LBB Staff:** UP, KK, AM, TSI