

By: Dominguez

H.B. No. 4026

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to authorizing certain retired public school employees to  
3 participate in the state employee group benefits program.

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

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

7 (11-a) "Retiree" has the meaning assigned by Section  
8 [1575.004](#).

9 SECTION 2. Subchapter C, Chapter [1551](#), Insurance Code, is  
10 amended by adding Section 1551.1023 to read as follows:

11 Sec. 1551.1023. PARTICIPATION ELIGIBILITY: PUBLIC SCHOOL  
12 RETIREEES. (a) Notwithstanding any other law, an individual who is  
13 eligible to participate in the group program under Chapter [1575](#) as a  
14 retiree is eligible to participate in the group benefits program  
15 under this chapter and is entitled to the same benefits as an  
16 annuitant eligible to participate in the group benefits program  
17 under Section [1551.102](#).

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

22 SECTION 3. Section [1551.151](#), Insurance Code, is amended to  
23 read as follows:

24 Sec. 1551.151. ENTITLEMENT TO COVERAGE. An individual who

1 is eligible to participate in the group benefits program under  
2 Section 1551.101, 1551.102, [~~or~~] 1551.1022, or 1551.1023 is  
3 entitled to secure for a dependent of the individual any group  
4 coverages provided under this chapter, as determined by the board  
5 of trustees and subject to the exceptions provided by this  
6 subchapter.

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

9 (a) A surviving spouse of an individual who is eligible to  
10 participate in the group benefits program under Section 1551.101 or  
11 1551.102 and who is entitled to monthly benefits paid by a  
12 retirement system named in this chapter or a surviving spouse of an  
13 individual who is eligible to participate in the group benefits  
14 program under Section 1551.1023 may, following the death of the  
15 individual, elect to retain:

- 16 (1) the spouse's authorized coverages; and  
17 (2) authorized coverages for any dependent of the  
18 spouse.

19 (c) A person who is the surviving spouse of an individual  
20 described by Subsection (a) may secure group health coverage  
21 without evidence of the person's insurability if the individual was  
22 eligible to participate in the group benefits program under Section  
23 1551.101, [~~or~~] 1551.102, or 1551.1023 but was not participating at  
24 the time of the individual's death.

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

27 (a) A surviving dependent of an annuitant who was receiving

1 monthly benefits paid by a retirement system named in this chapter  
2 or a surviving dependent of a retiree who is eligible to participate  
3 in the group benefits program under Section 1551.1023 may,  
4 following the death of the annuitant or retiree if there is not a  
5 surviving spouse, elect to retain any coverage previously secured  
6 by the annuitant or retiree until the dependent becomes ineligible  
7 for coverage for a reason other than the death of the member of the  
8 group.

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

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

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

23 Sec. 1551.3051. COST OF RETIREE COVERAGE. If the cost of  
24 the basic coverage and other coverages, if any, for an individual  
25 eligible to participate in the group benefits program under Section  
26 1551.1023 exceeds the amount of contributions from the Teacher  
27 Retirement System of Texas allocated to fund coverages, the state

1 shall deduct from the retirement benefits of the participant an  
2 amount sufficient to pay the cost of the coverages.

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

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

9 (b) The Teacher Retirement System of Texas shall transfer to  
10 the board of trustees the amount of contributions under Section  
11 1575.2011 for retirees who elect to participate in the group health  
12 benefits plan under this chapter. Notwithstanding any other  
13 provision of this subchapter, money transferred to the board of  
14 trustees under this subsection and money paid under Section  
15 1551.3051 is the only money that may be used to pay the cost of  
16 retiree coverage.

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

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

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

27 (2) made for or used to pay a tobacco user premium

1 differential assessed under Section [1551.3075](#).

2 SECTION 9. Section [1575.004\(a\)](#), Insurance Code, is amended  
3 to read as follows:

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

5 (1) an individual not eligible for coverage under a  
6 plan provided under Section [1551.101](#), [1551.102](#), [1551.1021](#), or  
7 [1551.1022](#) [~~Chapter 1551~~] or Chapter 1601 who:

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

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

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

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

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

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

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

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

6 (2) an individual who:

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

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

11 (3) an individual who:

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

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

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

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

24 Sec. 1575.2011. TRANSFER OF CONTRIBUTIONS FOR CERTAIN  
25 RETIRED PUBLIC SCHOOL EMPLOYEES. Notwithstanding Section  
26 1575.206, the trustee shall transfer to the Employees Retirement  
27 System of Texas contributions made under Section 1575.201 on behalf

1 of a retiree who elects to participate in the group benefits program  
2 under Chapter 1551 and other amounts contributed under this  
3 subchapter that would otherwise be allocable to the coverage for  
4 the retiree in accordance with Section 1551.310.

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

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