

BILL ANALYSIS

Senate Research Center
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H.B. 3089
By: Woolley (Brown)
State Affairs
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Engrossed

DIGEST

Currently, neither the Employees Retirement System of Texas nor the Teacher Retirement System of Texas offers a group long-term care insurance program. H.B. 3089 would set forth provisions related to long-term care insurance provided for certain employees, retirees, and their family members.

PURPOSE

As proposed, H.B. 3089 sets forth provisions related to long-term care insurance provided for certain employees, retirees, and their family members.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the Board of Trustees of the Employees Retirement System of Texas in SECTIONS 1 (Article 3.50-2A(e), Insurance Code), and the Teacher Retirement System in SECTION 2 (Article 3.50-4A, Insurance Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 3E, Insurance Code, by adding Article 3.50-2A, as follows:

Art. 3.50-2A. TEXAS EMPLOYEES GROUP LONG-TERM CARE INSURANCE PROGRAM. Defines “administering firm,” “employee” and “trustee.” Authorizes the Board of Trustees of the Employees Retirement System of Texas (trustee) to establish a group long-term care insurance program to provide long-term care insurance for certain persons. Authorizes the trustee to select an administering firm to administer the program under contract to the trustee. Requires the administering firm to bill each program participant directly for premiums and any other program cost, and the program participant is responsible for the required payment. Prohibits the premiums and program cost from being deducted from an employee’s monthly compensation or a retired employee’s annuity. Provides that the group long-term care insurance program is not part of the group coverages offered under the Texas Employees Uniform Group Insurance Benefits Act (Article 3.50-2, Insurance Code). Prohibits the state from contributing any part of the premiums for coverage offered under this article. Prohibits the trustee from implementing the group long-term care insurance program under this section unless any cost or administrative burden associated with the development of, implementation of, or communications about the program is incidental. Authorizes the trustee to adopt rules as necessary to implement this article.

SECTION 2. Amends Chapter 3E, Insurance Code, by adding Article 3.50-4A, as follows:

Art. 3.50-4A. TEXAS PUBLIC SCHOOL EMPLOYEES GROUP LONG-TERM CARE INSURANCE PROGRAM. Defines “administering firm,” “active employee,” “retiree,” “surviving spouse,” and “trustee.” Prohibits the trustee from implementing the group long-term care insurance program under this section unless any cost of administrative burden associated with the development of, implementation of, or communications about the program is incidental. Provides that the group long-term care insurance program is not part of the group coverages offered under Article 3.50-4, Insurance Code. Authorizes the Teacher Retirement System, as trustee, to adopt rules as necessary to implement this article. Makes conforming changes.

SECTION 3. Amends Section 4, Article 3.50-3, Insurance Code (Texas State College and University Employees Uniform Insurance Benefits Act), by adding Subsection (g), to authorize an institution of higher education (institution) to join with the trustee of the program established under the Texas

Employees Group Insurance Benefits Act (Article 3.50-2, Insurance Code) or the trustee of the program established under Article 3.50-4, Insurance Code, to provide long-term care insurance coverage. Requires each participating trustee and the governing board of the institution to mutually agree to join together for this purpose. Prohibits an institution from participating in an agreement under this subsection unless any cost or administrative burden associated with the development of, implementation of, or communications about the program is incidental.

SECTION 4. Emergency clause.
Effective date: upon passage.