

## **BILL ANALYSIS**

Senate Research Center

S.B. 1444  
By: Taylor  
Education  
5/25/2021  
Enrolled

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

When researching methods to help teachers and school district staff save money it was noted that some of the school districts that have opted out of TRS Active Care have chosen health care options that save employees money on premiums and deductibles. The numbers illustrate that families save more on health plans outside TRS Active Care.

S.B. 1444 is an effort to add local control to the health care insurance options.

Interested parties note that certain school districts are required to participate in the uniform group coverage program established under the Texas School Employees Uniform Group Health Coverage Act and contend that this lack of choice leads to high costs and reduced benefits for teachers. S.B. 1444 seeks to address this issue by removing the requirement that these districts participate in the program, authorizing a school district to elect not to participate in the program, and providing for a regional rating method for determining premiums.

(Original Author's/Sponsor's Statement of Intent)

S.B. 1444 amends current law relating to participation in the uniform group coverage program for active school employees and to a study concerning health coverage for school district employees.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Teacher Retirement System of Texas in SECTION 2 (Section 1579.155, Insurance Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter C, Chapter 1579, Insurance Code, by adding Section 1579.1045, as follows:

Sec. 1579.1045. ALTERNATIVE GROUP HEALTH COVERAGE PROHIBITED. Prohibits a participating entity, notwithstanding any other law, from offering or making available to the entity's employees or their dependents group health coverage not provided under the uniform group coverage program (program) established under Chapter 1579 (Texas School Employees Uniform Group Health Coverage Program).

SECTION 2. Amends Subchapter D, Chapter 1579, Insurance Code, by adding Section 1579.155, as follows:

Sec. 1579.155. PROGRAM PARTICIPATION: ELECTION. (a) Authorizes a participating entity, effective September 1, 2022, to elect to discontinue the entity's participation in the program by providing written notice to the Teacher Retirement System of Texas (TRS) not later than December 31st of the year preceding the first day of the plan year in which the election will be effective.

(b) Prohibits a participating entity that elects to discontinue participation in the program under Subsection (a) from electing to:

(1) participate in the program until the fifth anniversary of the effective date of the entity's election to discontinue participation; or

(2) discontinue the entity's participation after an election described by Subdivision (1) until the fifth anniversary of the effective date of that election.

(c) Requires an entity that elects to participate in the program, effective September 1, 2022, to provide written notice to TRS not later than December 31 of the year preceding the first day of the plan year in which the election will be effective. Prohibits the entity from electing to discontinue the entity's participation until the fifth anniversary of the effective date of the entity's election to participate.

(d) Requires TRS by rule to prescribe the time and manner for making an election under this section and authorizes TRS to adopt rules necessary to administer this section.

SECTION 3. (a) Defines "committee."

(b) Requires each regional education service center established under Chapter 8 (Regional Education Service Centers), Education Code, to establish a regional school district health coverage advisory committee (committee) to conduct a study assessing:

(1) health care needs of and health coverage options currently available to employees of school districts served by that service center; and

(2) alternative health coverage options that may be available.

(c) Requires the executive director of each regional education service center (executive director) to serve as the chair of that region's committee. Requires the executive director to appoint nine superintendents of school districts served by the regional education service center to serve as members of that region's committee.

(d) Requires that the study include, with respect to school districts in that committee's region, the following information:

(1) an overview of current health coverage plans made available to district employees, including for each plan, the amount paid by districts and by district employees for premium under the plan, the schedule of benefits available under the plan, and deductibles and other cost-sharing amounts applicable to services provided under the plan;

(2) a survey of district employees using a scale that allows the district employee to indicate that the employee is very satisfied, satisfied, somewhat satisfied, somewhat dissatisfied, dissatisfied, or very dissatisfied with the current costs to the employee of the employee's health coverage plan and with benefits available and access to care under the employee's plan; and

(3) an assessment of three alternative health coverage options that are available on the open market or through self-funding of school district health care expenses, including for each alternative, the amount that would be paid by a district and district employees for premium under the alternative, the schedule of benefits available under the alternative, and whether, in obtaining the alternative, some or all of the districts in the region should jointly seek health coverage under that alternative as a group.

(e) Requires each committee, not later than November 1, 2022, to submit to the governor, the lieutenant governor, the speaker of the Texas House of Representatives (house), each

standing committee of the Texas Senate or house having primary jurisdiction over public education or public retirement systems, the commissioner of the Texas Education Agency, and the executive director of TRS a written report on the study conducted by the committee under this section.

(f) Provides that this section expires January 1, 2023.

SECTION 4. Provides that Sections 1579.1045 and 1579.155, Insurance Code, as added by this Act, apply only to group coverage provided for a plan year beginning on or after September 1, 2022. Provides that a plan year that begins before that date is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 5. Effective date: September 1, 2021.