

- SUBJECT:** Allowing re-enrollment in TRS-Care for certain retirees
- COMMITTEE:** Pensions, Investments and Financial Services — favorable, without amendment
- VOTE:** 9 ayes — Anchia, Parker, Capriglione, Muñoz, Perez, Rogers, Slawson, Stephenson, Vo
- 0 nays
- WITNESSES:** For — Timothy Lee, Texas Retired Teachers Association; (*Registered, but did not testify*: Monty Exter, ATPE; Grover Campbell, TASB; Dena Donaldson, Texas AFT; Beaman Floyd, Texas Association of School Administrators; Ann Fickel, Texas Classroom Teachers Association; Mark Terry, Texas Elementary Principals and Supervisors Association)
- Against — None
- On — (*Registered, but did not testify*: Brian Guthrie and Andrew Roth, Teacher Retirement System)
- BACKGROUND:** The 85th Legislature enacted HB 3976 by Ashby, which eliminated a statutory requirement that the state offer a basic health care plan at no cost for retired school employees. The law requires the Texas Retirement System of Texas (TRS) to make other plans available to retirees, including a Medicare Advantage Plan. Insurance Code sec. 1575.161 requires a retiree eligible for coverage to select coverage:
- on a date up to 90 days after the retiree's date of retirement;
 - during a period beginning on the date the retiree reaches 65 years of age and ending on a date set by TRS; and
 - during any other open enrollment periods for retirees set by TRS.
- DIGEST:** HB 2022 would require the Teacher Retirement System of Texas (TRS) to provide one opportunity outside of statutory enrollment periods for an otherwise eligible retiree to re-enroll in a health benefit plan offered under

the group program. The bill would allow re-enrollment for a TRS retiree:

- who was eligible to enroll in Medicare;
- whose initial enrollment was voluntarily terminated on or after January 1, 2017, and on or before December 31, 2019; and
- who opted to re-enroll on or before December 31, 2023.

The re-enrollment provision would expire September 1, 2024.

TRS would have to adopt rules to implement the bill by November 1, 2021.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2021.

**SUPPORTERS
SAY:**

HB 2022 would allow a one-time opportunity for certain retired teachers who left the state group insurance program known as TRS-Care last decade to re-enroll in the program. After the Legislature in 2017 ended a free retiree health plan and TRS implemented plan changes and increased premiums, enrollment in TRS-Care declined. Many retirees decided to sign up for private Medicare Advantage plans and prescription drug plans that were heavily marketed at the time to retired school employees. While these plans were more affordable, they also offered less comprehensive medical coverage.

HB 2022 would allow Medicare-eligible TRS members who voluntarily terminated membership in TRS-Care during a period from 2017 to 2019 a one-time opportunity to re-enroll themselves and their spouses before the end of 2023. The opportunity would allow retirees over the age of 65 who now believe they made a wrong decision in leaving the group health insurance program to regain supplemental Medicare health coverage through TRS-Care. Many retired teachers paid into TRS-Care for their entire careers, and it is only fair that the state allow them a one-time opportunity to re-enroll in the program.

These retirees likely would have stayed in TRS-Care had they known more about the deficiencies of the private plans, so the fiscal impact reflects the lost enrollment as much as a new cost to the system. Costs for covering re-enrolled members are not expected to increase the statutorily-required state contributions to TRS-Care for fiscal 2022-23, according to the fiscal note.

CRITICS
SAY:

HB 2022 would financially burden the TRS-Care health insurance program for teacher retirees at a time when the program has stabilized. The Teacher Retirement System estimates that about 3,600, or 20 percent of the 18,000 retirees eligible for re-enrollment under the bill, would elect coverage. The agency estimates that expenditures for those who return to TRS-Care would result in a five-year total net cost of \$36.9 million for additional medical, pharmacy, and administration costs.

NOTES:

According to the Legislative Budget Board, the bill would have no impact to general revenue through fiscal 2023 but would have a negative impact of \$8.3 million to the Retired School Employees Group Insurance Fund (TRS-Care) through fiscal 2023. These costs would not increase the statutorily required state contributions to TRS-Care through fiscal 2023.