

## **BILL ANALYSIS**

Senate Research Center  
81R797 PB-D

S.B. 42  
By: Zaffirini  
State Affairs  
4/15/2009  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Currently, Texas public universities are allowed to provide employee health insurance only to those who meet eligibility requirements of half-time employment. Students who are not in the employ of the university cannot be included in employee health care and cannot purchase their inclusion.

Currently, graduate students who are awarded fellowships must pay their own health insurance costs out of pocket. Further, health care options for graduate students who are not university employees are few and often inappropriate. Many are prohibitively expensive or designed with undergraduate students' needs in mind.

This bill extends university employee health insurance benefits to graduate and post-graduate students who are awarded prestigious fellowships. It seeks to improve the number of prestigious academic fellowships sought out and accepted by Texas graduate students. It does so by offering students the same health insurance opportunities they would otherwise have access to as teaching or graduate assistants. An increase in fellowships would increase research funding at institutions as well as the stature of Texas institutions of higher education.

As proposed, S.B. 42 amends current law relating to the eligibility of certain postdoctoral fellows and graduate students to participate in health benefit programs at public institutions of higher education.

### **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. Amends Subchapter C, Chapter 1551, Insurance Code, by adding Section 1551.1022, as follows:

Sec. 1551.1022. PARTICIPATION ELIGIBILITY: CERTAIN POSTDOCTORAL FELLOWS AND GRADUATE STUDENTS. Provides that an individual is eligible to participate in the state employee group benefits program as if the individual were an employee, regardless of whether the individual actually serves as an employee, if the individual, at an institution of higher education, holds a postdoctoral fellowship or holds other fellowships awarded to the individual on a competitive basis that, either singly or in combination, are valued at not less than \$10,000.

SECTION 2. Amends Subchapter C, Chapter 1601, Insurance Code, by adding Section 1601.1021, as follows:

Sec. 1601.1021. PARTICIPATION ELIGIBILITY: CERTAIN POSTDOCTORAL FELLOWS AND GRADUATE STUDENTS. Provides that an individual is eligible to participate in the employee uniform insurance benefits program as if the individual were an employee, regardless of whether the individual actually serves as an employee, if the individual, at an institution in a system holds, a postdoctoral fellowship or holds other fellowships awarded to the individual on a competitive basis that, either singly or in combination, are valued at not less than \$10,000.

SECTION 3. Repealer, effective January 1, 2010: Section 1601.101(d) (relating to eligibility to participate in the uniform insurance benefits program), Insurance Code.

SECTION 4. (a) Requires the board of trustees of the Employees Retirement System of Texas (board) to include coverage under Section 1551.1022, Insurance Code, as added by this Act, in an insurance policy or contract or evidence of coverage delivered, issued for delivery, or renewed on or after January 1, 2010. Authorizes the board to include coverage under Section 1551.1022, Insurance Code, as added by this Act, in an insurance policy or contract or an evidence of coverage delivered, issued for delivery, or renewed before January 1, 2010, if the board determines that the coverage may reasonably be included.

(b) Requires the governing board of The University of Texas System or The Texas A&M University System, as applicable, to include coverage under Section 1601.1021, Insurance Code, as added by this Act, in an insurance policy or contract or evidence of coverage delivered, issued for delivery, or renewed on or after January 1, 2010. Authorizes the governing board of a system to include coverage under Section 1601.1021, Insurance Code, as added by this Act, in an insurance policy or contract or an evidence of coverage delivered, issued for delivery, or renewed before January 1, 2010, if the governing board determines that the coverage may reasonably be included.

SECTION 5. Effective date: September 1, 2009, except as provided by this Act.