

BILL ANALYSIS

C.S.H.B. 3307
By: Miller, Rick
Pensions
Committee Report (Substituted)

BACKGROUND AND PURPOSE

TRICARE is the health care program provided by the U.S. Department of Defense to certain veterans and their spouses and children. Upon retirement, veterans may maintain TRICARE benefits, but they are responsible for paying any applicable cost-shares, including enrollment fees, deductibles, or copayments, which may be as much as \$3,000 per year. Interested parties note that the Employees Retirement System of Texas estimates that there are approximately 8,000 veterans working for the state who are TRICARE eligible but who are currently accessing health care through plans offered by the state due to the high out-of-pocket costs associated with TRICARE benefits. These parties assert that the state would save money if those veterans chose to obtain health care benefits through TRICARE.

C.S.H.B. 3307 seeks to offset the out-of-pocket costs associated with TRICARE benefits for those veterans to incentivize their use of those benefits and help both the state and the retired veterans save money on health care costs.

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 rulemaking authority is expressly granted to the board of trustees of the Employees Retirement System of Texas in SECTION 1 of this bill.

ANALYSIS

C.S.H.B. 3307 amends the Insurance Code to require the board of trustees of the Employees Retirement System of Texas (ERS) to make available a TRICARE Military Health System supplemental plan to an employee or annuitant who is eligible to participate in the group benefits program under the Texas Employees Group Benefits Act, who waives coverage under the program's basic coverage plan, and who is eligible for benefits under the TRICARE Military Health System. The bill prohibits the board of trustees from contributing to the cost of the supplemental plan, including the premium cost, and requires the plan to be considered a permissible offering to TRICARE participants and beneficiaries under federal law. The bill authorizes the board of trustees to adopt rules necessary to implement the bill's provisions, including rules regarding eligibility for the supplemental plan, available insurance products, and enrollment in the plan.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3307 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Subchapter E, Chapter 1551, Insurance Code, is amended by adding Section 1551.227 to read as follows:

Sec. 1551.227. TRICARE MILITARY HEALTH SYSTEM SUPPLEMENTAL PLAN. The board of trustees shall make available a TRICARE Military Health System Supplemental plan to an employee or annuitant who waives coverage under the basic coverage plan under Section 1551.1045 and is eligible for benefits under the TRICARE Military Health System. The board of trustees shall not contribute to the cost of the supplemental plan, including the premium cost.

No equivalent provision.

No equivalent provision.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all 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, 2015.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Subchapter E, Chapter 1551, Insurance Code, is amended by adding Section 1551.227 to read as follows:

Sec. 1551.227. TRICARE MILITARY HEALTH SYSTEM SUPPLEMENTAL PLAN. (a) The board of trustees shall make available a TRICARE Military Health System supplemental plan to an employee or annuitant who waives coverage under the basic coverage plan under Section 1551.1045 and is eligible for benefits under the TRICARE Military Health System. The board of trustees may not contribute to the cost of the supplemental plan, including the premium cost.

(b) A plan offered under this section must be considered a permissible offering to TRICARE participants and beneficiaries under 10 U.S.C. Section 1097c.

(c) The board of trustees may adopt rules necessary to implement this section, including rules regarding eligibility for the plan, available insurance products, and enrollment in the plan.

SECTION 2. Same as introduced Version.