

AN ACT

relating to a supplemental health coverage program under the Texas Employees Group Benefits Act for certain persons.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter E, Chapter 1551, Insurance Code, is amended by adding Section 1551.221 to read as follows:

Sec. 1551.221. VOLUNTARY SUPPLEMENTAL HEALTH COVERAGE FOR INDIVIDUALS ELIGIBLE UNDER TRICARE MILITARY HEALTH SYSTEM. (a) The board of trustees may offer a voluntary supplemental health coverage program under this section.

(b) Under the supplemental health coverage program, an individual who is eligible to participate in the group benefits program and who is also eligible for benefits under the TRICARE Military Health System may elect to receive primary coverage under the TRICARE Military Health System. An individual participating in the supplemental health coverage program does not receive basic coverage through the group benefits program, but receives supplemental health coverage under this section.

(c) The cost of supplemental health coverage provided under this section shall be paid from state, employer, and employee contributions in the same manner that the cost of basic coverage is paid under Subchapter G.

(d) The board of trustees may purchase the supplemental health coverage in accordance with Sections 1551.213-1551.216, or,

1 if the board of trustees determines that it would be
2 cost-effective, may provide the supplemental health coverage
3 directly from the employees life, accident, and health insurance
4 benefits fund in accordance with Sections 1551.208-1551.212.

5 (e) The board of trustees may not implement a supplemental
6 health coverage program under this section if the board finds that
7 the program would not be cost-effective or would otherwise not be
8 advantageous to the state or program participants.

9 (f) The board of trustees may coordinate purchasing,
10 contracting, or administrative functions relating to the
11 supplemental health coverage program with:

12 (1) an agency or a political subdivision of this
13 state; or

14 (2) a retirement system that provides benefits to
15 retired employees of this state or a political subdivision of this
16 state.

17 (g) The board of trustees may enter into a contract to
18 implement Subsection (f), including an interagency contract with an
19 agency of this state.

20 (h) The board of trustees may adopt rules to implement this
21 section.

22 SECTION 2. Section 1551.319, Insurance Code, is amended by
23 adding Subsection (f) to read as follows:

24 (f) Notwithstanding any other provision of this section, if
25 the board of trustees establishes a supplemental health coverage
26 program under Section 1551.221, the amount of the contribution made
27 for an individual who elects to receive supplemental health

1 coverage under the program may be reduced, as provided in the
2 General Appropriations Act, to reflect the reduced cost of the
3 supplemental health coverage.

4 SECTION 3. This Act takes effect immediately if it receives
5 a vote of two-thirds of all the members elected to each house, as
6 provided by Section 39, Article III, Texas Constitution. If this
7 Act does not receive the vote necessary for immediate effect, this
8 Act takes effect September 1, 2005.



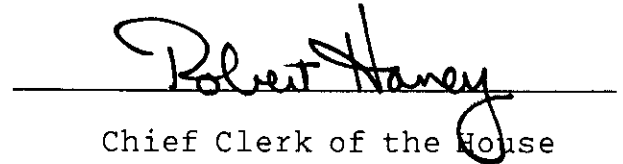
President of the Senate

H.B. No. 417



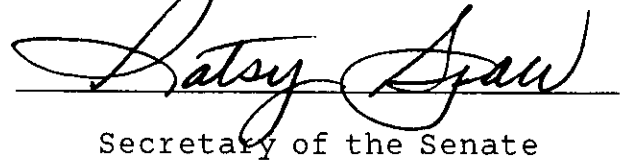
Speaker of the House

I certify that H.B. No. 417 was passed by the House on April 6, 2005, by the following vote: Yeas 143, Nays 1, 1 present, not voting.



Chief Clerk of the House

I certify that H.B. No. 417 was passed by the Senate on May 17, 2005, by the following vote: Yeas 31, Nays 0.



Secretary of the Senate

APPROVED:

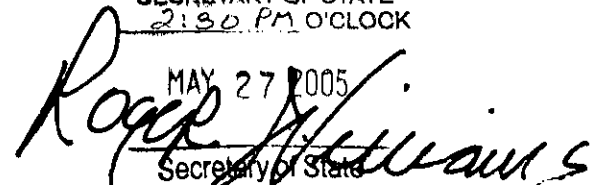
27 MAY 05

Date



Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
2:30 PM O'CLOCK



MAY 27 2005
Secretary of State