87R4390 MEW-F

By:  Creighton S.B. No. 1415

A BILL TO BE ENTITLED

AN ACT

relating to a study by the Teacher Retirement System of Texas regarding the use of health reimbursement accounts in conjunction with Medicare plans available through the individual marketplace to provide health and pharmacy benefit coverage for certain retired school employees.

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

SECTION 1.  STUDY. (a) The Teacher Retirement System of Texas shall conduct a study to evaluate the use of health reimbursement accounts in conjunction with Medicare plans available through the individual marketplace as a means to provide health and pharmacy benefit coverage under Chapter 1575, Insurance Code, for Medicare-eligible retired school employees and their spouses.

(b)  The evaluation must consider:

(1)  using claims experience and premium data from the most recent two years, the affordability and availability of Medicare plans available through the individual marketplace to Medicare-eligible retirees and their spouses compared to health benefit plans available to those retirees and their spouses under Chapter 1575, Insurance Code;

(2)  provider availability under Medicare plans available through the individual marketplace; and

(3)  any other items the Teacher Retirement System of Texas determines are relevant to the system's long-term ability to provide health and pharmacy benefits to Medicare-eligible retirees and their spouses considering the demographic, geographic, and socioeconomic characteristics of the Medicare-eligible retirees and spouses participating in the group program under Chapter 1575, Insurance Code.

(c)  In conducting the study under this section, the Teacher Retirement System of Texas may contract or collaborate with entities having industry-leading expertise and experience in the individual marketplace.

SECTION 2.  REPORT. (a) Not later than December 1, 2021, the Teacher Retirement System of Texas shall submit to the governor, lieutenant governor, speaker of the house of representatives, and Legislative Budget Board a written report of the study conducted under Section 1 of this Act. The report must include the findings and legislative recommendations of the Teacher Retirement System of Texas.

(b)  If the report finds that using health reimbursement accounts in conjunction with Medicare plans available through the individual marketplace could achieve cost savings for the state and for Medicare-eligible retirees and their spouses participating in the group program under Chapter 1575, Insurance Code, while providing health and pharmacy benefit coverage substantially equivalent to the coverage provided under the group program, the Teacher Retirement System of Texas shall, to the extent possible, begin implementing any recommendations from the report that the system may implement without legislative action.

SECTION 3.  EXPIRATION DATE. This Act expires January 1, 2023.

SECTION 4.  EFFECTIVE DATE. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2021.