

## **BILL ANALYSIS**

Senate Research Center  
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C.S.S.B. 872  
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State Affairs  
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Committee Report (Substituted)

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

Subchapter D (Health Insurance Coverage for Eligible Survivors), Chapter 615 (Financial Assistance to Survivors of Certain Law Enforcement Officers, Fire Fighters, and Others), Government Code, was enacted in 1993 with the passage of S.B. 97. The intent of the legislation was to allow the surviving family members of a law enforcement officer killed in the line of duty to continue to purchase health insurance from the governmental entity that employed the deceased officer and at the same rate that the employee was paying for the insurance.

Since 1993, many governmental entities have complied with the intent of the statute; however, some, including the state, whose health insurance is managed by the Employees Retirement System (ERS) have not complied. ERS, for example, has required the survivors of state peace officers killed in the line of duty to pay the employee portion of the premium and also pay the state's portion of the premium. The cost of insurance for the family is over \$1,100. In addition, ERS has required survivors to pay the family rate for the insurance, which includes two adults in the cost of the premium. Because of the increased cost, many survivors were unable to afford the insurance and allowed it to lapse.

C.S.S.B. 872 clarifies the statute providing that a survivor of a Texas peace officer killed in the line of duty is permitted to continue to purchase health insurance from the employer and at the rate paid by active employees. This bill also provides a limited opportunity for certain survivors to reapply for health insurance coverage.

### **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 Section 615.073(c), Government Code, to entitle the surviving spouse to continue to purchase health insurance coverage until the date the surviving spouse becomes eligible for federal Medicare benefits. Deletes existing text entitling the surviving spouse to continue to purchase health insurance coverage until the earlier of the date the surviving spouse remarries, or the date the surviving spouse becomes eligible for group health insurance through another employer. Makes a nonsubstantive change.

SECTION 2. Amends Section 615.074, Government Code, as follows:

Sec. 615.074. BENEFIT TO DEPENDENT. (a) Entitles an eligible surviving dependent who is a minor child to continue health insurance coverage until the date the dependent reaches the age of 18. Deletes existing text entitling an eligible surviving dependent who is a minor child to continue health insurance coverage until the earlier of the date the dependent reaches the age of 18 years, or the date the dependent becomes eligible for group health insurance through another employer.

(b) Entitles an eligible surviving dependent who is not a minor child to continue health insurance coverage until the earlier of the date the dependent becomes eligible for group health insurance through another employer or the date the dependent becomes eligible for federal Medicare benefits, rather than the earlier

of one of those two dates or the date the dependent marries. Makes nonsubstantive changes.

SECTION 3. Amends Sections 615.075(a) and (c), Government Code, as follows:

(a) Requires the employing entity, not later than the 150th day after the date of the decedent's death, to send a subsequent written notice under this subsection by certified mail to any eligible survivor who has not already elected to continue coverage on or before that date.

(c) Requires the employing entity, to receive continued coverage under this subchapter, to be informed not later than the 180th day, rather than the 90th day, after the date the decedent died that the eligible survivor elects to continue coverage.

SECTION 4. Amends Section 615.077, Government Code, as follows:

Sec. 615.077. PAYMENTS; RATE. Provides that an eligible survivor who is entitled to continue coverage under this subchapter is entitled to make payments for the coverage or have payments made on the survivor's behalf at the same time and to the same entity that payments for coverage are made by current employees of the employing entity; and obtain the coverage at the rate paid by current employees of the employing entity for that coverage; and may not be required to pay a premium amount for the coverage that is greater than the premium amount that a current employee of the employing entity without a spouse is required to pay to cover the employee alone or to cover the employee and the employee's dependent children, as applicable to the eligible survivor. Deletes existing text providing that an eligible survivor is entitled to purchase the coverage at the group rate for that coverage that exists at the time of payment. Makes a nonsubstantive change.

SECTION 5. Amends Subchapter D, Chapter 615, Government Code, by adding Sections 615.080 and 615.081, as follows:

Sec. 615.080. GRACE PERIOD. Prohibits health insurance benefits coverage in force on the date of the decedent's death under which a deceased individual listed under Section 615.071 covered one or more other persons from lapsing before the 181st day after the date of the decedent's death for failure to pay the premium.

Sec. 615.081. LIMITED OPPORTUNITY FOR CERTAIN ELIGIBLE SURVIVORS TO REAPPLY FOR COVERAGE. (a) Provides that this section applies only to an eligible survivor of a deceased individual listed under Section 615.071 (Applicability) who died on or after September 1, 1993.

(b) Authorizes an eligible survivor to whom this section applies who did not purchase continued health insurance benefits under this subchapter or under the law codified by this subchapter within the time allotted after the listed individual's death, or who discontinued coverage under this subchapter or under the law codified by this subchapter after the listed individual's death, notwithstanding any other provision of this subchapter or other law, to reapply for coverage under the employing entity's health insurance benefits plan not later than March 1, 2010.

(c) Entitles an eligible survivor who reapplies for coverage under Subsection (b) to purchase the coverage according to the same rate schedule and coverage options as would apply had the eligible survivor continued coverage under this subchapter after the listed individual's death.

(d) Provides that this section expires September 1, 2010.

SECTION 6. Effective date: upon passage or September 1, 2009.