

- SUBJECT:** Extending ERS benefits eligibility to certain disabled dependent children
- COMMITTEE:** Pensions, Investments, and Financial Services — favorable, without amendment
- VOTE:** 8 ayes — Truitt, Anchia, C. Anderson, Creighton, Hernandez Luna, Legler, Nash, Orr
- 0 nays
- 1 absent — Veasey
- WITNESSES:** For — (*Registered, but did not testify:* Lauren Dimitry, Texans Care for Children)
- Against — None
- On — Robert Kukla, Employees Retirement System (ERS)
- BACKGROUND:** Insurance Code, sec. 1551.004 describes eligibility requirements for the dependents of state employees participating in the ERS group benefits program. To be eligible for ERS health insurance, a disabled dependent child who is at least 25 years old must have been continuously enrolled in the group benefits program since his or her 25th birthday.
- Three other state group insurance programs exist in Texas, each with its own set of eligibility criteria. They include the Texas Public School Employees Group Benefits Program (TRS-Care), Texas School Employees Uniform Group Health Coverage (TRS-ActiveCare), and the Uniform Insurance Benefits Act for Employees of the University of Texas System and the Texas A&M University System. There are no age-related restrictions on the eligibility of disabled dependent children in these programs.
- DIGEST:** HB 755 would extend eligibility for the ERS group benefits program to disabled dependent children of state employees who had been enrolled in the Texas Public School Employees Group Benefits Program (TRS-Care), Texas School Employees Uniform Group Health Coverage (TRS-

ActiveCare), or the Uniform Insurance Benefits Act for Employees of the University of Texas System and the Texas A&M University System.

A disabled dependent child would be eligible if he or she was at least 25 years old and:

- had been continuously insured in the ERS group benefits program since her or her 25th birthday; or
- on the date that the state employee became eligible for the ERS group benefits program, the child was enrolled in TRS-Care, TRS-ActiveCare, the UT or Texas A&M System, or a continuation of that coverage under COBRA.

The bill would take effect September 1, 2011.

**SUPPORTERS
SAY:**

HB 755 would close a very small loophole in the law to protect much-needed health insurance coverage for the dependent disabled children of state employees. The loss of state group health insurance for such children has tremendous financial implications for their families. The option to enroll children in the ERS group benefits program with their parents would be more convenient and suit families' needs better than separate enrollment in Medicaid or Medicare, should they even qualify for those programs.

HB 755 would have no fiscal impact on the state and no actuarial impact on the ERS fund. At most, only three participants per year would be added through the bill's provisions. ERS already provides insurance to 539,000 participants, 461 of whom are disabled dependents over age 25.

HB 755 would align the eligibility requirements of the ERS group benefits program with those of the three other state group health insurance programs. ERS is the only one with age-related eligibility requirements for disabled dependent children. Parents switching to ERS from one of the other programs expect their disabled dependent children to retain their eligibility, and HB 755 would make this possible.

HB 755 would improve state agencies' ability to recruit talented employees from public and higher education by ensuring that employees' disabled dependent children would retain health insurance coverage.

OPPONENTS
SAY:

HB 755 is not necessary because the small affected population could be eligible for health insurance through Medicare and/or Medicaid. If the dependents in question were allowed to enroll in the ERS program, their families might pay more in premiums, co-payments, and deductibles than they would in Medicare or Medicaid.