

BILL ANALYSIS

S.B. 1444
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Pensions, Investments & Financial Services
Committee Report (Unamended)

BACKGROUND AND PURPOSE

It has been noted that certain school districts are required to participate in the uniform group coverage program for active school employees known as TRS-ActiveCare. This lack of choice can lead to high costs and reduced benefits for teachers. Data from school districts that have opted out of this program suggests that families may be able to save more money on premiums and deductibles on health plans outside of the program. There have been calls to study the health care needs of and health coverage options currently available to employees of school districts. S.B. 1444 seeks to provide added local control to health care insurance options for school employees by giving an entity participating in the program the option to discontinue participation and by providing for the study of health care needs and health coverage options for these employees.

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 2 of this bill.

ANALYSIS

S.B. 1444 amends the Insurance Code to authorize an entity participating in the uniform group coverage program for active school employees, effective September 1, 2022, to elect to discontinue the entity's participation in the program by providing written notice to the Teacher Retirement System of Texas (TRS) not later than December 31 of the year preceding the first day of the plan year in which the election will be effective. With respect to an entity that makes such an election, the bill provides the following:

- the entity may not elect to participate in the program until the fifth anniversary of the effective date of the entity's election to discontinue participation; and
- the entity may not again elect to discontinue participation after resuming participation until the fifth anniversary of the effective date of the election to resume participation.

Effective September 1, 2022, an entity that elects to participate in the program must provide written notice to TRS not later than December 31 of the year preceding the first day of the plan year in which the election will be effective. The bill prohibits the entity from electing to discontinue participation until the fifth anniversary of the effective date of the entity's election to participate. The bill requires TRS by rule to prescribe the time and manner for making an election relating to program participation and authorizes TRS to adopt rules necessary to administer the bill's provisions relating to such elections.

S.B. 1444 prohibits an entity participating in the program from offering or making available to the entity's employees or their dependents group health coverage not provided under the program. The bill's provisions regarding participation in the program apply only to group coverage provided for a plan year beginning on or after September 1, 2022.

S.B. 1444 requires each regional education service center to establish a regional school district health coverage advisory committee to conduct a study assessing the following:

- health care needs of and health coverage options currently available to employees of school districts served by that service center; and
- alternative health coverage options that may be available.

The bill requires the executive director of each regional education service center to serve as the chair of that region's committee and to appoint nine superintendents of school districts served by the center to serve as members of that region's committee. The bill sets out the required contents of the study and requires each committee, not later than November 1, 2022, to submit a written report on the study to the governor, the lieutenant governor, the speaker of the house of representatives, each standing committee of the senate or house having primary jurisdiction over public education or public retirement systems, the commissioner of the Texas Education Agency, and the TRS executive director. The bill's provisions regarding the study expire January 1, 2023.

EFFECTIVE DATE

September 1, 2021.