

## **BILL ANALYSIS**

C.S.H.B. 1461  
By: Parker  
Pensions, Investments & Financial Services  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

The Teacher Retirement System of Texas provides health care benefits to approximately 220,000 retired employees and their dependents through TRS-Care, but the program has faced budget shortfalls and dwindling membership in recent years. There have been calls for the state to examine alternative policy solutions to provide stability to TRS-Care and achieve cost savings for the state and those receiving care through the program. C.S.H.B. 1461 seeks to answer these calls by providing for a study of the use of health reimbursement accounts in conjunction with Medicare plans available through the individual marketplace as a means to provide health and pharmacy benefit coverage for Medicare-eligible retired school employees and their spouses receiving coverage through TRS-Care.

### **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 this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 1461 requires the Teacher Retirement System of Texas (TRS) to conduct a study to evaluate the use of health reimbursement accounts in conjunction with Medicare plans available through the individual marketplace as a means to provide health and pharmacy benefit coverage for Medicare-eligible retired school employees and their spouses receiving coverage through TRS-Care. The bill authorizes TRS, in conducting the study, to contract or collaborate with entities having industry-leading expertise and experience in the individual marketplace and sets out certain required considerations for the study. The bill requires TRS to invite comment and input from interested stakeholders, including active and retired school employees.

C.S.H.B. 1461 requires TRS, not later than December 1, 2021, to submit to the governor, lieutenant governor, speaker of the house of representatives, and Legislative Budget Board a written report of the study that includes TRS's findings and legislative recommendations. The bill's provisions expire January 1, 2023.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2021.

## **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 1461 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute includes a requirement for TRS to invite comment and input from interested stakeholders in conducting the study.

The substitute does not include a provision requiring TRS to begin implementing recommendations from the report that would not require legislative action if the report finds that there would be cost savings for the state and Medicare-eligible retirees and their spouses while providing substantially equivalent coverage by using health reimbursement accounts.