

BILL ANALYSIS

Senate Research Center
77R3389 DLF-D

S.B. 1021
By: Armbrister
Education
3/2/2001
As Filed

DIGEST AND PURPOSE

Currently, the high cost of providing a state funded health insurance plan for state employees has created the need for better options to meet rising prescription costs. As proposed, S.B. 1021 requires the state to fund the cost of a prescription drug card for every public school employee in the state.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1.01. Amends, Article 3.50-4, Insurance Code, by adding Section 7B, as follows:

Sec. 7B. PRESCRIPTION DRUG BENEFIT PLAN FOR ACTIVE EMPLOYEES.

Requires the trustee, as part of the group coverages offered under the program, to develop and implement a prescription drug benefit plan to provide prescription drug benefits for active employees. Requires the plan benefits to be at least equivalent to the comparable benefits provided under the basic coverage offered as part of the uniform group insurance program for state employees under the Texas Employees Uniform Group Insurance Benefits Act (Article 3.50-2, Insurance Code). Provides that coverage under the prescription drug benefit plans is limited to active employees. Requires the state, for each active employee covered by the prescription drug benefit plan, to contribute in the manner described by Section 16 of this article an amount equal to the cost of the plan premium. Provides that an employee covered by the plan is responsible for any copayment, coinsurance, or similar charge imposed under the plan.

ARTICLE 2. CONFORMING AMENDMENTS

SECTION 2.01. Amends Section 7A, Article 3.50-4, Insurance Code, by adding Subsection (j), to require prescription drug benefits for an active employee to be provided under the prescription drug benefit plan established under Section 7B of this article.

SECTION 2.02. Amends Section 13, Article 3.50-4, Insurance Code, as follows:

Sec. 13. AUTOMATIC COVERAGE. Provides that unless the person has been found under Section 18A of this article to have defrauded or attempted to defraud the Texas Public School Employees Group Insurance Program an active employee who applies during an enrollment period is prohibited from being denied coverage under the prescription drug benefit plan provided under this article. Deletes text regarding a person who has defrauded the Texas Public School Employees Group Insurance Program. Makes conforming changes.

SECTION 2.03. Amends Section 22.004, Education Code, by amending Subsections (a) and (d) and adding Subsection (h), to authorize the coverage to include managed care or preventive care and,

except as provided by Subsection (h), to require it to be comparable to the basic health coverage provided under the Texas Employees Uniform Group Insurance Benefits Act (Article 3.50-2, V.T.C.S). Prohibits a group health coverage made available under this section from providing benefits for prescription drugs. Makes a conforming change.

SECTION 2.04. Amends Section 22.005, Education Code, by adding Subsection (d), to prohibit that a health care plan established under this section from providing benefits for prescription drugs.

SECTION 2.05. Amends Article 26.036, Insurance Code, by adding Subsection (c), to prohibit a small employer health benefit plan provided to an independent school district under this chapter, notwithstanding any other provision of this chapter, from providing benefits for prescription drugs.

ARTICLE 3. TRANSITION; EFFECTIVE DATE

SECTION 3.01. Requires the Teacher Retirement System of Texas, during the 2001-2002 school year, to develop the prescription drug benefit plan for active school district employees required by Section 7B, Article 3.50-4, Insurance Code, as added by this Act. Authorizes the system to employ persons as necessary to implement this subsection. Requires coverage under the prescription drug benefit plan for active school district employees required by Section 7B, Article 3.50-4, Insurance Code, as added by this Act, to begin with the 202-2003 school year, but not later than September 1, 2002.

SECTION 3.02. Effective date: September 1, 2001.

Provides that Article 2 of this Act takes effect September 1, 2002.