

BILL ANALYSIS

H.B. 1998
By: Lozano
Pensions
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties note that certain school districts are required to participate in the uniform group coverage program established under the Texas School Employees Uniform Group Health Coverage Act and contend that this lack of choice leads to high costs and reduced benefits for teachers. H.B. 1998 seeks to address this issue by removing the requirement that these districts participate in the program, authorizing a school district to elect not to participate in the program, and providing for a regional rating method for determining premiums.

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 Teacher Retirement System of Texas in SECTION 1 of this bill.

ANALYSIS

H.B. 1998 amends the Insurance Code to authorize the Teacher Retirement System of Texas to establish by rule a regional rating method for determining premiums charged in different regions of Texas for the benefits provided under a plan of group coverage established under the uniform group coverage program of the Texas School Employees Uniform Group Health Coverage Act.

H.B. 1998 repeals statutory provisions relating to the required participation of a school district with 500 or fewer employees and each regional education service center in the uniform group coverage program and to elective participation in the program by certain risk pools. The bill instead applies a statutory provision authorizing a school district with more than 500 employees to elect to participate in the program to a school district, regardless of the number of employees, and to a risk pool established under the Texas Political Subdivision Employees Uniform Group Benefits Act that is in existence on January 1, 2017, and whose members are school districts. The bill changes the effective date of that provision from September 1, 2005, to September 1, 2017. The bill authorizes a school district or risk pool to elect not to participate in the program, notwithstanding any previous election or requirement to participate.

H.B. 1998 repeals Sections 1579.151 and 1579.153, Insurance Code.

EFFECTIVE DATE

September 1, 2017.