

INSURANCE CODE

TITLE 8. HEALTH INSURANCE AND OTHER HEALTH COVERAGES

SUBTITLE H. HEALTH BENEFITS AND OTHER COVERAGES FOR GOVERNMENTAL
EMPLOYEES

CHAPTER 1575. TEXAS PUBLIC SCHOOL EMPLOYEES GROUP BENEFITS PROGRAM

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1575.001. SHORT TITLE. This chapter may be cited as the Texas Public School Retired Employees Group Benefits Act.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.413(a), eff. Sept. 1, 2003.

Sec. 1575.002. GENERAL DEFINITIONS. In this chapter:

(1) "Active employee" means a contributing member of the Teacher Retirement System of Texas who:

(A) is employed by a public school; and

(B) is not entitled to coverage under a plan provided under Chapter 1551 or 1601.

(2) "Carrier" means an insurance company or hospital service corporation authorized by the department under this code or another insurance law of this state to provide any of the insurance coverages, benefits, or services provided by this chapter.

(3) "Fund" means the retired school employees group insurance fund.

(4) "Group program" means the Texas Public School Employees Group Insurance Program authorized by this chapter.

(5) "Health benefit plan" means any group arrangement to provide health care benefits or to pay or reimburse expenses for health care services.

(5-a) "Medicare Advantage plan" means a health benefit plan operated under Part C of the Medicare program.

(5-b) "Medicare prescription drug plan" means a health benefit plan operated under Part D of the Medicare program.

(6) "Public school" means:

(A) a school district;

(B) another educational district whose employees are members of the Teacher Retirement System of Texas;

(C) a regional education service center established under Chapter 8, Education Code; or

(D) an open-enrollment charter school established under Subchapter D, Chapter 12, Education Code.

(7) "Trustee" means the Teacher Retirement System of Texas.

(8) "Usual and customary rate" means the relevant allowable amount as described by the applicable master benefit plan document or policy.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 201, Sec. 47, eff. Sept. 1,

2003; Acts 2003, 78th Leg., ch. 366, Sec. 3.01, eff. Sept. 1, 2003;

Acts 2003, 78th Leg., ch. 1231, Sec. 1, eff. Sept. 1, 2004; Acts

2003, 78th Leg., ch. 1276, Sec. 10A.414(a), eff. Sept. 1, 2003.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 712 (H.B. 3976), Sec. 1, eff. September 1, 2017.

Acts 2019, 86th Leg., R.S., Ch. 1342 (S.B. 1264), Sec. 1.13, eff. September 1, 2019.

Sec. 1575.0025. REFERENCES TO BASIC PLAN. A reference in this code to a "basic plan" under this chapter means a health benefit plan provided under this chapter other than a Medicare Advantage plan or a Medicare prescription drug plan.

Added by Acts 2017, 85th Leg., R.S., Ch. 712 (H.B. 3976), Sec. 2, eff. September 1, 2017.

Sec. 1575.003. DEFINITION OF DEPENDENT AND RELATED TERMS.

In this chapter:

(1) "Dependent" means:

(A) the spouse of a retiree;

(B) a child of a retiree or deceased active member if the child is younger than 26 years of age, including:

(i) an adopted child or child who is lawfully placed for legal adoption;

(ii) a foster child, stepchild, or other child who is in a regular parent-child relationship; or

(iii) a natural child;

(C) a retiree's natural child, adopted child, foster child, stepchild, or other child who is in a regular parent-child relationship and who lives with or has his or her care provided by the retiree or surviving spouse on a regular basis regardless of the child's age, if the child has a mental disability or is physically incapacitated to an extent that the child is dependent on the retiree or surviving spouse for care or support, as determined by the trustee; or

(D) a deceased active member's natural child, adopted child, foster child, stepchild, or other child who is in a regular parent-child relationship, without regard to the age of the child, if, while the active member was alive, the child:

(i) lived with or had the child's care provided by the active member on a regular basis; and

(ii) had a mental disability or was physically incapacitated to an extent that the child was dependent on the active member or surviving spouse for care or support, as determined by the trustee.

(2) "Surviving dependent child" means:

(A) the dependent child of a deceased retiree who has survived the deceased retiree and the deceased retiree's spouse; or

(B) the dependent child of a deceased active member who has survived the deceased member and the deceased member's spouse if the deceased member:

(i) had contributions made to the group program at the last place of employment of the deceased member in public education in this state;

(ii) had 10 or more years of service credit in the Teacher Retirement System of Texas; and

(iii) died on or after September 1, 1986.

(3) "Surviving spouse" means:

(A) the surviving spouse of a deceased retiree;
or

(B) the surviving spouse of a deceased active member:

(i) for whom contributions have been made to the group program at the last place of employment of the deceased member in public education in this state;

(ii) who had 10 or more years of service credit in the Teacher Retirement System of Texas; and

(iii) who died on or after September 1, 1986.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.414(b), (c), eff. Sept. 1, 2003.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 455 (S.B. 1667), Sec. 21, eff. September 1, 2011.

Acts 2013, 83rd Leg., R.S., Ch. 1078 (H.B. 3357), Sec. 18, eff. June 14, 2013.

Sec. 1575.004. DEFINITION OF RETIREE. (a) In this chapter, "retiree" means:

(1) an individual not eligible for coverage under a plan provided under Chapter 1551 or 1601 who:

(A) has taken a service retirement under the Teacher Retirement System of Texas after September 1, 2005, with at least 10 years of service credit in the system, which may include up to five years of military service credit, but which may not include any other service credit purchased for equivalent or special service credit, and either:

(i) the sum of the retiree's age and years of service credit in the retirement system equals or exceeds 80 at the time of retirement, regardless of whether the retiree had a reduction in the retirement annuity for early age; or

(ii) the retiree has 30 or more years of service credit in the retirement system at the time of retirement;

(B) has taken a service retirement under the Teacher Retirement System of Texas after September 1, 2004, but on or before August 31, 2005, and on September 1, 2005, either:

(i) meets the requirements for eligibility for the group program for coverage as a retiree as those requirements existed on August 31, 2004;

(ii) meets the requirements of Paragraph (A); or

(iii) is enrolled in the group program and was enrolled in the group program on August 31, 2005; or

(C) has taken a service retirement under the Teacher Retirement System of Texas on or before August 31, 2004, and who is enrolled in the group program on August 31, 2005;

(2) an individual who:

(A) has taken a disability retirement under the Teacher Retirement System of Texas; and

(B) is entitled to receive monthly benefits from the Teacher Retirement System of Texas; or

(3) an individual who:

(A) has taken a disability retirement under the Teacher Retirement System of Texas;

(B) has at least 10 years of service credit in the Teacher Retirement System of Texas on the date of disability retirement, as determined under Section [824.304](#), Government Code; and

(C) is not entitled to receive monthly benefits from the Teacher Retirement System of Texas because those benefits have been suspended in accordance with Section [824.310](#), Government Code.

(b) In this section, "public school" has the meaning assigned by Section [821.001](#), Government Code.

(c) For purposes of this section, to meet the requirements for eligibility that existed on August 31, 2004, for a service retiree, an individual must not have been eligible to be covered by a plan provided under Chapter [1551](#) or [1601](#) and must have taken a service retirement under the Teacher Retirement System of Texas with either:

(1) at least 10 years of service credit in the retirement system for actual service in public schools in this state; or

(2) at least five years of service credit for actual service in the public schools in this state and five years of out-of-state service credit in the Teacher Retirement System of Texas.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 201, Sec. 48, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1231, Sec. 2, eff. Sept. 1, 2004; Acts 2003, 78th Leg., ch. 1276, Sec. 10A.415, eff. Sept. 1, 2003; Acts 2003, 78th Leg., 3rd C.S., ch. 3, Sec. 16.05, eff. Sept. 1, 2004.

Amended by:

Acts 2005, 79th Leg., Ch. 1359 (S.B. [1691](#)), Sec. 38, eff. September 1, 2005.

Acts 2007, 80th Leg., R.S., Ch. 1230 (H.B. [2427](#)), Sec. 15, eff. September 1, 2007.

Sec. 1575.005. ISSUANCE OF CERTIFICATE OF COVERAGE. At the time and in the circumstances specified by the trustee, a carrier shall issue to each retiree, surviving spouse, or surviving dependent child covered under this chapter a certificate of coverage that:

- (1) states the benefits to which the person is entitled;
- (2) states to whom the benefits are payable;
- (3) states to whom a claim must be submitted; and
- (4) summarizes the provisions of the coverage principally affecting the person.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.416(a), eff. Sept. 1, 2003.

Sec. 1575.006. EXEMPTION FROM PROCESS. (a) The following are exempt from execution, attachment, garnishment, or any other process:

- (1) benefit payments, active employee and state contributions, and retiree, surviving spouse, and surviving dependent child contributions;

(2) any rights, benefits, or payments accruing to any person under this chapter; and

(3) any money in the fund.

(b) The items listed in Subsection (a) may not be assigned except for direct payment to benefit providers as authorized by the trustee by contract, rule, or otherwise.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.417, eff. Sept. 1, 2003.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 712 (H.B. [3976](#)), Sec. 3, eff. September 1, 2017.

Sec. 1575.007. EXEMPTION FROM STATE TAXES AND FEES. A premium or contribution on a policy, insurance contract, or agreement authorized by this chapter is not subject to any state tax, regulatory fee, or surcharge, including a premium or maintenance tax or fee.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Sec. 1575.008. COVERAGE EXEMPT FROM INSURANCE LAW. A coverage plan provided under this chapter is exempt from any other insurance law, including common law, that does not expressly apply to the plan or this chapter.

Added by Acts 2005, 79th Leg., Ch. 1359 (S.B. [1691](#)), Sec. 39, eff. September 1, 2005.

Text of section effective until September 01, 2025

Sec. 1575.009. BALANCE BILLING PROHIBITION NOTICE. (a) The administrator of a managed care plan provided under the group program shall provide written notice in accordance with this section in an explanation of benefits provided to the enrollee and the physician or health care provider in connection with a health care or medical service or supply or transport provided by an out-of-network provider. The notice must include:

(1) a statement of the billing prohibition under Section [1575.171](#), [1575.172](#), [1575.173](#), or [1575.174](#), as applicable;

(2) the total amount the physician or provider may bill the enrollee under the enrollee's managed care plan and an itemization of copayments, coinsurance, deductibles, and other amounts included in that total; and

(3) for an explanation of benefits provided to the physician or provider, information required by commissioner rule advising the physician or provider of the availability of mediation or arbitration, as applicable, under Chapter 1467.

(b) The administrator shall provide the explanation of benefits with the notice required by this section to a physician or health care provider not later than the date the administrator makes a payment under Section 1575.171, 1575.172, 1575.173, or 1575.174, as applicable.

Added by Acts 2019, 86th Leg., R.S., Ch. 1342 (S.B. 1264), Sec. 1.14, eff. September 1, 2019.

Amended by:

Acts 2023, 88th Leg., R.S., Ch. 981 (S.B. 2476), Sec. 11(a), eff. September 1, 2023.

Acts 2023, 88th Leg., R.S., Ch. 981 (S.B. 2476), Sec. 11(b), eff. September 1, 2025.

Text of section effective on September 01, 2025

Sec. 1575.009. BALANCE BILLING PROHIBITION NOTICE. (a) The administrator of a managed care plan provided under the group program shall provide written notice in accordance with this section in an explanation of benefits provided to the enrollee and the physician or health care provider in connection with a health care or medical service or supply provided by an out-of-network provider. The notice must include:

(1) a statement of the billing prohibition under Section 1575.171, 1575.172, or 1575.173, as applicable;

(2) the total amount the physician or provider may bill the enrollee under the enrollee's managed care plan and an itemization of copayments, coinsurance, deductibles, and other amounts included in that total; and

(3) for an explanation of benefits provided to the physician or provider, information required by commissioner rule

advising the physician or provider of the availability of mediation or arbitration, as applicable, under Chapter 1467.

(b) The administrator shall provide the explanation of benefits with the notice required by this section to a physician or health care provider not later than the date the administrator makes a payment under Section 1575.171, 1575.172, or 1575.173, as applicable.

Added by Acts 2019, 86th Leg., R.S., Ch. 1342 (S.B. 1264), Sec. 1.14, eff. September 1, 2019.

Amended by:

Acts 2023, 88th Leg., R.S., Ch. 981 (S.B. 2476), Sec. 11(a), eff. September 1, 2023.

Acts 2023, 88th Leg., R.S., Ch. 981 (S.B. 2476), Sec. 11(b), eff. September 1, 2025.

Sec. 1575.010. INFORMATION REGARDING APPEALS. The trustee shall develop and distribute informational materials to individuals enrolled in a health benefit plan offered under the group program regarding:

(1) the enrollee's right to appeal denial of an adverse determination, as defined by Section 4201.002, to an independent review organization;

(2) the procedures for appealing to an independent review organization; and

(3) the assistance available from the trustee in navigating the procedures for appeal.

Added by Acts 2021, 87th Leg., R.S., Ch. 141 (H.B. 1585), Sec. 16, eff. May 26, 2021.

SUBCHAPTER B. ADMINISTRATION

Sec. 1575.051. ADMINISTRATION OF GROUP PROGRAM. The trustee shall take the actions it considers necessary to devise, implement, and administer the group program.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.419, eff. Sept. 1, 2003.

Sec. 1575.052. AUTHORITY TO ADOPT RULES AND PROCEDURES; OTHER AUTHORITY. (a) The trustee may adopt rules, plans, procedures, and orders reasonably necessary to implement this chapter, including:

(1) minimum benefit and financing standards for group coverage for retirees, dependents, surviving spouses, and surviving dependent children;

(2) group coverage for retirees, dependents, surviving spouses, and surviving dependent children;

(3) procedures for contributions and deductions;

(4) periods for enrollment and selection of coverage and procedures for enrolling and exercising options under the group program;

(5) procedures for claims administration;

(6) procedures to administer the fund; and

(7) a timetable for:

(A) developing minimum benefit and financial standards for group coverage;

(B) establishing health benefit plans offered under the group program; and

(C) taking bids and awarding contracts for health benefit plans offered under the group program.

(b) The trustee may:

(1) study the operation of all group coverage provided under this chapter; and

(2) contract for advice and counsel in implementing and administering the group program with independent and experienced group insurance consultants and actuaries.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.420(a), eff. Sept. 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 1359 (S.B. [1691](#)), Sec. 40, eff. September 1, 2005.

Acts 2017, 85th Leg., R.S., Ch. 712 (H.B. [3976](#)), Sec. 4, eff. September 1, 2017.

Sec. 1575.053. PERSONNEL. (a) The trustee may employ persons to assist the trustee in implementing this chapter.

(b) The trustee shall prescribe the duties and compensation of each employee.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.421, eff. Sept. 1, 2003.

Sec. 1575.054. BUDGET. Expenses incurred in developing and administering the group program shall be paid as provided by a budget adopted by the trustee.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.421, eff. Sept. 1, 2003.

Sec. 1575.055. DEPARTMENT ASSISTANCE. The department shall, as requested by the trustee, assist the trustee in implementing and administering this chapter.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.421, eff. Sept. 1, 2003.

Sec. 1575.056. TRANSFER OF RECORDS RELATING TO ACTIVE EMPLOYEE PROGRAM. The trustee shall transfer from the program all records relating to active employees participating in the program established under Chapter 1579 not later than the date on which the program established under Chapter 1579 is implemented.

Added by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.422(a), eff. Sept. 1, 2003.

SUBCHAPTER C. PROVISION OF BENEFITS

Sec. 1575.101. SYSTEM AS GROUP PLAN HOLDER. The Teacher Retirement System of Texas is the group plan holder of a plan established under this chapter.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.423, eff. Sept. 1, 2003.

Sec. 1575.102. SELF-INSURED PLANS. The trustee may self-insure any plan established under this chapter.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.423, eff. Sept. 1, 2003.

Sec. 1575.104. TERMS OF CONTRACT. A contract for group coverage awarded by the trustee must meet the minimum benefit and financial standards adopted by the trustee.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.423, eff. Sept. 1, 2003.

Sec. 1575.105. PLAN COVERAGE SECONDARY TO CERTAIN OTHER COVERAGE. The coverage provided by a plan established under this chapter:

(1) is secondary to Medicare hospital and medical insurance to the extent permitted by federal law if the retiree, dependent, surviving spouse, or surviving dependent child is entitled to receive Medicare hospital insurance benefits without charge; and

(2) may be made secondary to other coverage to which the retiree, dependent, surviving spouse, or surviving dependent child is entitled.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Sec. 1575.106. COMPETITIVE BIDDING REQUIREMENTS; RULE. (a) A contract to provide group benefits under this chapter may be awarded only through competitive bidding under rules adopted by the trustee.

(b) The trustee shall submit for competitive bidding at least every six years each contract for coverage under this chapter.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.424(a), eff. Sept. 1, 2003.

Sec. 1575.107. CONTRACT AWARD; CONSIDERATIONS. (a) In awarding a contract to provide group benefits under this chapter, the trustee is not required to select the lowest bid and may consider any relevant criteria, including the bidder's:

- (1) ability to service contracts;
- (2) past experiences; and
- (3) financial stability.

(b) If the trustee awards a contract to a bidder whose bid deviates from that advertised, the trustee shall record the deviation and fully justify the reason for the deviation in the minutes of the next meeting of the trustee.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.
Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.424(b), eff. Sept. 1, 2003.

Sec. 1575.108. USE OF PRIVATE ENTITIES. The trustee may engage a private entity to collect contributions from or to settle claims in connection with a plan established by the trustee under this chapter.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.
Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.425, eff. Sept. 1, 2003.

Sec. 1575.109. USE OF HEALTH CARE PROVIDER. To provide benefits to participants in the group program, the trustee may contract directly with a health care provider, including a health maintenance organization, a preferred provider organization, a carrier, an administrator, and any other qualified vendor.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.
Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.425, eff. Sept. 1, 2003.

Sec. 1575.110. PHARMACY BENEFIT MANAGER CONTRACTS. (a) In awarding a contract to provide pharmacy benefit manager services

under this chapter, the trustee is not required to select the lowest bid but must select a contract that meets the criteria established by this section.

(b) The contract must state that:

(1) the trustee is entitled to audit the pharmacy benefit manager to verify costs and discounts associated with drug claims, pharmacy benefit manager compliance with contract requirements, and services provided by subcontractors;

(2) the audit must be conducted by an independent auditor in accordance with established auditing standards; and

(3) to conduct the audit, the trustee and the independent auditor are entitled access to information related to the services and the costs associated with the services performed under the contract, including access to the pharmacy benefit manager's facilities, records, contracts, medical records, and agreements with subcontractors.

(c) The contract must define the information that the pharmacy benefit manager is required to provide to the trustee concerning the audit of the retail, independent, and mail order pharmacies performing services under the contract and describe how the results of these audits must be reported to the trustee, including how often the results must be reported. The contract must state whether the pharmacy benefit manager is required to return recovered overpayments to the trustee.

(d) The contract must state that any audit of a mail order pharmacy owned by the pharmacy benefit manager must be conducted by an independent auditor selected by the trustee in accordance with established auditing standards.

Added by Acts 2009, 81st Leg., R.S., Ch. 1207 (S.B. 704), Sec. 6, eff. September 1, 2009.

SUBCHAPTER D. COVERAGES AND PARTICIPATION

Sec. 1575.151. TYPES OF COVERAGES. The trustee may include in a plan any coverage it considers advisable, including:

- (1) life insurance;
- (2) accidental death and dismemberment coverage;

(3) coverage for:

- (A) hospital care and benefits;
- (B) surgical care and treatment;
- (C) medical care and treatment;
- (D) dental care;
- (E) eye care;
- (F) obstetrical benefits;
- (G) long-term care;
- (H) prescribed drugs, medicines, and prosthetic

devices; and

(I) supplemental benefits, supplies, and services in accordance with this chapter; and

(4) protection against loss of salary.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.425, eff. Sept. 1, 2003.

Sec. 1575.152. HEALTH BENEFIT PLAN MUST COVER PREEXISTING CONDITIONS. A health benefit plan offered under the group program, other than a Medicare Advantage plan or a Medicare prescription drug plan, must cover preexisting conditions.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 712 (H.B. [3976](#)), Sec. 5, eff. September 1, 2017.

For expiration of Subsections (d) and (e), see Subsection (e).

Sec. 1575.153. HEALTH BENEFIT PLAN COVERAGE FOR RETIREES. (a) A retiree who applies for coverage during an enrollment period may not be denied coverage in a health benefit plan provided under this chapter for which the retiree is eligible unless the trustee finds under Subchapter K that the retiree defrauded or attempted to defraud the group program.

(b) A retiree who has coverage under a health benefit plan offered under the group program shall pay a monthly contribution, as determined by the trustee.

(c) As a condition of electing coverage under a health

benefit plan, the retiree must, in writing, authorize the trustee to deduct the amount of the contribution from the retiree's monthly annuity payment. The trustee shall deduct the contribution in the manner and form determined by the trustee.

(d) Notwithstanding Subsection (b), a retiree is not required to pay a monthly contribution under this section until the 2022 plan year if the retiree:

(1) has taken a disability retirement under the Teacher Retirement System of Texas on or before January 1, 2017;

(2) is receiving disability retirement benefits from the Teacher Retirement System of Texas; and

(3) is not eligible to enroll in Medicare.

(e) This subsection and Subsection (d) expire at the end of the 2021 plan year on December 31, 2021.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.
Amended by Acts 2003, 78th Leg., ch. 201, Sec. 49(a), eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1231, Sec. 3(a), eff. Sept. 1, 2004; Acts 2003, 78th Leg., ch. 1276, Sec. 10A.426(a), eff. Sept. 1, 2003.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 712 (H.B. [3976](#)), Sec. 6, eff. September 1, 2017.

Sec. 1575.155. COVERAGE FOR DEPENDENTS OF RETIREE. (a) A retiree participating in the group program is entitled to secure for the retiree's dependents group coverage under this chapter for which the dependents are eligible under this chapter or any other law, including requirements established by the trustee.

(b) The additional contribution payments for the dependent coverage shall be deducted from the annuity payments to the retiree in the manner and form determined by the trustee.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.
Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.427, eff. Sept. 1, 2003.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 712 (H.B. [3976](#)), Sec. 7, eff. September 1, 2017.

Sec. 1575.156. COVERAGE FOR SURVIVING SPOUSE OR DEPENDENTS OF SURVIVING SPOUSE. (a) A surviving spouse who is entitled to group coverage under this chapter may elect to retain or obtain coverage for which the surviving spouse or dependents of the surviving spouse are eligible.

(b) Repealed by Acts 2017, 85th Leg., R.S., Ch. 712 (H.B. 3976), Sec. 24(2), eff. September 1, 2017.

(c) A surviving spouse who elects under this section to retain or obtain coverage under a health benefit plan offered under the group program for the surviving spouse or dependents of the surviving spouse shall pay a monthly contribution, as determined by the trustee.

(d) As a condition of electing coverage under a health benefit plan, the surviving spouse must, in writing, authorize the trustee to deduct the amount of the contribution from the surviving spouse's monthly annuity payment. The trustee shall deduct the contribution in the manner and form determined by the trustee.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.428, eff. Sept. 1, 2003.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 712 (H.B. 3976), Sec. 8, eff. September 1, 2017.

Acts 2017, 85th Leg., R.S., Ch. 712 (H.B. 3976), Sec. 24(2), eff. September 1, 2017.

Sec. 1575.157. COVERAGE FOR SURVIVING DEPENDENT CHILD.

(a) A surviving dependent child, the guardian of the child's estate, or the person having custody of the child may elect to retain or obtain group coverage for which the surviving dependent child is eligible at the applicable rate for a dependent.

(b) A surviving dependent child who has coverage under a health benefit plan offered under the group program shall pay a monthly contribution, as determined by the trustee. The applicable contributions must be provided by the surviving dependent child in the manner established by the trustee.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.
Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.429, eff. Sept. 1, 2003.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 712 (H.B. [3976](#)), Sec. 9, eff. September 1, 2017.

Sec. 1575.158. GROUP HEALTH BENEFIT PLANS. (a) The trustee shall establish or contract for and make available under the group program a high deductible health plan for retirees, dependents, surviving spouses, or surviving dependent children who are eligible under Section [1575.1582](#).

(b) Repealed by Acts 2017, 85th Leg., R.S., Ch. 712 (H.B. [3976](#)), Sec. 24(3), eff. September 1, 2017.

(c) The trustee shall establish or contract for and make available under the group program a Medicare Advantage plan and a Medicare prescription drug plan for retirees, dependents, surviving spouses, and surviving dependent children who are eligible under Section [1575.1582](#).

(d) Notwithstanding Subsection (c), if the trustee determines that a Medicare Advantage plan or a Medicare prescription drug plan is no longer appropriate for the group program, the trustee may establish or contract for and make available under the group program other health benefit plans to provide medical or pharmacy benefits.

(e) To the extent the group program has available funds, the trustee shall consider implementing a plan design for non-Medicare eligible enrollees in the high deductible health plan established or made available under Subsection (a) that provides assistance in the payment of preventive care, including generic preventive maintenance medications, in a manner that is consistent with federal law.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.
Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.430, eff. Sept. 1, 2003.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1214 (S.B. [1458](#)), Sec. 9, eff.

September 1, 2014.

Acts 2017, 85th Leg., R.S., Ch. 712 (H.B. 3976), Sec. 10, eff. September 1, 2017.

Acts 2017, 85th Leg., R.S., Ch. 712 (H.B. 3976), Sec. 11, eff. September 1, 2017.

Acts 2017, 85th Leg., R.S., Ch. 712 (H.B. 3976), Sec. 24(3), eff. September 1, 2017.

Sec. 1575.1582. ELIGIBILITY FOR GROUP HEALTH BENEFIT PLANS.

(a) A retiree, dependent, surviving spouse, or surviving dependent child who is not eligible to enroll in Medicare is eligible to enroll in a high deductible health plan offered under the group program, subject to any other applicable eligibility requirements, including requirements established by the trustee, but is not eligible to enroll in another health benefit plan offered under the group program.

(b) A retiree, dependent, surviving spouse, or surviving dependent child who is eligible to enroll in Medicare is eligible to enroll in a Medicare Advantage plan or a Medicare prescription drug plan offered under the group program, subject to any other applicable eligibility requirements, including requirements established by the trustee, but is not eligible to enroll in another health benefit plan offered under the group program unless authorized by Subsection (c).

(c) If the trustee makes another health benefit plan available under Section 1575.158(d), any individual otherwise eligible under this section to enroll in a Medicare Advantage plan or Medicare prescription drug plan is eligible to enroll in that health benefit plan.

Added by Acts 2017, 85th Leg., R.S., Ch. 712 (H.B. 3976), Sec. 12, eff. September 1, 2017.

Sec. 1575.159. COVERAGE FOR PROSTATE-SPECIFIC ANTIGEN TEST. A health benefit plan offered under the group program, other than a Medicare Advantage plan or a Medicare prescription drug plan, must provide coverage for a medically accepted prostate-specific antigen test used for the detection of prostate

cancer for each male enrolled in the health benefit plan who:

- (1) is at least 50 years of age; or
- (2) is at least 40 years of age and:
 - (A) has a family history of prostate cancer; or
 - (B) exhibits another cancer risk factor.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 712 (H.B. 3976), Sec. 13, eff. September 1, 2017.

Sec. 1575.160. GROUP LIFE OR ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE: PAYMENT OF CLAIM. The amount of group life insurance or group accidental death and dismemberment insurance covering a retiree, dependent, surviving spouse, or surviving dependent child on the date of death shall be paid, on the establishment of a valid claim, only to:

(1) the beneficiary designated by the person in a signed and witnessed document received before death in the office of the trustee; or

(2) a person in the order prescribed by Section 824.103(b), Government Code, if a beneficiary is not properly designated or a beneficiary does not exist.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.431(a), eff. Sept. 1, 2003.

Sec. 1575.1601. GROUP BENEFITS FOR DENTAL AND VISION CARE. The trustee shall establish or contract for and make available under the group program the following plans for retirees, dependents, surviving spouses, and surviving dependent children:

(1) an optional plan that provides coverage for dental care; and

(2) an optional plan that provides coverage for vision care.

Added by Acts 2023, 88th Leg., R.S., Ch. 955 (S.B. 1854), Sec. 1, eff. September 1, 2023.

For expiration of Subsections (b) and (c), see Subsection (c).

Sec. 1575.161. ENROLLMENT PERIODS. (a) A retiree eligible for coverage under the group program may select for the retiree and the retiree's eligible dependents any coverage provided under this chapter for which each of those individuals is otherwise eligible:

(1) on any date that is on or after the date the retiree retires and on or before the 90th day after that date;

(2) during a period beginning on the date the retiree reaches 65 years of age and ending on a date set by the trustee by rule; and

(3) during any other open enrollment periods for retirees set by the trustee by rule.

(b) Notwithstanding Subsection (a), the trustee by rule shall provide one opportunity to reenroll in a health benefit plan offered under the group program for an otherwise eligible retiree:

(1) who is eligible to enroll in Medicare;

(2) whose initial enrollment was voluntarily terminated on or after January 1, 2017, and on or before December 31, 2019; and

(3) who opts to reenroll on or before December 31, 2023.

(c) Subsection (b) and this subsection expire September 1, 2024.

(d) Repealed by Acts 2017, 85th Leg., R.S., Ch. 712 (H.B. 3976), Sec. 24(5), eff. September 1, 2017.

(e) Repealed by Acts 2017, 85th Leg., R.S., Ch. 712 (H.B. 3976), Sec. 24(5), eff. September 1, 2017.

(f) An individual enrolled in a health benefit plan offered under the group program may remain enrolled in that health benefit plan as long as the individual remains eligible for that health benefit plan. If an individual becomes ineligible for a health benefit plan in which the individual is enrolled, the trustee shall enroll the individual in a health benefit plan for which the individual is eligible, if any, in accordance with procedures established by the trustee.

Added by Acts 2003, 78th Leg., ch. 201, Sec. 50, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1231, Sec. 4, eff. Sept. 1, 2004. Amended

by Acts 2003, 78th Leg., 3rd C.S., ch. 3, Sec. 16.06, eff. Jan. 11, 2004.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 354 (H.B. [1191](#)), Sec. 1, eff. September 1, 2009.

Acts 2017, 85th Leg., R.S., Ch. 712 (H.B. [3976](#)), Sec. 14, eff. September 1, 2017.

Acts 2017, 85th Leg., R.S., Ch. 712 (H.B. [3976](#)), Sec. 15, eff. September 1, 2017.

Acts 2017, 85th Leg., R.S., Ch. 712 (H.B. [3976](#)), Sec. 24(5), eff. September 1, 2017.

Acts 2021, 87th Leg., R.S., Ch. 681 (H.B. [2022](#)), Sec. 1, eff. June 15, 2021.

Sec. 1575.162. SPECIAL ENROLLMENTS. This chapter does not limit the ability of an individual to enroll in the group program if the individual:

(1) experiences a special enrollment event as provided by the Health Insurance Portability and Accountability Act of 1996 (Pub. L. No. 104-191, 110 Stat. 1936 (1996)), as amended; and

(2) is otherwise eligible to enroll in the group program.

Added by Acts 2003, 78th Leg., ch. 201, Sec. 50, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1231, Sec. 4, eff. Sept. 1, 2004.

Sec. 1575.163. LIMITATIONS. The Teacher Retirement System of Texas, as trustee, may not contract for or provide a health benefit plan that excludes from participation in the network a general hospital that:

(1) is located in the geographical service area or areas of the health coverage plan that includes a county that:

(A) has a population of at least 100,000 and not more than 233,500; and

(B) is located in the Texas-Louisiana border region, as that term is defined in Section [2056.002\(e\)](#), Government Code; and

(2) agrees to provide medical and health care services

under the plan subject to the same terms and conditions as other hospital providers under the plan.

Added by Acts 2003, 78th Leg., ch. 201, Sec. 50, eff. Sept. 1, 2003.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1163 (H.B. [2702](#)), Sec. 57, eff. September 1, 2011.

Acts 2023, 88th Leg., R.S., Ch. 644 (H.B. [4559](#)), Sec. 117, eff. September 1, 2023.

Sec. 1575.164. DISEASE MANAGEMENT SERVICES. (a) In this section, "disease management services" means services to assist an individual manage a disease or other chronic health condition, such as heart disease, diabetes, respiratory illness, end-stage renal disease, HIV infection, or AIDS, and with respect to which the Teacher Retirement System of Texas identifies populations requiring disease management.

(b) A health benefit plan provided under this chapter, other than a Medicare Advantage plan or a Medicare prescription drug plan, must provide disease management services or coverage for disease management services in the manner required by the Teacher Retirement System of Texas, including:

- (1) patient self-management education;
- (2) provider education;
- (3) evidence-based models and minimum standards of care;
- (4) standardized protocols and participation criteria; and
- (5) physician-directed or physician-supervised care.

Added by Acts 2003, 78th Leg., ch. 589, Sec. 4, eff. June 20, 2003.

Renumbered from Insurance Code, Section [1575.162](#) by Acts 2005, 79th Leg., Ch. 728 (H.B. [2018](#)), Sec. 23.001(62), eff. September 1, 2005.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 712 (H.B. [3976](#)), Sec. 16, eff. September 1, 2017.

Sec. 1575.170. PRIOR AUTHORIZATION FOR CERTAIN DRUGS. (a) In this section, "drug formulary" means a list of drugs preferred

for use and eligible for coverage under a health benefit plan.

(b) A health benefit plan provided under this chapter, other than a Medicare Advantage plan or a Medicare prescription drug plan, that uses a drug formulary in providing a prescription drug benefit must require prior authorization for coverage of the following categories of prescribed drugs if the specific drug prescribed is not included in the formulary:

- (1) a gastrointestinal drug;
- (2) a cholesterol-lowering drug;
- (3) an anti-inflammatory drug;
- (4) an antihistamine; and
- (5) an antidepressant drug.

(c) Repealed by Acts 2013, 83rd Leg., R.S., Ch. 1312, Sec. 99(27), eff. September 1, 2013.

Added by Acts 2003, 78th Leg., ch. 213, Sec. 3, eff. Sept. 1, 2003.
Renumbered from Insurance Code Sec. 1575.161 by Acts 2003, 78th Leg., 3rd C.S., ch. 3, Sec. 16.07, eff. Jan. 11, 2004.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1312 (S.B. 59), Sec. 99(27), eff. September 1, 2013.

Acts 2017, 85th Leg., R.S., Ch. 712 (H.B. 3976), Sec. 17, eff. September 1, 2017.

Sec. 1575.1701. EXEMPTION FROM PREAUTHORIZATION REQUIREMENTS FOR PHYSICIANS AND HEALTH CARE PROVIDERS PROVIDING CERTAIN HEALTH CARE SERVICES. A preauthorization process used by a health benefit plan provided under this chapter is subject to the same limitations and requirements provided by Subchapter N, Chapter 4201, for a preauthorization process used by an insurer.

Added by Acts 2021, 87th Leg., R.S., Ch. 1018 (H.B. 3459), Sec. 2, eff. September 1, 2021.

Sec. 1575.171. EMERGENCY CARE PAYMENTS. (a) In this section, "emergency care" has the meaning assigned by Section 1301.155.

(b) The administrator of a managed care plan provided under the group program shall pay for covered emergency care performed by

or a covered supply related to that care provided by an out-of-network provider at the usual and customary rate or at an agreed rate. The administrator shall make a payment required by this subsection directly to the provider not later than, as applicable:

(1) the 30th day after the date the administrator receives an electronic claim for those services that includes all information necessary for the administrator to pay the claim; or

(2) the 45th day after the date the administrator receives a nonelectronic claim for those services that includes all information necessary for the administrator to pay the claim.

(c) For emergency care subject to this section or a supply related to that care, an out-of-network provider or a person asserting a claim as an agent or assignee of the provider may not bill an enrollee in, and the enrollee does not have financial responsibility for, an amount greater than an applicable copayment, coinsurance, and deductible under the enrollee's managed care plan that:

(1) is based on:

(A) the amount initially determined payable by the administrator; or

(B) if applicable, a modified amount as determined under the administrator's internal appeal process; and

(2) is not based on any additional amount determined to be owed to the provider under Chapter 1467.

Added by Acts 2019, 86th Leg., R.S., Ch. 1342 (S.B. 1264), Sec. 1.15, eff. September 1, 2019.

Sec. 1575.172. OUT-OF-NETWORK FACILITY-BASED PROVIDER PAYMENTS. (a) In this section, "facility-based provider" means a physician or health care provider who provides health care or medical services to patients of a health care facility.

(b) Except as provided by Subsection (d), the administrator of a managed care plan provided under the group program shall pay for a covered health care or medical service performed for or a covered supply related to that service provided to an enrollee by an out-of-network provider who is a facility-based provider at the

usual and customary rate or at an agreed rate if the provider performed the service at a health care facility that is a participating provider. The administrator shall make a payment required by this subsection directly to the provider not later than, as applicable:

(1) the 30th day after the date the administrator receives an electronic claim for those services that includes all information necessary for the administrator to pay the claim; or

(2) the 45th day after the date the administrator receives a nonelectronic claim for those services that includes all information necessary for the administrator to pay the claim.

(c) Except as provided by Subsection (d), an out-of-network provider who is a facility-based provider or a person asserting a claim as an agent or assignee of the provider may not bill an enrollee receiving a health care or medical service or supply described by Subsection (b) in, and the enrollee does not have financial responsibility for, an amount greater than an applicable copayment, coinsurance, and deductible under the enrollee's managed care plan that:

(1) is based on:

(A) the amount initially determined payable by the administrator; or

(B) if applicable, a modified amount as determined under the administrator's internal appeal process; and

(2) is not based on any additional amount determined to be owed to the provider under Chapter 1467.

(d) This section does not apply to a nonemergency health care or medical service:

(1) that an enrollee elects to receive in writing in advance of the service with respect to each out-of-network provider providing the service; and

(2) for which an out-of-network provider, before providing the service, provides a complete written disclosure to the enrollee that:

(A) explains that the provider does not have a contract with the enrollee's managed care plan;

(B) discloses projected amounts for which the

enrollee may be responsible; and

(C) discloses the circumstances under which the enrollee would be responsible for those amounts.

Added by Acts 2019, 86th Leg., R.S., Ch. 1342 (S.B. 1264), Sec. 1.15, eff. September 1, 2019.

Sec. 1575.173. OUT-OF-NETWORK DIAGNOSTIC IMAGING PROVIDER OR LABORATORY SERVICE PROVIDER PAYMENTS. (a) In this section, "diagnostic imaging provider" and "laboratory service provider" have the meanings assigned by Section 1467.001.

(b) Except as provided by Subsection (d), the administrator of a managed care plan provided under the group program shall pay for a covered health care or medical service performed for or a covered supply related to that service provided to an enrollee by an out-of-network provider who is a diagnostic imaging provider or laboratory service provider at the usual and customary rate or at an agreed rate if the provider performed the service in connection with a health care or medical service performed by a participating provider. The administrator shall make a payment required by this subsection directly to the provider not later than, as applicable:

(1) the 30th day after the date the administrator receives an electronic claim for those services that includes all information necessary for the administrator to pay the claim; or

(2) the 45th day after the date the administrator receives a nonelectronic claim for those services that includes all information necessary for the administrator to pay the claim.

(c) Except as provided by Subsection (d), an out-of-network provider who is a diagnostic imaging provider or laboratory service provider or a person asserting a claim as an agent or assignee of the provider may not bill an enrollee receiving a health care or medical service or supply described by Subsection (b) in, and the enrollee does not have financial responsibility for, an amount greater than an applicable copayment, coinsurance, and deductible under the enrollee's managed care plan that:

(1) is based on:

(A) the amount initially determined payable by the administrator; or

(B) if applicable, the modified amount as determined under the administrator's internal appeal process; and

(2) is not based on any additional amount determined to be owed to the provider under Chapter 1467.

(d) This section does not apply to a nonemergency health care or medical service:

(1) that an enrollee elects to receive in writing in advance of the service with respect to each out-of-network provider providing the service; and

(2) for which an out-of-network provider, before providing the service, provides a complete written disclosure to the enrollee that:

(A) explains that the provider does not have a contract with the enrollee's managed care plan;

(B) discloses projected amounts for which the enrollee may be responsible; and

(C) discloses the circumstances under which the enrollee would be responsible for those amounts.

Added by Acts 2019, 86th Leg., R.S., Ch. 1342 (S.B. 1264), Sec. 1.15, eff. September 1, 2019.

For expiration of this section, see Subsection (f).

Sec. 1575.174. OUT-OF-NETWORK EMERGENCY MEDICAL SERVICES PROVIDER PAYMENTS. (a) In this section, "emergency medical services provider" has the meaning assigned by Section 773.003, Health and Safety Code, except that the term does not include an air ambulance.

(b) Except as provided by Subsection (c), the administrator of a managed care plan provided under the group program shall pay for a covered health care or medical service performed for, or a covered supply or covered transport related to that service provided to, an enrollee by an out-of-network provider who is an emergency medical services provider at:

(1) if the political subdivision has submitted the rate to the department under Section 38.006, the rate set, controlled, or regulated by the political subdivision in which:

(A) the service originated; or

(B) the transport originated if transport is provided; or

(2) if the political subdivision has not submitted the rate to the department, the lesser of:

(A) the provider's billed charge; or

(B) 325 percent of the current Medicare rate, including any applicable extenders and modifiers.

(c) The administrator shall adjust a payment required by Subsection (b)(1) each plan year by increasing the payment by the lesser of the Medicare Inflation Index or 10 percent of the provider's previous calendar year rates.

(d) The administrator shall make a payment required by this section directly to the provider not later than, as applicable:

(1) the 30th day after the date the administrator receives an electronic claim for those services that includes all information necessary for the administrator to pay the claim; or

(2) the 45th day after the date the administrator receives a nonelectronic claim for those services that includes all information necessary for the administrator to pay the claim.

(e) An out-of-network provider who is an emergency medical services provider or a person asserting a claim as an agent or assignee of the provider may not bill an enrollee receiving a health care or medical service or supply or transport described by Subsection (b) in, and the enrollee does not have financial responsibility for, an amount greater than an applicable copayment, coinsurance, and deductible under the enrollee's managed care plan that is based on:

(1) the amount initially determined payable by the administrator; or

(2) if applicable, the modified amount as determined under the administrator's internal appeal process.

(f) This section expires September 1, 2025.

Added by Acts 2023, 88th Leg., R.S., Ch. 981 (S.B. [2476](#)), Sec. 12, eff. September 1, 2023.

SUBCHAPTER E. CONTRIBUTIONS

Sec. 1575.201. ADDITIONAL STATE CONTRIBUTIONS; CERTAIN CONTRIBUTIONS.

(a) The state through the trustee shall contribute from money in the fund an amount prescribed by the General Appropriations Act to cover all or part of the cost for each retiree, surviving spouse, and surviving dependent child enrolled in a health benefit plan offered under the group program.

(b) Repealed by Acts 2017, 85th Leg., R.S., Ch. 712 (H.B. 3976), Sec. 24(6), eff. September 1, 2017.

(c) The trustee may spend a part of the money received for the group program to offset a part of the costs for dependent coverage if the group program is projected to remain financially solvent during the currently funded biennium.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 201, Sec. 51, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1231, Sec. 5, eff. Sept. 1, 2004; Acts 2003, 78th Leg., ch. 1276, Sec. 10A.432, eff. Sept. 1, 2003.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 712 (H.B. 3976), Sec. 18, eff. September 1, 2017.

Acts 2017, 85th Leg., R.S., Ch. 712 (H.B. 3976), Sec. 24(6), eff. September 1, 2017.

Sec. 1575.202. STATE CONTRIBUTION BASED ON ACTIVE EMPLOYEE COMPENSATION. (a) Each state fiscal year, the state shall contribute to the fund an amount equal to 1.25 percent of the salary of each active employee.

(b) The state may contribute to the fund an amount in addition to the contribution required by Subsection (a).

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 201, Sec. 52, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1231, Sec. 6, eff. Sept. 1, 2003.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 712 (H.B. 3976), Sec. 19, eff. September 1, 2017.

Sec. 1575.203. ACTIVE EMPLOYEE CONTRIBUTION. (a) Each

state fiscal year, each active employee shall, as a condition of employment, contribute to the fund an amount equal to 0.65 percent of the employee's salary.

(b) The employer of an active employee shall monthly:

(1) deduct the employee's contribution from the employee's salary and remit the contribution to the trustee in the manner required by the trustee; or

(2) assume and pay the total contributions due from its active employees.

(c) Contributions to the fund deducted from the salary of an active employee are included in annual compensation for purposes of the Teacher Retirement System of Texas.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 201, Sec. 53, eff. Sept. 1,

2003; Acts 2003, 78th Leg., ch. 366, Sec. 3.02, eff. Sept. 1, 2003;

Acts 2003, 78th Leg., ch. 1231, Sec. 7, eff. Sept. 1, 2003; Acts

2003, 78th Leg., ch. 1276, Sec. 10A.433, eff. Sept. 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 899 (S.B. [1863](#)), Sec. 17.02, eff. September 1, 2005.

Acts 2005, 79th Leg., Ch. 1359 (S.B. [1691](#)), Sec. 41, eff. September 1, 2005.

Sec. 1575.204. PUBLIC SCHOOL CONTRIBUTION. (a) Each state fiscal year, each public school shall contribute to the fund the amount prescribed by the General Appropriations Act, which may not be less than 0.25 percent or greater than 0.75 percent of the salary of each active employee of the public school. The public school shall make the contributions on a monthly basis and as otherwise prescribed by the trustee.

(b) Each state fiscal year, each employer who reports to the retirement system under Section [824.6022](#), Government Code, the employment of a retiree who is enrolled in and receiving coverage under the group program shall contribute to the fund an amount established by the trustee. In determining the amount to be contributed by the employer under this subsection, the trustee shall consider the amount a retiree is required to pay for the

retiree and any enrolled dependents to participate in the group program and the cost of all retirees' and enrolled dependents' participation in the group program. If more than one employer reports the retiree to the retirement system during a month, the amount of the contribution required by this subsection shall be prorated among the employers. The amounts required to be paid under this subsection are not required to be paid by a reporting employer for a retiree who retired from the retirement system before September 1, 2005.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 201, Sec. 54, eff. Sept. 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 1359 (S.B. [1691](#)), Sec. 42, eff. September 1, 2005.

Acts 2007, 80th Leg., R.S., Ch. 1389 (S.B. [1846](#)), Sec. 4, eff. September 1, 2007.

Acts 2015, 84th Leg., R.S., Ch. 1102 (H.B. [2974](#)), Sec. 8, eff. September 1, 2015.

Sec. 1575.206. CONTRIBUTIONS HELD IN TRUST FOR FUND. An employing public school and its governing body:

(1) hold contributions required by this subchapter in trust for the fund and its participants; and

(2) may not divert the contributions for any other purpose.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 455 (S.B. [1667](#)), Sec. 22, eff. September 1, 2011.

Sec. 1575.207. INTEREST ASSESSED ON LATE PAYMENT OF DEPOSITS BY EMPLOYING PUBLIC SCHOOLS. (a) An employing public school that does not remit to the trustee all contributions required by this subchapter before the seventh day after the last day of the month shall pay to the fund:

(1) the contributions; and

(2) interest on the unpaid amounts at the annual rate of six percent compounded monthly.

(b) On request, the trustee may grant a waiver of the deadline imposed by this section based on an employing public school's financial or technological resources.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.435(a), eff. Sept. 1, 2003.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 455 (S.B. 1667), Sec. 23, eff. September 1, 2011.

Sec. 1575.208. CERTIFICATION OF AMOUNT NECESSARY TO PAY STATE CONTRIBUTIONS. Not later than October 31 preceding each regular session of the legislature, the trustee shall certify the amount necessary to pay the state contributions to the fund to:

- (1) the Legislative Budget Board; and
- (2) the budget division of the governor's office.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.436, eff. Sept. 1, 2003.

Sec. 1575.209. CERTIFICATION OF AMOUNT OF STATE CONTRIBUTIONS. Not later than August 31 of each year, the trustee shall certify to the comptroller the estimated amount of state contributions to be received by the fund for the next fiscal year under the appropriations authorized by this chapter.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.436, eff. Sept. 1, 2003.

Sec. 1575.210. PAYMENT OF STATE CONTRIBUTIONS; RECONCILIATION. (a) Contributions allocated and appropriated under this subchapter for a state fiscal year shall be:

- (1) paid in equal monthly installments;
- (2) based on the estimated amount certified by the trustee to the comptroller for that year; and

(3) subject to any express limitations specified in the Act making the appropriation.

(b) A variation between the certified amount and the actual amount due for the state fiscal year shall be reconciled at the end of the fiscal year, and the annual contributions to the fund shall be adjusted accordingly.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.437, eff. Sept. 1, 2003.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 712 (H.B. 3976), Sec. 20, eff. September 1, 2017.

Sec. 1575.211. COST SHARING. (a) The total costs for the operation of the group program shall be shared among the state, the public schools, the active employees, the retirees, the surviving spouses, and the surviving dependent children in the manner prescribed by the General Appropriations Act.

(b) Repealed by Acts 2017, 85th Leg., R.S., Ch. 712 (H.B. 3976), Sec. 24(8), eff. September 1, 2017.

(c) Repealed by Acts 2005, 79th Leg., Ch. 1359, Sec. 55(a)(2), eff. September 1, 2005.

Added by Acts 2003, 78th Leg., ch. 201, Sec. 55, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1231, Sec. 8, eff. Sept. 1, 2004. Amended by Acts 2003, 78th Leg., 3rd C.S., ch. 3, Sec. 16.08, eff. Sept. 1, 2004.

Amended by:

Acts 2005, 79th Leg., Ch. 1359 (S.B. 1691), Sec. 55(a)(2), eff. September 1, 2005.

Acts 2017, 85th Leg., R.S., Ch. 712 (H.B. 3976), Sec. 21, eff. September 1, 2017.

Acts 2017, 85th Leg., R.S., Ch. 712 (H.B. 3976), Sec. 24(8), eff. September 1, 2017.

Sec. 1575.212. PAYMENT BY RETIREES; RANGES.

(a) Repealed by Acts 2017, 85th Leg., R.S., Ch. 712 (H.B. 3976), Sec. 24(9), eff. September 1, 2017.

(a-1) The trustee shall establish and collect payments for the share of total costs allocated under Section [1575.211](#) to retirees, surviving spouses, and surviving dependent children.

(b) In establishing the payments under Subsection (a-1), the trustee may consider various factors, including an enrollee's Medicare status, health benefit plan election, and dependent coverage.

Added by Acts 2003, 78th Leg., ch. 201, Sec. 55, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1231, Sec. 8, eff. Sept. 1, 2004.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 712 (H.B. [3976](#)), Sec. 22, eff. September 1, 2017.

Acts 2017, 85th Leg., R.S., Ch. 712 (H.B. [3976](#)), Sec. 24(9), eff. September 1, 2017.

Sec. 1575.213. CERTAIN DISABILITY RETIREES. An individual who is eligible as a retiree under Section [1575.004\(a\)\(3\)](#) shall pay an additional premium in an amount determined by the trustee. The amount of the premium may not exceed the total cost, as determined by the trustee, attributable to the participation of that retiree and the dependents of that retiree during the period the individual is eligible as a retiree under Section [1575.004\(a\)\(3\)](#).

Added by Acts 2007, 80th Leg., R.S., Ch. 1230 (H.B. [2427](#)), Sec. 16, eff. September 1, 2007.

SUBCHAPTER F. FEDERAL OR PRIVATE SOURCE CONTRIBUTIONS

Sec. 1575.251. DEFINITION. In this subchapter, "employer" has the meaning assigned by Section [821.001](#), Government Code.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Sec. 1575.252. APPLICATION BY EMPLOYER FOR MONEY TO PAY STATE CONTRIBUTIONS. An employer who applies for money provided by the United States or a privately sponsored source shall:

(1) if any of the money will pay part or all of an active employee's salary, also apply for any legally available money to pay state contributions required by Subchapter E; and

(2) immediately send any money received for state contributions as a result of the application to the trustee for deposit in the fund.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.438, eff. Sept. 1, 2003.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1223 (H.B. 2358), Sec. 3, eff. September 1, 2007.

Sec. 1575.253. MONTHLY CERTIFICATION. An employer shall monthly certify to the trustee in a form prescribed by the trustee:

(1) the total amount of salary paid from federal funds and private grants; and

(2) the total amount of state contributions provided by the funds and grants.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.438, eff. Sept. 1, 2003.

Sec. 1575.254. MONTHLY MAINTENANCE OF INFORMATION. An employer shall monthly maintain:

(1) the name of each employee whose salary is paid wholly or partly from a grant;

(2) the source of the grant;

(3) the amount of the employee's salary paid from the grant;

(4) the amount of the money provided by the grant for state contributions for the employee; and

(5) any other information the trustee determines is necessary to enforce this subchapter.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.438, eff. Sept. 1, 2003.

Sec. 1575.255. PROOF OF COMPLIANCE. The trustee may:

(1) require an employer to report an application for

federal or private money;

(2) require evidence that the application includes a request for funds available to pay state contributions for active employees; and

(3) examine the records of an employer to determine compliance with this subchapter and rules adopted under this subchapter.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.438, eff. Sept. 1, 2003.

Sec. 1575.256. CRIMINAL OFFENSE: FAILURE OF ADMINISTRATOR TO COMPLY. (a) An administrator of an employer commits an offense if the administrator knowingly fails to comply with this subchapter.

(b) An offense under this section is a Class C misdemeanor.
Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Sec. 1575.257. CIVIL SANCTIONS FOR FAILURE OF EMPLOYER TO COMPLY. (a) An employer who fails to comply with this subchapter may not apply for or spend any money received from a federal or private grant.

(b) The trustee shall report an alleged noncompliance with this subchapter to the attorney general, the Legislative Budget Board, the comptroller, and the governor.

(c) On receipt of a report under Subsection (b), the attorney general shall bring a writ of mandamus against the employer to compel compliance with this subchapter.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.439, eff. Sept. 1, 2003.

SUBCHAPTER G. RETIRED SCHOOL EMPLOYEES GROUP INSURANCE FUND

Sec. 1575.301. FUND; ADMINISTRATION. (a) The retired school employees group insurance fund is a trust fund with the comptroller, who is custodian of the fund.

(b) The trustee shall administer the fund.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.
Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.440(a), eff.
Sept. 1, 2003.

Sec. 1575.302. PAYMENTS INTO FUND. The following shall be paid into the fund:

- (1) contributions from active employees and the state;
- (2) investment income;
- (3) appropriations for implementation of the group program; and
- (4) other money required or authorized to be paid into the fund.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 712 (H.B. [3976](#)), Sec. 23, eff.
September 1, 2017.

Sec. 1575.303. PAYMENTS FROM FUND. (a) The following shall, without state fiscal year limitation, be paid from the fund:

- (1) the appropriate premiums to a carrier providing group coverage under a plan under this chapter;
- (2) claims for benefits under the group coverage; and
- (3) money spent by the trustee to administer the group program.

(b) The appropriate portion of the contributions to the fund to provide for incurred but unreported claim reserves and contingency reserves, as determined by the trustee, shall be retained in the fund.

(c) The fund is held in trust for the benefit of participants of the group program and may not be diverted.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.441, eff. Sept. 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 1359 (S.B. [1691](#)), Sec. 43, eff.
September 1, 2005.

Sec. 1575.304. TRANSFER OF CERTAIN CONTRIBUTIONS. The trustee shall transfer into the fund the amounts deducted from annuities for contributions.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.
Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.441, eff. Sept. 1, 2003.

Sec. 1575.305. INVESTMENT OF FUND. The trustee may invest money in the fund in the manner provided by Subchapter D, Chapter 825, Government Code, for assets of the Teacher Retirement System of Texas.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.
Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.441, eff. Sept. 1, 2003.

Sec. 1575.306. EMPLOYEE CONTRIBUTIONS PROPERTY OF FUND ON RECEIPT; NO REFUND. A contribution from an active employee:

(1) is the property of the fund on receipt by the trustee; and

(2) may not be refunded to the active employee under any circumstances, including termination of employment.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.
Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.441, eff. Sept. 1, 2003.

Sec. 1575.307. CONTINGENCY RESERVE ACCOUNT. (a) Before the first day of each state fiscal biennium, the trustee shall estimate for an average 60-day period during the biennium the expenditures from the fund anticipated for the group program, considering projected claims and administrative expenses.

(b) The trustee shall place the estimated amount in a contingency reserve account to provide for adverse fluctuations in claims or administrative expenses.

(c) The trustee shall include in each request for legislative appropriations to the group program the amount the trustee determines to be necessary to maintain the contingency

reserve account at the level required by this section.

(d) The trustee may invest and reinvest any portion of the contingency reserve account in accordance with Sections 825.103(b) and 825.301, Government Code, considering the functional need to provide for adverse fluctuations in claims or administrative expenses.

(e) The interest on, earnings of, and proceeds from the sale of investments of assets in the contingency reserve account shall be credited to the account.

(f) The trustee, from time to time and in amounts the trustee considers appropriate, may transfer unused money for administrative expenses to the contingency reserve account to be used by the trustee only for charges, claims, and expenses under the group program.

Added by Acts 2019, 86th Leg., R.S., Ch. 445 (S.B. 1682), Sec. 1, eff. June 4, 2019.

SUBCHAPTER H. COORDINATED CARE NETWORK

Sec. 1575.351. DEFINITIONS. In this subchapter:

(1) "Credentialing committee" means a credentialing committee created by the trustee under Section 1575.354.

(2) "Health care provider" means:

(A) an individual licensed as a health care practitioner; or

(B) a health care facility.

(3) "Network" means the coordinated care network implemented and administered by the trustee under this subchapter.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.442, eff. Sept. 1, 2003.

Sec. 1575.352. IMPLEMENTATION AND ADMINISTRATION. The trustee may implement and administer a coordinated care network for the group program.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.443, eff. Sept.

1, 2003.

Sec. 1575.353. CONTRACTS WITH HEALTH CARE PROVIDERS AND OTHERS. As the trustee determines is necessary to implement and administer the network, the trustee may contract with a health care provider or other individuals or entities.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.443, eff. Sept. 1, 2003.

Sec. 1575.354. CREDENTIALING COMMITTEES. The trustee may establish credentialing committees to evaluate the qualifications of health care providers to participate in the network.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.443, eff. Sept. 1, 2003.

Sec. 1575.355. IMMUNITY FROM LIABILITY ARISING FROM ACTS OR OMISSIONS OF HEALTH CARE PROVIDER. (a) The following are not liable for damages arising from an act or omission of a health care provider participating in the network:

(1) the trustee and its officers and employees, including the board of trustees of the trustee;

(2) the group program;

(3) the fund; and

(4) a member of an advisory committee to the trustee.

(b) A health care provider participating in the network is an independent contractor and is responsible for the provider's acts or omissions.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.444, eff. Sept. 1, 2003.

Sec. 1575.356. IMMUNITY FROM LIABILITY ARISING FROM EVALUATION OF QUALIFICATIONS OR CARE. The following are not liable for damages arising from an act, including a statement, determination, report of an act, or recommendation, committed

without malice in the course of the evaluation of the qualifications of a health care provider or of the patient care provided by a health care provider participating in the network:

- (1) the trustee and its officers and employees, including the board of trustees;
 - (2) the group program;
 - (3) the fund;
 - (4) a member of an advisory committee to the trustee;
- and
- (5) a member of a credentialing committee.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.
Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.445, eff. Sept. 1, 2003.

Sec. 1575.357. IMMUNITY FROM LIABILITY ARISING FROM ACTS RELATING TO CREDENTIALING COMMITTEE. An individual, a health care provider, or a medical peer review committee is not liable for damages arising from an act committed without malice that consists of:

- (1) participating in the activity of a credentialing committee; or
- (2) furnishing records, information, or assistance to a credentialing committee.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Sec. 1575.358. OPEN MEETINGS LAW NOT APPLICABLE TO CREDENTIALING COMMITTEE. The proceedings of a credentialing committee are not subject to Chapter 551, Government Code.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Sec. 1575.359. RECORDS AND PROCEEDINGS OF CREDENTIALING COMMITTEE NOT SUBJECT TO SUBPOENA. Except to the extent required by the constitution of this state or the United States, the records and proceedings of a credentialing committee and a communication made to a credentialing committee are not subject to court subpoena.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Sec. 1575.360. CONFIDENTIALITY. Except as otherwise provided by this subchapter:

(1) proceedings and records of a credentialing committee are confidential; and

(2) a communication made to a credentialing committee is privileged.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Sec. 1575.361. DISCLOSURE TO HEALTH CARE PROVIDER. Disclosure of confidential credentialing committee information that is relevant to the matter under review to an affected health care provider is not a waiver of the confidentiality requirements under this subchapter.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Sec. 1575.362. DISCLOSURE TO CERTAIN ENTITIES. (a) A written or oral communication made to a credentialing committee, or a record or proceeding of the committee, may be disclosed to an appropriate:

(1) state or federal agency, including a state board of registration or licensing;

(2) national accreditation body; or

(3) medical peer review committee.

(b) A disclosure under this section is not a waiver of the confidential and privileged nature of the information.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Sec. 1575.363. DISCLOSURE TO DEFENDANTS IN CIVIL ACTIONS. (a) Any of the following persons named as a defendant in any civil action filed as a result of participation in the credentialing process may use, including in the person's own defense, otherwise confidential information obtained for legitimate internal business and professional purposes:

(1) the trustee and its officers and employees, including the board of trustees;

(2) a credentialing committee;

(3) a person participating in a credentialing review;

- (4) a health care provider;
- (5) the group program; and
- (6) a member of an advisory committee.

(b) Use of information under this section is not a waiver of the confidential and privileged nature of the information.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.446, eff. Sept. 1, 2003.

SUBCHAPTER I. RETIREES ADVISORY COMMITTEE

Sec. 1575.401. DEFINITION. In this subchapter, "committee" means the Retirees Advisory Committee.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Sec. 1575.402. APPOINTMENT OF COMMITTEE MEMBERS.

(a) The Retirees Advisory Committee is composed of the following seven members appointed by the trustee:

- (1) one member who is an active school administrator;
- (2) one member who is a retired school administrator;
- (3) two members who are active teachers; and
- (4) three members who are retired teachers.

(b) A person is not eligible for appointment as a member of the committee if the person is required to register as a lobbyist under Chapter 305, Government Code.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.447, eff. Sept. 1, 2003.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 930 (S.B. 1663), Sec. 16, eff. September 1, 2017.

Sec. 1575.403. TERMS. (a) Members of the committee serve staggered four-year terms.

(b) The terms of the active school administrator, one active teacher, and two retired teachers expire February 1, 2002, and every fourth year after that date.

(c) The remaining members' terms expire February 1, 2004, and every fourth year after that date.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 930 (S.B. 1663), Sec. 17, eff. September 1, 2017.

Sec. 1575.404. VACANCY. The trustee shall fill a vacancy on the committee by appointing a person who meets the qualifications applicable to the vacated position.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.448, eff. Sept. 1, 2003.

Sec. 1575.405. MEETINGS. (a) The committee shall meet:

- (1) at least twice each year; and
- (2) at the call of the trustee.

(b) If there is an emergency, the committee may meet at the call of a majority of the members of the committee.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.449, eff. Sept. 1, 2003.

Sec. 1575.406. DUTIES. The committee shall:

- (1) hold public hearings on group coverage;
- (2) recommend to the trustee minimum standards and features of a plan under the group program that the committee considers appropriate; and
- (3) recommend to the trustee desirable changes in rules and legislation affecting the group program.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.450, eff. Sept. 1, 2003.

Sec. 1575.407. PROCEDURAL RULES. The trustee shall adopt procedural rules for the committee to follow in implementing its powers and duties under this subchapter.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.
Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.450, eff. Sept. 1, 2003.

Sec. 1575.408. REIMBURSEMENT FOR ACTUAL AND REASONABLE EXPENSES. A committee member is entitled to reimbursement for actual and reasonable expenses incurred in performing functions as a committee member.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

SUBCHAPTER J. ACCOUNTING, REPORTS, AND RECORDS

Sec. 1575.451. ANNUAL ACCOUNTING. (a) In this section, "plan year" means the period beginning on September 1 and ending on the following August 31.

(b) Group coverage purchased under this chapter must provide for an accounting to the trustee by each carrier providing the coverage.

(c) The accounting must be submitted:

(1) not later than the 90th day after the last day of each plan year; and

(2) on a form approved by the trustee.

(d) Each carrier shall prepare any other report that the trustee considers necessary.

(e) A carrier may not assess an extra charge for an accounting report.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.
Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.451, eff. Sept. 1, 2003.

Sec. 1575.453. STUDY AND REPORT BY TRUSTEE. (a) The trustee shall study the operation and administration of this chapter, including:

(1) conducting surveys and preparing reports on financing group coverages and health benefit plans available to participants;

(2) studying the experience and projected cost of

coverage; and

(3) reviewing the group coverages provided to and the benefits and services being received by individuals covered under this chapter.

(b) The trustee shall report annually to the legislature and the department on the operation and administration of this chapter. Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003. Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.452, eff. Sept. 1, 2003.

Amended by:

Acts 2021, 87th Leg., R.S., Ch. 141 (H.B. [1585](#)), Sec. 17, eff. May 26, 2021.

Sec. 1575.454. REPORTS BY AND EXAMINATION OF CARRIER. Each contract entered into under this chapter between the trustee and a carrier must require the carrier to:

(1) furnish to the trustee in a timely manner reasonable reports that the trustee determines are necessary to implement this chapter; and

(2) permit the trustee and the state auditor to examine records of the carrier as necessary to implement this chapter.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003. Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.452, eff. Sept. 1, 2003.

Sec. 1575.455. PUBLIC INSPECTION. A report required by this chapter shall be made available for public inspection in a form that protects the identity of individual claimants.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Sec. 1575.456. CONFIDENTIALITY OF RECORDS. (a) Section [825.507](#), Government Code, concerning confidentiality and disclosure of records applies to records in the custody of the Teacher Retirement System of Texas or in the custody of an administrator, carrier, agent, attorney, consultant, or governmental body acting in cooperation with or on behalf of the

system relating to a retiree, active employee, annuitant, or beneficiary under the group program.

(b) The Teacher Retirement System of Texas may disclose to a health or benefit provider information in the records of an individual that the system determines is necessary to administer the group program.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.453(a), eff. Sept. 1, 2003.

SUBCHAPTER K. EXPULSION FOR FRAUD

Sec. 1575.501. EXPULSION FOR FRAUD. After notice and hearing as provided by this subchapter, the trustee may expel from participation in the group program a retiree, dependent, surviving spouse, or surviving dependent child who:

(1) submits a fraudulent claim or application for coverage under the group program; or

(2) defrauds or attempts to defraud a health benefit plan offered under the group program.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.454(a), eff. Sept. 1, 2003.

Sec. 1575.502. HEARING. On receipt of a complaint or on its own motion, the trustee may call and hold a hearing to determine whether an individual has acted in the manner described by Section [1575.501](#).

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.455, eff. Sept. 1, 2003.

Sec. 1575.503. CONTESTED CASE. A proceeding under this subchapter is a contested case under Chapter [2001](#), Government Code.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Sec. 1575.504. EXPULSION AT CONCLUSION OF HEARING. At the

conclusion of the hearing under Section 1575.502, if the trustee determines that the individual acted in the manner described by Section 1575.501, the trustee shall expel the individual from participation in the group program.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.455, eff. Sept. 1, 2003.

Sec. 1575.505. EFFECT OF EXPULSION. An individual expelled from participation in the group program may not be covered by a health benefit plan offered under the group program for a period determined by the trustee, not to exceed five years, beginning on the date the expulsion takes effect.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.455, eff. Sept. 1, 2003.

Sec. 1575.506. APPEAL. An appeal of a determination by the trustee under this subchapter is under the substantial evidence rule.

Added by Acts 2001, 77th Leg., ch. 1419, Sec. 3, eff. June 1, 2003.

Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.455, eff. Sept. 1, 2003.