

AN ACT

relating to group health and related benefits provided by counties.

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

SECTION 1. Chapter 157, Local Government Code, is amended by adding Subchapter F to read as follows:

SUBCHAPTER F. GROUP HEALTH AND RELATED BENEFITS

Sec. 157.101. GROUP HEALTH AND RELATED BENEFITS. (a) A

commissioners court by rule, including through an intergovernmental risk pool organized under Chapter 172, may provide for group health and related benefits, including medical care, surgical care, hospitalization, and pharmaceutical, life, accident, disability, long-term care, vision, dental, mental health, and substance abuse benefits, for the following persons if their salaries are paid from the funds of the county or of a flood control district located entirely in the county or if they are employees of another governmental entity for which the county is obligated to provide benefits:

(1) deputies, assistants, and other employees of the county, or of the flood control district, who work under the commissioners court or its appointees;

(2) county and district officers and their deputies and assistants appointed under Subchapter A, Chapter 151;

(3) employees of a community supervision and corrections department established under Chapter 76, Government

1 Code;

2 (4) a retired person formerly holding a status listed
3 in Subdivisions (1)-(3); and

4 (5) the dependents of a person listed in Subdivisions
5 (1)-(4).

6 (b) The commissioners court may provide the benefits under
7 Subsection (a) through insurance, self-insurance, or a contract
8 with a county-operated hospital, a hospital operated jointly by a
9 municipality and county, or a private hospital.

10 (c) A rule adopted under this section relating to a person's
11 group health or related benefits coverage must be included in the
12 person's employment contract or otherwise communicated in writing
13 to the person.

14 (d) A rule adopted under this section may be subject to the
15 approval of the county auditor.

16 (e) Before adopting a rule under this section, the
17 commissioners court must provide notice of a hearing about the
18 proposed adoption in accordance with Chapter 551, Government Code.
19 At the hearing, an employee or taxpayer of the county is entitled to
20 appear and protest the adoption of a rule.

21 (f) A county providing coverage under this section may
22 reinsure its potential liability or purchase stop-loss coverage for
23 any amount of potential liability that is in excess of projected
24 paid losses. A county that reinsures its potential liability or
25 purchases stop-loss coverage for any amount of potential liability
26 must do so from an insurance company admitted to do business in this
27 state that holds a certificate of authority from the Texas

1 Department of Insurance or an intergovernmental risk pool organized
2 under Chapter 172.

3 Sec. 157.102. GROUP HEALTH AND RELATED BENEFITS FUND. (a)

4 The commissioners court of a county that adopts rules under Section
5 157.101 may require persons participating in the group health and
6 related benefits plan to contribute toward the payment of the plan.
7 The commissioners court may establish a fund to pay for the group
8 health and related benefits. The fund may take the form of a single
9 nonprofit trust as described by Section 2(c)(1), Article 4.11,
10 Insurance Code.

11 (b) A person who elects to participate in any aspect of the
12 group health and related benefits plan and is required to make
13 contributions toward the payment of the plan must authorize
14 contributions to the fund by salary deduction. The authorization
15 must be submitted in writing to the county officer authorized by the
16 commissioners court to administer payroll deductions. The
17 authorization remains in effect as long as the person is required to
18 make contributions toward the payment of the plan. If the amount of
19 the person's required contributions changes after the date the
20 request for deduction is submitted, the county shall notify the
21 person of the change before the change takes effect. The county and
22 any participating flood control district may also contribute to the
23 fund.

24 (c) The fund may be used only for the purposes stated in
25 Subsection (a). Employees who are discharged or who end their
26 employment voluntarily have no vested right to contributions made
27 to the fund. The fund shall continue to be used for the benefit of

1 the remaining employees.

2 (d) Claims shall be paid from the fund in the same manner as
3 provided by law for the payment of other claims of the county or
4 flood control district.

5 (e) If a plan established under this section is terminated
6 by the commissioners court, the remaining funds shall be
7 transferred to the county and to any participating flood control
8 district in proportion to the total contributions made by them.

9 Sec. 157.103. SUBROGATION. (a) A county that has paid
10 group health and related benefits for a sheriff, deputy sheriff,
11 constable, deputy constable, or other county or precinct law
12 enforcement official is subrogated to the law enforcement
13 official's right of recovery for personal injuries caused by
14 another to the extent of the payments made by the county.

15 (b) A county may not refuse to pay group health and related
16 benefits on the ground that the law enforcement official has a claim
17 for damages for personal injury.

18 Sec. 157.104. PAYMENTS FOR CERTAIN HEALTH COVERAGE. A
19 county may purchase and pay premiums for coverages as described by
20 Section 157.006.

21 Sec. 157.105. APPLICABILITY OF SUBCHAPTER. (a) A county
22 that chooses to provide medical or related benefits may operate
23 under this subchapter or Subchapter A.

24 (b) A county operating under this subchapter that
25 previously created a fund under Section 157.003 may continue the
26 fund or may terminate the fund and create a fund as provided by
27 Section 157.102.

1 SECTION 2. Subchapter A, Chapter 157, Local Government
2 Code, is amended by adding Section 157.007 to read as follows:

3 Sec. 157.007. APPLICABILITY OF SUBCHAPTER. (a) A county
4 that chooses to provide medical or related benefits may operate
5 under this subchapter or Subchapter F.

6 (b) A county operating under this subchapter that
7 previously created a fund under Section 157.102 may continue the
8 fund or may terminate the fund and create a fund as provided by
9 Section 157.003.

10 SECTION 3. This Act takes effect September 1, 2003.

David Newhall

President of the Senate

Jim Cusick

Speaker of the House

I certify that H.B. No. 2053 was passed by the House on April 30, 2003, by a non-record vote; and that the House concurred in Senate amendments to H.B. No. 2053 on May 30, 2003, by a non-record vote.

Robert Haney
Chief Clerk of the House

I certify that H.B. No. 2053 was passed by the Senate, with amendments, on May 28, 2003, by the following vote: Yeas 31, Nays 0.

Patry Saw
Secretary of the Senate

APPROVED: 20 JUN '03

Date

Rick Perry
Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
10:30 AM O'CLOCK

4 JUN 20 2003
Ann Shea
Secretary of State