

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

COMMITTEE: Pensions, Investments and Financial Services — favorable without amendment

VOTE: 8 ayes — Truitt, Anchia, Anderson, Creighton, Hernandez Luna, Nash, Orr, Veasey

0 nays

1 absent — Legler

WITNESSES: For — Chris Jones, Combined Law Enforcement Associations of Texas; Amanda Hurst; (*Registered, but did not testify*: Lon Craft, Texas Municipal Police Association; Mike Higgins, Texas State Association of Fire Fighters; Sam Center, Texas Game Warden Peace Officer Association; Bill Elkin, Houston Police Retired Officer Association; Andrew Rivas, Texas Catholic Conference; Johnny Villarreal, Houston Fire Fighters Local 341; Barbara Waldon, City of Waco)

Against — None

On — Robert Kukla, Employees Retirement System of Texas

BACKGROUND: Under Government Code, ch. 615, subch. D, surviving immediate family members of certain public servants killed in the line of duty are eligible to purchase “continued health insurance” coverage from the employing governmental entity.

The public servants whose families are eligible include peace officers, fire fighters, certain county jail employees, certain correctional institution custodial personnel, and certain other first responders. The family members eligible are the spouse and any dependent children of the deceased.

A surviving spouse has 180 days after the public servant’s death to elect to purchase continued coverage from the deceased’s former employer.

DIGEST:

HB 983 would allow surviving immediate family members of certain public servants killed in the line of duty who were eligible to purchase health insurance from the employing governmental entity at the time of death to remain eligible regardless of whether they were enrolled in the entity's insurance at the time of the death. The survivor would be eligible even if enrolled in another employer's health insurance at the time of the death.

The bill would provide a temporary opportunity for eligible survivors to apply or reapply for coverage if they had not been enrolled in the governmental entity's insurance at the time of the death or if they had not notified the governmental entity of their election to purchase coverage within the time allowed. Under these provisions, the survivor would have to apply by September 1, 2012. A survivor who purchased coverage through these provisions would have the same rate and coverage options as if he or she had continued to purchase coverage after the death.

HB 983 would make eligible the family members of public servants killed while in training to become one of the peace officers, fire fighters, or others already included in the program.

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, 2011.

SUPPORTERS
SAY:

HB 983 would clarify the intent of current law and ensure that a family who had lost a loved one in the line of duty continued to be eligible to purchase health insurance through the public servant's employer, regardless of whether those survivors were enrolled in that insurance at the time of the death. Although most employers comply with the intent of the current statute, which the Legislature already attempted to clarify by unanimously enacting SB 872 in 2009, a few do not, citing a more restrictive interpretation of "continued health insurance benefits."

The Employees Retirement System of Texas (ERS) estimates that there are only seven survivors from past deaths who potentially would qualify for coverage under the bill's provisions and that there likely would be only one trainee death every one to two years that could lead to additional survivor coverage. ERS currently provides insurance to 539,000 participants, so the impact of a few additional survivors would be negligible. According to the LBB, the bill would have no fiscal

implication to the state and no actuarial impact to the ERS retirement fund. Although local governments could have an additional financial burden, it also likely would be negligible due to the small number of survivors who would become eligible.

The bill would affect only a handful of families, but for those survivors, it would make a tremendous difference. The bill would be particularly important to a survivor who had lost employment shortly before or after a spouse's death because such an individual would be less likely to have been enrolled in the plan offered by the spouse's employer at the time of death. If the survivor needed counseling after the death of a loved one, that person could be classified by insurance companies as "high risk," leaving only unaffordable options if the survivor then were denied coverage by the deceased spouse's employer on the grounds of not being enrolled at the time of the death. These surviving spouses often have children as well. HB 983 would help protect the health of these individuals who have already lost so much.

**OPPONENTS
SAY:**

HB 983 would create an unfunded mandate on local governments to provide health insurance to these additional families. Like the state government, local governments are facing budget shortfalls and should not have to absorb any additional financial burden.

NOTES:

In 2009, the 81st Legislature enacted a related bill, SB 872 by Lucio, which deleted a requirement that a surviving spouse or dependent minor child forfeit the survivor's insurance coverage if eligible for insurance through another employer.

The companion bill, SB 423 by Lucio, passed the Senate by 31-0 on the Local and Uncontested Calendar on April 7 and has been referred to the House Pensions, Investments, and Financial Services Committee.