

During the 86th Texas Legislature, ERS staff tracked more than 400 pieces of legislation that could have had a direct impact on our members, benefits programs or operations. We also worked to educate lawmakers about the value of our insurance and retirement benefits — not only to State of Texas employees and retirees, but also to the Texas economy.

With health insurance financials in good shape, we focused on helping lawmakers understand the importance of returning the ERS Retirement Trust Fund to actuarial soundness and ways they could achieve that. In the end, the legislature did not take any steps in that direction, but we found their engagement with the issue encouraging.

By the end of session, only a few bills passed with a direct impact on ERS benefits. Those that did pass should positively affect participants in ERS programs. Please see below and on the next page for more information about upcoming changes to ERS benefits, based on laws passed during the 2019 Texas legislative session.

For state agency employees contributing to State of Texas Retirement:

There are no changes to retirement eligibility or benefits. ERS retirement plans will continue to be funded at the existing contribution rates: 9.5% of payroll from the state, with an additional 0.5% from each agency employer, and 9.5% of salary from each participating employee.

For Texas Employees Group Benefits Program participants:

The legislature met ERS' appropriations request for health insurance, which maintains funding for eligible employees', retirees' and dependents' health coverage. The appropriation, along with effective cost-saving activities by ERS, means we do not have to increase premium rates or make any coverage changes in the HealthSelect plans or any of the GBP health insurance plans.

The following table has information on the most significant legislative actions related to ERS-administered benefits.

Retirement

Bill	Legislative Action and ERS' Plans	Who Could Be Affected?	When does it start?
Senate Bill 2224	<p>This law requires all public retirement systems in Texas to adopt a pension funding policy.</p> <p>The ERS Board of Trustees adopted a pension funding policy for ERS in May 2018. Its purpose is to formalize a set of procedures to identify the contributions that should be made to maintain the Fund's solvency and preferences on how to finance any gains or losses experienced by the plan. Ultimately, the policy is intended to help increase the financial security of the ERS Retirement Trust by guiding ERS trustees and staff in making decisions concerning the Fund.</p>	Members and retirees participating in ERS' pension plan	<p>September 1, 2019</p> <p>As noted, ERS adopted its pension funding policy in May 2018.</p>

Insurance

Bill	Legislative Action and ERS' Plans	Who Could Be Affected?	When Does It Start?
<p>House Bill 392</p>	<p>This change in policy authorizes ERS to offer individual long-term care (LTC) insurance, in addition to group LTC insurance.</p> <p>Currently, ERS can offer only group LTC insurance. Very few insurers offer this type of LTC policy anymore. As a result, LTC insurance is not currently available through the GBP.</p> <p>With the passage of HB 392, ERS is looking into possible individual LTC policies and what value they might bring to GBP members.</p>	<p>GBP members who want long-term care insurance</p>	<p>The change in policy takes effect September 1, 2019, allowing ERS to explore the potential of making individual LTC plans available.</p>
<p>Senate Bill 1264</p>	<p>This law prohibits certain out-of-network facilities and providers from “balance billing” insurance plan participants for services provided in an emergency or at an in-network facility.</p> <p>Under current law, health plan members can pursue mediation through the Texas Department of Insurance (TDI) when they are balance billed above a certain amount (currently \$500). The new law will take the member out of the process. In a billing dispute, the out-of-network provider and/or health plan can request mediation/ arbitration with each other, if they want to.</p> <p>PLEASE NOTE</p> <p>The law applies in the following situations:</p> <ul style="list-style-type: none"> • Emergency care by a Texas-licensed out-of-network facility or provider • A Texas-licensed, out-of-network facility-based provider who performed a service at an in-network facility • An out-of-network diagnostic imaging provider or laboratory provider who performed a service in connection with a health care or medical service by an in-network provider <p>The law does NOT apply to non-emergency health care services, specifically when a health plan participant has chosen to seek care from an out-of-network provider and has gotten a written disclosure in advance about all the out-of-network providers who will be involved with the service and the estimated costs.</p> <p>It is more important than ever to read all documents from health providers before signing them. In addition, GBP health plan participants should continue to use in-network providers whenever possible.</p> <p>TDI will publish information on the law’s details in the coming months. Check with TDI for more information.</p>	<p>Participants in GBP health plans, except Medicare Advantage plans</p>	<p>This law will apply to health care services or supplies provided on or after January 1, 2020.</p>
<p>House Bill 170</p>	<p>This law requires GBP health plans to cover diagnostic mammograms at the same benefit level as screening mammograms.</p> <p>ERS is reviewing the details of the law and how it applies to each GBP health plan. We will have more information about any changes to coverage closer to the law’s effective date.</p>	<p>Participants in GBP health plans, except Medicare Advantage plans</p>	<p>September 1, 2020</p>