

BILL ANALYSIS

Senate Research Center

H.B. 31
By: Pitts, et al. (Ogden)
Finance
10/3/2003
Engrossed

DIGEST AND PURPOSE

Legislation passed by the 78th Legislature during the regular legislative session raised the eligibility requirements for retiree health insurance under the Teachers Retirement System of Texas (TRS). H.B. 31 would authorize TRS to offer health insurance to certain retirees who, as of August 31, 2004, are not eligible for health care benefits as part of the individual's retirement package. Other legislation passed during the 78th Legislature, Regular Session, limited supplemental health care compensation for public school employees to only teachers, counselors, librarians, and other professional staff, and eliminated eligibility for public school administrators. H.B. 31 clarifies the definition of "administrator" for this purpose.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Reenacts and amends Section 1575.004, Insurance Code, as amended by Chapters 201, 1231, and 1276, Acts of the 78th Legislature, Regular Session, 2003, as follows:

- (a) Redefines "retiree."
- (b) Clarifies provisions regarding service credit for certain retirees.
- (c) Defines "public school."

SECTION 2. Reenacts and amends Section 1575.161(b), Insurance Code, as added by Chapters 201 and 1231, Acts of the 78th Legislature, Regular Session, 2003, as follows:

- (b) Authorizes a retiree who is enrolled in the group program as of August 31, 2004, and who is 65 years of age after that date, in addition to the enrollment periods authorized under Subsection (a), to select coverage as described by Subsections (c) and (d) on the date that the retiree is 65 years of age .

SECTION 3. Redesignates Section 1575.161, Insurance Code, as added by Chapter 213, Acts of the 78th Legislature, Regular Session, 2003, as Section 1575.170, Insurance Code.

SECTION 4. Amends Section 1575.211, Insurance Code, as added by Chapters 201 and 1231, Acts of the 78th Legislature, Regular Session, 2003, by adding Subsection (c), as follows:

- (c) Requires a retiree eligible to participate under Section 1575.004(a)(1)(B), except as provided by this subsection, to pay the total cost, as determined by the trustee, attributable to the participation of that individual and the dependents of that individual until the date the individual is eligible under Section 1575.004. Authorizes the General Appropriations Act or

other similar legislation to specify a different allocation of total costs for retirees eligible to participate under Section 1575.004(a)(1)(B) and the dependents of those retirees. Provides that this subsection applies only to an individual who is eligible to participate as an annuitant under Section 1575.004(a)(1)(B) and who is not eligible to participate under another provision of Section 1575.004 at the time of retirement.

SECTION 5. Amends Subchapter E, Chapter 3, Insurance Code, by adding Article 3.50-8A, as follows:

Art. 3.50-8A. ADMINISTRATION OF ACTIVE EMPLOYEE HEALTH COVERAGE OR COMPENSATION SUPPLEMENTATION. (a) Requires the Teacher Retirement System of Texas (TRS), as trustee, in administering the program for active employee health coverage or compensation supplementation established under Article 3.50-8 of this code before September 1, 2004, in accordance with Article 3, Chapter 313, Acts of the 78th Legislature, Regular Session, 2003, each year to deliver to each school district, including a school district that is ineligible for state aid under Chapter 42, Education Code, each other education district that is a member of TRS, each participating charter school, and each regional education service center, state funds in an amount, as determined by the trustee, equal to certain formulas.

(b) Provides that an administrator of a district, charter school, or service center described by Subsection (a) of this article is not eligible to receive state funds under the program for active employee health coverage or compensation supplementation.

(c) Defines, for purposes of this article, an “administrator” of a district, charter school, or service center.

(d) Provides that this article applies notwithstanding Section 2(a), Article 3.50-8, of this code, as that subsection existed before amendment by Chapter 313, Acts of the 78th Legislature, Regular Session, 2003, or as that subsection was amended by Section 57, Chapter 201, Acts of the 78th Legislature, Regular Session, 2003.

(e) Provides that Sections 2(b), (c), and (d), Article 3.50-8, of this code, as those sections existed before amendment by Chapter 313, Acts of the 78th Legislature, Regular Session, 2003, apply to the delivery of state funds under Subsection (a) of this article.

(f) Provides that the terms used in this article have the meanings assigned by Section 1, Article 3.50-8, of this code.

(g) Provides that this article expires September 1, 2004.

SECTION 6. Repealer: Sections 2(e) and (f), Article 3.50-8, Insurance Code, as added by Section 57, Chapter 201, Acts of the 78th Legislature, Regular Session, 2003.

SECTION 7. (a) Effective date: Upon passage or on the 91st day after the last day of the legislative session, except as otherwise provided.

(b) Provides that Sections 1 and 2 of this Act take effect September 1, 2004.