

## **BILL ANALYSIS**

Senate Research Center  
86R8919 LED-F

S.B. 1682  
By: Huffman  
State Affairs  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The Teacher Retirement System of Texas (TRS) delivers retirement and related benefits as authorized by law for TRS members and their beneficiaries. In order to comply with fiduciary standards, funds held in the TRS trust must be used exclusively for the benefit of members.

S.B. 1682 amends current law relating to contributions to, benefits from, and the administration of systems and programs administered by TRS.

As proposed, S.B. 1682 amends current law relating to the administration of and benefits payable under the Texas public school retired employees group insurance program and the Texas school employees uniform group health coverage program and certain expenditures for school employee health coverage.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the board of trustees in SECTION 1 (Section 825.114, Government Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 825.114(b), Government Code, to provide that all compensation and expense reimbursements for an advisory committee established under this section (Advisory Committees) are payable from the expense account or the Texas public school retired employees group health benefits trust insurance fund, rather than the retired school employees group insurance fund, as applicable.

SECTION 2. Amends Section 1456.004(c), Insurance Code, to require a facility-based physician who bills a patient covered by a preferred provider benefit plan or a health benefit plan under Chapter 1551 (Texas Employees Group Benefits Act), 1575 (Texas Public School Employees Group Benefits Program), or 1579 (Texas School Employees Uniform Group Health Coverage), rather than under Chapter 1551, that does not have a contract with the facility-based physician to send a billing statement to the patient that contains a conspicuous, plain-language explanation of the mandatory mediation process available under Chapter 1467 (Out-of-Network Claim Dispute Resolution) if the amount for which the enrollee is responsible to the physician, after copayments, deductibles, and coinsurance, including the amount unpaid by the administrator or insurer, is greater than \$500.

SECTION 3. Amends the heading to Chapter 1575, Insurance Code, to read as follows:

#### **CHAPTER 1575. TEXAS PUBLIC SCHOOL RETIRED EMPLOYEES GROUP HEALTH BENEFITS PROGRAM**

SECTION 4. Amends Section 1575.001, Insurance Code, as follows:

Sec. 1575.001. SHORT TITLE. Authorizes this chapter to be cited as the Texas Public School Retired Employees Group Health Benefits Act.

SECTION 5. Amends Sections 1575.002(3) and (4), Insurance Code, as follows:

(3) Redefines "fund" to mean the Texas public school retired employees group health benefits trust fund rather than the retired school employees group insurance fund.

(4) Redefines "group program" to mean the Texas Public School Retired Employees Group Health Benefits Program, rather than the Texas Public School Employees Group Insurance Program, authorized by this chapter.

SECTION 6. Amends the heading to Subchapter G, Chapter 1575, Insurance Code, to read as follows:

SUBCHAPTER G. TEXAS PUBLIC SCHOOL RETIRED EMPLOYEES GROUP HEALTH  
BENEFITS TRUST FUND

SECTION 7. Amends Section 1575.301(a), Insurance Code, to make conforming changes.

SECTION 8. Amends Sections 1579.002(5) and (6), Insurance Code, as follows:

(5) Redefines "participating entity" to mean an entity participating in the uniform group health coverage program, rather than the uniform group coverage program, established under this chapter.

(6) Redefines "program" to mean the Texas school employees uniform group health coverage program, rather than the uniform group coverage program, established under this chapter.

SECTION 9. Amends Section 1579.006(a), Insurance Code, as follows:

(a) Provides that the following are exempt from execution, attachment, garnishment, or any other process:

(1) makes no changes to this subdivision;

(2) contributions of employees, rather than active employees, the state, and a participating entity, and any other contributions;

(3) makes no changes to this subdivision; and

(4) makes a conforming change to this subdivision.

SECTION 10. Amends Section 1579.051, Insurance Code, as follows:

Sec. 1579.051. ADMINISTRATION OF GROUP PROGRAM. Makes a conforming change to this section.

SECTION 11. Amends Section 1579.254, Insurance Code, as follows:

Sec. 1579.254. CONTRIBUTIONS HELD IN TRUST FOR FUND. Makes a conforming change to this section.

SECTION 12. Amends Section 1579.255(a), Insurance Code, to make a conforming change.

SECTION 13. Amends the heading to Subchapter G, Chapter 1579, Insurance Code, to read as follows:

SUBCHAPTER G. TEXAS SCHOOL EMPLOYEES UNIFORM GROUP HEALTH  
COVERAGE TRUST FUND

SECTION 14. Amends Section 1579.301, Insurance Code, as follows:

Sec. 1579.301. FUND; ADMINISTRATION. Makes a conforming change to this section.

SECTION 15. Amends the heading to Subchapter B, Chapter 1581, Insurance Code, to read as follows:

**SUBCHAPTER B. MAINTENANCE OF EFFORT; MINIMUM EFFORT; REPORT**

SECTION 16. Amends Section 1581.052(b), Insurance Code, to a make conforming change.

SECTION 17. Amends Subchapter B, Chapter 1581, Insurance Code, by adding Section 1581.055, as follows:

Sec. 1581.055. ANNUAL REPORT. Requires each school district, other educational district whose employees are members of the Teacher Retirement System of Texas (TRS), participating charter school, and regional education service center to annually report to TRS, according to rules adopted by the board of trustees of TRS, the monthly amount the school district, other educational district, participating charter school, or regional education service center contributes under this chapter (Employer Expenditures For School Employee Health Coverage Plans).

SECTION 18. Repealer: Section 1579.106(c) (relating to reporting of the cost savings achieved through implementation of prior authorization program requirements), Insurance Code.

SECTION 19. Makes application of Section 1456.004(c), Insurance Code, as amended by this Act, prospective.

SECTION 20. Effective date: September 1, 2019.