SUBJECT: Requiring ERS to offer a TRICARE supplemental health insurance plan

COMMITTEE: Pensions — committee substitute recommended

VOTE: 7 ayes — Flynn, Alonzo, Hernandez, Klick, Paul, J. Rodriguez,

Stephenson

0 nays

WITNESSES: For — Jack Leinweber, VetUSA; (Registered, but did not testify: Edward

Singer, Selman and Co.)

Against — None

On — David Lacy, Employees Retirement System of Texas

BACKGROUND: The TRICARE Military Health System is the health care program

provided by the U.S. Department of Defense to certain veterans and their spouses and children. The Employees Retirement System of Texas (ERS) estimates there are about 8,000 military veterans working for the state

who are eligible for TRICARE.

Some have called for ERS to offer eligible employees a TRICARE supplemental plan, which could offset out-of-pocket costs left by TRICARE. Such a supplemental TRICARE plan could save money for employees who currently pay ERS to cover their dependents. The state

could realize savings if veterans opt out of ERS.

DIGEST: CSHB 3307 would require ERS to make a TRICARE Military Health

System supplemental plan available to a state employee or annuitant who

waived coverage under the state's basic health plan. ERS could not

contribute to the premium or cost of the supplemental plan.

ERS would be authorized to adopt rules necessary to implement the bill,

including rules for eligibility, available insurance products, and

enrollment in the plan.

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This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2015.