

BILL ANALYSIS

Senate Research Center
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S.B. 423
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State Affairs
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Subchapter D (Health Insurance Coverage for Eligible Survivors), Chapter 615 (Financial Assistance to Survivors of Certain Enforcement Officers, Fire Fighters, and Others), Government Code, was enacted in 1993 with the passage of S.B. 97. The intent of the legislation was to allow the surviving family members of a law enforcement officers and fire fighters killed in the line of duty to continue to purchase health insurance from the governmental entity that employed the deceased and at the same rate that the employee was paying for the insurance.

Since 1993, many governmental entities have complied with the intent of the statute; however, some have not. In 2009, the legislature passed S.B. 872, which sought to clarify the intent of the statute and ensure that the surviving families of public servants killed the line of duty were covered. One provision of S.B. 872 removed the requirement that a survivor forfeit his or her insurance coverage if they were eligible for insurance through another employer. The intent was to allow the spouse to maintain coverage for himself or herself and his or her children through the public servant's plan, regardless of their employment status. Several surviving spouses applied for coverage under the provisions of S.B. 872, but were denied coverage because they were not enrolled in the public servant's insurance plan at the time of death. An attorney general opinion was sought but did not resolve the issue in question.

S.B. 423 clarifies that a surviving family member of a public servant killed in the line of duty who was eligible but not enrolled at the time of death is eligible for coverage and the bill provides a window of opportunity for the survivors to reapply for coverage until September 1, 2012.

As proposed, S.B. 423 amends current law relating to health insurance coverage for eligible survivors of certain public servants killed in the line of duty.

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. Amends Section 615.071, Government Code, to provide that this subchapter applies only to eligible survivors of an individual listed in Section 615.003(1), (6), (7), or (10); or an individual who is described by Section 615.003(15) and employed as a trainee for a position otherwise described by this section.

SECTION 2. Amends Section 615.072, Government Code, by adding Subsection (b-1), to prohibit a survivor of an individual listed under Section 615.071 who would have been eligible for health insurance benefits during the life of the individual from being denied health insurance benefits on the ground that the survivor was enrolled in group health insurance with another employer as of the date of the individual's death.

SECTION 3. Amends Section 615.073, Government Code, as follows:

Sec. 615.073. **BENEFIT TO SURVIVING SPOUSE.** (a) Entitles an eligible surviving spouse of a deceased individual listed in Section 615.071 who was employed by the state to purchase or continue to purchase health insurance benefits, rather than to purchase continued health insurance benefits, under Chapter 1551 (Texas Employees Group Benefits Act), Insurance Code, as provided by this subchapter.

(b)-(c) Makes conforming changes.

SECTION 4. Amends Section 615.074, Government Code, as follows:

Sec. 615.074. **Benefit To Dependent.** (a) Entitles an eligible surviving dependent who is a minor child to purchase or continue to purchase health insurance coverage until the date the dependent reaches the age of 18 or a later date to the extent required by state or federal law. Makes a conforming change.

(b) Makes conforming changes.

SECTION 5. Amends Sections 615.075(a) and (c), Government Code, to make conforming changes.

SECTION 6. Amends Section 615.076, Government Code, to make conforming changes

SECTION 7. Amends Section 615.077, Government Code, to make a conforming change.

SECTION 8. Amends Subchapter D, Chapter 615, Government Code, by adding Section 615.082, as follows:

Sec. 615.082. **LIMITED ELIGIBILITY OF CERTAIN SURVIVORS TO REAPPLY FOR COVERAGE.** (a) Provides that this section applies only to the eligible survivor of an individual described by Section 615.071 who died on or after September 1, 1993.

(b) Authorizes an eligible survivor to whom this section applies who did not purchase or receive health insurance coverage or benefits under this chapter on or before the date of the individual's death, or who did not notify the individual's employing entity of the survivor's election to purchase or continue to purchase coverage within the time allowed by law after the individual's death, notwithstanding any other law, to apply for health insurance benefits or coverage not later than September 1, 2012. Authorizes an eligible survivor who applies for coverage under this section to purchase coverage according to the same rate schedule and coverage options that would apply if the eligible survivor had continued to purchase coverage after the individual's death.

(c) Provides that this section expires September 2, 2012.

SECTION 9. Effective date: upon passage or September 1, 2011.