

BILL ANALYSIS

Senate Research Center
87R21081 JES-D

C.S.S.B. 1444
By: Taylor
Education
4/29/2021
Committee Report (Substituted)

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)

C.S.S.B. 1444 amends current law relating to participation in the uniform group coverage program for active school 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 established under Chapter 1579 (Texas School Employees Uniform Group Health Coverage Program) (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. Makes application of Sections 1579.1045 and 1579.155, Insurance Code, prospective to September 1, 2022.

SECTION 4. Effective date: September 1, 2021.