

BILL ANALYSIS

C.S.H.B. 3886

By: Vo

Pensions, Investments & Financial Services
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Currently, many retirees under the age of 65 who are enrolled under the Texas Employees Group Benefits Act are not enrolled in social security disability insurance, even though they may be eligible due to disability. Enrolling all eligible recipients with a disability under social security disability insurance and Medicare would provide the State of Texas significant cost savings, as Medicare would become the primary provider of health care benefits. C.S.H.B. 3886 seeks to establish that the basic health coverage provided by a basic coverage plan established under the Texas Employees Group Benefits Act is secondary to Medicare hospital and medical insurance for participants entitled to receive Medicare hospital insurance benefits without charge.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 3886 amends the Insurance Code to establish that the basic health coverage provided by a basic coverage plan established under the Texas Employees Group Benefits Act is secondary to Medicare hospital and medical insurance to the extent permitted by federal law for a participant or covered dependent who is entitled to receive Medicare hospital insurance benefits without charge. The bill requires the board of trustees of the Employees Retirement System of Texas to establish a program to continuously do the following:

- review each basic coverage plan established under that act to determine whether each participant or covered dependent is eligible to continue receiving basic health coverage provided by that plan as the individual's primary coverage;
- identify each participant or covered dependent who is eligible to enroll in Medicare hospital and medical insurance or social security disability insurance (SSDI) benefits under federal law; and
- ensure that each such identified individual is properly enrolled in Medicare hospital and medical insurance or SSDI benefits, as applicable.

The bill authorizes the board, using a competitive bidding process, to contract with a third party to implement the program. The bill applies only to a plan year that commences on or after January 1, 2024.

EFFECTIVE DATE

September 1, 2023.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 3886 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

Whereas the introduced authorized the board of trustees of the Employees Retirement System of Texas to contract, on a competitive bid basis, with an entity to implement the program, the substitute authorizes the board, using a competitive bidding process, to contract with a third party to implement the program.