

SUBJECT: Health insurance for families of public servants killed in the line of duty

COMMITTEE: Appropriations — committee substitute recommended

VOTE: 21 ayes — Pitts, Raymond, Aycock, F. Brown, Cohen, Crownover, Darby, Driver, Edwards, Eiland, Flores, Giddings, Herrero, Hochberg, S. King, McClendon, D. Miller, Morrison, Otto, Riddle, Zerwas

0 nays — None

6 absent — Button, Chavez, Creighton, Dukes, Isett, Villarreal

WITNESSES: For — Christy Carty; Amanda Hurst; Chris Jones, Combined Law Enforcement Associations of Texas, Houston Police Officers Union

Against — None

On — Peter Flores, Texas Parks and Wildlife Department

BACKGROUND: The spouse and children of a deceased local or state police officer, Texas Department of Criminal Justice employee, county jail employee, or fire fighter killed in the line of duty may purchase after the death health insurance from the governmental entity that employed the deceased. A surviving spouse is eligible until the spouse remarries, becomes eligible for group health insurance through an employer, or becomes eligible for federal Medicare benefits. Dependent children under the age of 18 remain eligible until the child reaches the age of 18 or becomes eligible for group health insurance through an employer. Dependent children over the age of 18 remain eligible until the individual marries, becomes eligible for group health insurance through an employer, or becomes eligible for federal Medicare benefits.

The employer must send written notice within 10 days to eligible survivors of the choice to continue coverage. Survivors must elect coverage on or before the 90th day after the death to maintain health insurance through the deceased's former employer. The decision to discontinue coverage is irreversible. Family members who elect to continue coverage must continue to pay their current premium.

DIGEST:

CSHB 1303 would permit the spouse of a deceased local or state police officer, Texas Department of Criminal Justice employee, county jail employee, or fire fighter killed in the line of duty to continue to purchase health insurance from the governmental entity that employed the deceased until the individual becomes eligible for federal Medicare benefits. The deceased's dependent children under the age of 18 would remain eligible for health insurance coverage until the child reached the age of 18. The deceased's dependent children over the age of 18 would remain eligible until the individual became eligible for group health insurance through an employer or became eligible for federal Medicare benefits.

This bill would increase to 180 the number of days in which eligible survivors could elect to continue health insurance coverage through the deceased's former employer after the deceased's death. The deceased's former employer would be required to send a second letter, by certified mail, no later than the 150th day after the deceased's death to notify any eligible survivors who had not yet elected to continue health insurance coverage.

An eligible survivor would pay a premium equal to that paid by a current employee who does not have a spouse or does not insure a spouse through the health insurance plan of the deceased's former employer. An eligible survivor with eligible dependent children would pay a health insurance premium equal to that paid by a current employee with dependent children. Health insurance coverage could not lapse for failure to pay the health insurance premium until the 181st day after the date the deceased died.

CSHB 1303 would provide eligible survivors of a local or state police officer, Texas Department of Criminal Justice employee, county jail employee, or fire fighter killed in the line of duty on or after September 1, 1993, who did not apply in the time allowed, or who discontinued coverage, the opportunity to reapply for coverage from the deceased's former employer until March 1, 2010. These eligible survivors would pay according to the same rate schedule and coverage options as would apply had the eligible survivor continued coverage after the spouse's death.

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, 2009.

**SUPPORTERS
SAY:**

CSHB 1303 would rectify an injustice suffered by families of deceased public servants. Their health insurance premiums do not decrease to reflect the loss of the deceased; instead, families must pay the premium as though the deceased were alive, in addition to the employer portion of the premium. This can raise a family's premium from a manageable \$100-\$300 per month to \$1,100 for an adult and one dependent child. If families obtain grief counseling or have a chronic illness, and then search for an affordable health insurance plan from a private insurance company, they are rejected because of pre-existing conditions.

Ninety days is not a reasonable amount of time for surviving spouses to make critical decisions, such as continuing health insurance, after the death of a loved one. This bill would extend that timeframe to a more reasonable 180 days.

The bill also would allow eligible survivors who opted out of continued health insurance coverage through the deceased's former employer to reapply. This would not burden the state because only 28 families are eligible to reapply.

**OPPONENTS
SAY:**

Eligibility for dependent children under the age of 18 should be extended to full-time higher education students to mirror eligibility requirements of private health insurance companies. Some children may forgo higher education to seek employment with health insurance benefits; continuing coverage would reward children who stay in higher education.

NOTES:

The substitute differs from the bill as filed by changing the eligibility requirements for surviving spouses and dependent children, increasing the number of days over which eligible survivors may elect to continue health insurance coverage, requiring a deceased's employer to send a second letter by certified mail to eligible survivors who have not yet elected to continue health insurance coverage, and prohibiting until the 181st day after the date the deceased died a lapse in coverage for failure to pay the premium.

The companion bill, SB 872 by Lucio, passed the Senate by 31-0 on April 7 and was reported favorably, without amendment, by the House Appropriations Committee on April 28, making it eligible for consideration in lieu of HB 1303.