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By:  Dominguez H.B. No. 4026

A BILL TO BE ENTITLED

AN ACT

relating to authorizing certain retired public school employees to participate in the state employee group benefits program.

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

SECTION 1.  Section 1551.003, Insurance Code, is amended by adding Subdivision (11-a) to read as follows:

(11-a) "Retiree" has the meaning assigned by Section 1575.004.

SECTION 2.  Subchapter C, Chapter 1551, Insurance Code, is amended by adding Section 1551.1023 to read as follows:

Sec. 1551.1023.  PARTICIPATION ELIGIBILITY: PUBLIC SCHOOL RETIREES. (a) Notwithstanding any other law, an individual who is eligible to participate in the group program under Chapter 1575 as a retiree is eligible to participate in the group benefits program under this chapter and is entitled to the same benefits as an annuitant eligible to participate in the group benefits program under Section 1551.102.

(b)  A retiree may elect to disenroll from the group program under Chapter 1575, if applicable, and enroll in the group benefits program under this chapter during an open enrollment period or any other period set by the board of trustees by rule.

SECTION 3.  Section 1551.151, Insurance Code, is amended to read as follows:

Sec. 1551.151.  ENTITLEMENT TO COVERAGE. An individual who is eligible to participate in the group benefits program under Section 1551.101, 1551.102, [~~or~~] 1551.1022, or 1551.1023 is entitled to secure for a dependent of the individual any group coverages provided under this chapter, as determined by the board of trustees and subject to the exceptions provided by this subchapter.

SECTION 4.  Sections 1551.155(a) and (c), Insurance Code, are amended to read as follows:

(a)  A surviving spouse of an individual who is eligible to participate in the group benefits program under Section 1551.101 or 1551.102 and who is entitled to monthly benefits paid by a retirement system named in this chapter or a surviving spouse of an individual who is eligible to participate in the group benefits program under Section 1551.1023 may, following the death of the individual, elect to retain:

(1)  the spouse's authorized coverages; and

(2)  authorized coverages for any dependent of the spouse.

(c)  A person who is the surviving spouse of an individual described by Subsection (a) may secure group health coverage without evidence of the person's insurability if the individual was eligible to participate in the group benefits program under Section 1551.101, [~~or~~] 1551.102, or 1551.1023 but was not participating at the time of the individual's death.

SECTION 5.  Sections 1551.156(a), (c), and (d), Insurance Code, are amended to read as follows:

(a)  A surviving dependent of an annuitant who was receiving monthly benefits paid by a retirement system named in this chapter or a surviving dependent of a retiree who is eligible to participate in the group benefits program under Section 1551.1023 may, following the death of the annuitant or retiree if there is not a surviving spouse, elect to retain any coverage previously secured by the annuitant or retiree until the dependent becomes ineligible for coverage for a reason other than the death of the member of the group.

(c)  A dependent who elects to retain coverage under this section and who is entitled to monthly benefits from a retirement system [~~named in this chapter~~] based on the service of the deceased annuitant or retiree must direct the retirement system to deduct required contributions for the coverage from the monthly benefits paid the surviving dependent by the retirement system.

(d)  A person who is a surviving dependent of an annuitant or retiree may secure group health coverage after the death of the annuitant or retiree without evidence of the person's insurability if the annuitant or retiree was eligible to participate in the group benefits program of a retirement system [~~named in this chapter~~] but was not participating at the time of the individual's death.

SECTION 6.  Subchapter G, Chapter 1551, Insurance Code, is amended by adding Section 1551.3051 to read as follows:

Sec. 1551.3051.  COST OF RETIREE COVERAGE. If the cost of the basic coverage and other coverages, if any, for an individual eligible to participate in the group benefits program under Section 1551.1023 exceeds the amount of contributions from the Teacher Retirement System of Texas allocated to fund coverages, the state shall deduct from the retirement benefits of the participant an amount sufficient to pay the cost of the coverages.

SECTION 7.  Section 1551.310, Insurance Code, is amended to read as follows:

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

(b)  The Teacher Retirement System of Texas shall transfer to the board of trustees the amount of contributions under Section 1575.2011 for retirees who elect to participate in the group health benefits plan under this chapter. Notwithstanding any other provision of this subchapter, money transferred to the board of trustees under this subsection and money paid under Section 1551.3051 is the only money that may be used to pay the cost of retiree coverage.

SECTION 8.  Section 1551.314, Insurance Code, is amended to read as follows:

Sec. 1551.314.  CERTAIN STATE CONTRIBUTIONS PROHIBITED. Except as provided by Section 1551.310(b), a [~~A~~] state contribution may not be:

(1)  made for coverages under this chapter selected by an individual who receives a state contribution for coverages under a group benefits program provided by another state health plan or by an institution of higher education, as defined by Section 61.003, Education Code; or

(2)  made for or used to pay a tobacco user premium differential assessed under Section 1551.3075.

SECTION 9.  Section 1575.004(a), Insurance Code, is amended to read as follows:

(a)  In this chapter, "retiree" means:

(1)  an individual not eligible for coverage under a plan provided under Section 1551.101, 1551.102, 1551.1021, or 1551.1022 [~~Chapter 1551~~] or Chapter 1601 who:

(A)  has taken a service retirement under the Teacher Retirement System of Texas after September 1, 2005, with at least 10 years of service credit in the system, which may include up to five years of military service credit, but which may not include any other service credit purchased for equivalent or special service credit, and either:

(i)  the sum of the retiree's age and years of service credit in the retirement system equals or exceeds 80 at the time of retirement, regardless of whether the retiree had a reduction in the retirement annuity for early age; or

(ii)  the retiree has 30 or more years of service credit in the retirement system at the time of retirement;

(B)  has taken a service retirement under the Teacher Retirement System of Texas after September 1, 2004, but on or before August 31, 2005, and on September 1, 2005, either:

(i)  meets the requirements for eligibility for the group program for coverage as a retiree as those requirements existed on August 31, 2004;

(ii)  meets the requirements of Paragraph (A); or

(iii)  is enrolled in the group program and was enrolled in the group program on August 31, 2005; or

(C)  has taken a service retirement under the Teacher Retirement System of Texas on or before August 31, 2004, and who is enrolled in the group program on August 31, 2005;

(2)  an individual who:

(A)  has taken a disability retirement under the Teacher Retirement System of Texas; and

(B)  is entitled to receive monthly benefits from the Teacher Retirement System of Texas; or

(3)  an individual who:

(A)  has taken a disability retirement under the Teacher Retirement System of Texas;

(B)  has at least 10 years of service credit in the Teacher Retirement System of Texas on the date of disability retirement, as determined under Section 824.304, Government Code; and

(C)  is not entitled to receive monthly benefits from the Teacher Retirement System of Texas because those benefits have been suspended in accordance with Section 824.310, Government Code.

SECTION 10.  Subchapter E, Chapter 1575, Insurance Code, is amended by adding Section 1575.2011 to read as follows:

Sec. 1575.2011.  TRANSFER OF CONTRIBUTIONS FOR CERTAIN RETIRED PUBLIC SCHOOL EMPLOYEES. Notwithstanding Section 1575.206, the trustee shall transfer to the Employees Retirement System of Texas contributions made under Section 1575.201 on behalf of a retiree who elects to participate in the group benefits program under Chapter 1551 and other amounts contributed under this subchapter that would otherwise be allocable to the coverage for the retiree in accordance with Section 1551.310.

SECTION 11.  Not later than December 1, 2019, the board of trustees of the Employees Retirement System of Texas shall adopt rules necessary to implement the changes in law made by this Act.

SECTION 12.  This Act takes effect September 1, 2019.