

# **Teacher Retirement System of Texas**

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## **Comparability Report Public School Employees' Health Coverage 2009-2010**

**June 2010**



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**Teacher Retirement System  
of Texas**

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June 21, 2010

To the Texas Legislature:

Section 22.004 of the Education Code requires that districts offer health care coverage to their employees that is comparable to HealthSelect, the coverage provided to state employees. The law also specifies certain reporting requirements.

The law requires that each district develop a methodology and criteria, which must take into consideration certain factors as specified in Section 22.004(b) of the Education Code, to make this comparability determination. The law also requires that districts make specific health care coverage information available for review at the central administrative office of each campus in the district and also post it on the district's Internet Web site, if the district maintains a Web site.

In even numbered years, districts that do not participate in TRS-ActiveCare must report to TRS whether it offers health care coverage that is comparable to HealthSelect and whether it is in compliance with all other requirements of Section 22.004 of the Education Code. TRS is required to report this information to the legislature by September 1 of the same year. The 2009-2010 Comparability Report details district comparability status as provided by reporting districts.

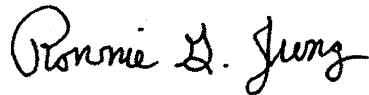
TRS-ActiveCare, a statewide health care program for public educators established effective September 2002, is required by law to offer coverage that is comparable to HealthSelect. Therefore, districts participating in TRS-ActiveCare are automatically considered comparable. Only those districts not participating in TRS-ActiveCare as of March 1, 2010 were required to make the comparability determination and report compliance to TRS. As of March 1, 2010, there were 1100 districts out of 1257 eligible districts, charter schools, regional education service centers, and other educational districts that participated in TRS-ActiveCare. The remaining 157 districts were required to report information for the 2009-2010 school year.

Response to TRS' solicitation for information was good. Of 157 reporting districts, 142, or 90.4%, responded to TRS indicating whether or not they offer employee health coverage that is comparable to HealthSelect and whether the district is in compliance with all other requirements of Section 22.004 of the Education Code. The remaining 15 districts, or 9.6%, failed to submit their responses to TRS.

Of the 142 districts that reported to TRS, there are 134, or 94.4%, that are comparable in 2009-2010. All but one of the reporting districts indicated they are in compliance with all other requirements of Section 22.004 of the Education Code.

We wish to express our appreciation to the districts and charter schools that participated.

Sincerely,

A handwritten signature in cursive script that reads "Ronnie G. Jung". The signature is written in dark ink and is positioned below the word "Sincerely,".

Ronnie G. Jung

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## **Executive Summary**

## **BACKGROUND**

Comparability reporting is performed every other year. Districts are required to submit their information by March 1, with the Teacher Retirement System of Texas (TRS) report due to the legislature by September 1 of the same year.

In 2001, the 77<sup>th</sup> Texas Legislature passed legislation that required TRS to develop a uniform statewide health care plan for public educators. TRS-ActiveCare went into effect September 1, 2002 and initially served school districts with less than 1,000 TRS members, charter schools, regional education service centers, and other educational districts. The law also allowed for the program to be offered to large school districts if the TRS Board of Trustees (TRS Board) determined that it was economically and administratively feasible to do so. In November 2002, the TRS Board made such a determination. The law requires that TRS-ActiveCare provide coverage that is comparable in scope to HealthSelect, the coverage provided to state employees. Therefore, school districts that participate in TRS-ActiveCare offer a comparable plan and are not required to report compliance to TRS. TRS collected information only from those school districts not participating in TRS-ActiveCare during the 2009-2010 plan year as of March 1, 2010.

In 2007, the 80<sup>th</sup> Texas Legislature passed legislation which amended Section 22.004 of the Education Code. The amended provisions of Section 22.004 of the Education Code changed TRS and district responsibilities with regard to determining whether the district offers health coverage to employees that is comparable to HealthSelect. Changes consistent with the legislation to TRS Rule 41.91 were adopted by the TRS Board in February 2008. The executive director of TRS is no longer required to certify whether a district's health coverage is comparable to HealthSelect. Districts are now required to develop a methodology and criteria to make the comparability determination, which must take into consideration certain factors which include: (1) deductibles; (2) coinsurance percentages; (3) maximum amount of coinsurance payments; (4) office visit co-payments; (5) schedule of benefits and scope of coverage; (6) lifetime maximums; and (7) verification of provider licensure or a self-insured's financial viability.

The amended provisions of Section 22.004 of the Education Code also specify certain reporting requirements for districts. The law requires districts to prepare two reports. The first report is required to be made available for review, together with the policy or contract for the group health coverage plan, at the central administrative office of each campus associated with or in the district, and must also be posted on the district's Web site, if the district maintains a Web site. It is based on the district's group health coverage in effect during the current plan year and must include:

(1) appropriate documentation of:

- A. the school district's contract for group health coverage with a provider licensed to do business in Texas by the Texas Department of Insurance or a risk pool authorized under Chapter 172, Local Government Code; or

- B. a resolution of the board of trustees of the school district authorizing a self-insurance plan for school district employees and of the school district's review of its ability to cover the liability assumed;

(2) the schedule of benefits;

(3) the premium rate sheet, including the amount paid by the school district and employee;

(4) the number of employees covered by the health coverage plan offered by the school district;

(5) information concerning the ease of completing Report #2, described below; and

(6) a compliance statement which states whether or not the school district provides health care coverage to its employees that is comparable to HealthSelect and whether it has complied with the other requirements of Section 22.004 of the Education Code.

Districts were required to complete and submit the second report, the 2009-2010 Comparability Report Form, to TRS. Districts were required to report whether they offer health coverage that is comparable to HealthSelect and whether they are in compliance with all other requirements of Section 22.004 of the Education Code.

## COMPARABILITY RESULTS

### Reporting Districts

Of the 157 districts not participating in the TRS-ActiveCare program as of March 1, 2010, 142 responded to TRS. According to self-reported data, results indicate that of the 142 districts, there are 134 districts (94.4%) that offer health coverage comparable to HealthSelect and 8 districts (5.6%) reported they do not offer health coverage comparable to HealthSelect. The remaining 15 districts failed to respond to TRS. The following table presents the results for the 142 districts that reported to TRS with comparative data for those districts from the 2007-2008 Comparability Report.

District Size	2009-2010 Comparability Results			2007-2008 Comparability Results		
	Number of Districts		Percent Comparable	Number of Districts		Percent Comparable
	Comparable	Non-Comparable		Comparable	Non-Comparable	
<b>1,000+</b>	64	5	92.8%	63	4	94.0%
<b>500 - 999</b>	17	1	94.4%	15	2	88.2%
<b>100 - 499</b>	13	0	100%	13	0	100%
<b>Under 100</b>	40	2	95.2%	28	1	96.6%
<b>Total</b>	134	8	94.4%	119	7	94.4%

Note: Comparability results were self-determined by reporting districts. Of the 157 districts required to report in 2009-2010 only the 142 reporting districts are included in this table. Of the 142 districts, 13 did not respond in 2007-2008 and 3 were newly established since 2007-2008.

### All Districts

The following table summarizes the number of districts that offer health care coverage that is comparable to HealthSelect, including districts that participate in TRS-ActiveCare. This table compares the 2009-2010 results to the 2007-2008 results. The percentage of comparable districts has remained effectively the same for all district sizes.

District Size	2009-2010 Comparability Results			2007-2008 Comparability Results		
	Number of Districts		Percent Comparable	Number of Districts		Percent Comparable
	Comparable	Non-Comparable		Comparable	Non-Comparable	
<b>1,000+</b>	101	5	95.3%	98	5	95.1%
<b>500 – 999</b>	102	1	99.0%	99	3	97.1%
<b>100 – 499</b>	455	0	100%	450	0	100%
<b>Under 100</b>	576	2	99.7%	555	1	99.8%
<b>Total</b>	1,234	8	99.4%	1,202	9	99.3%

Note: Comparability results were self-determined by reporting districts. The table does not include the 15 districts that did not respond in 2009-2010, and the 19 districts that did not respond in 2007-2008. Included are 16 newly established districts since 2007-2008. Statistics from the 2007-2008 report have been adjusted for the 8 districts that have since closed and the 11 districts that reported in 2007-2008, but did not report for 2009-2010.

The following Exhibit, pages 2-1 through 2-4, provides a detailed list of the 2009-2010 comparability results for districts that were required to report to TRS, along with comparative data for 2007-2008.



## Exhibit

# REPORTING DISTRICT COMPARABILITY RESULTS COMPARISON LIST

TEA Number	District Name	2009 - 2010 Comparability Status	2007 - 2008 Comparability Status
221-901	ABILENE I S D	YES	YES
057-810	ACADEMY OF DALLAS	YES	YES
101-902	ALDINE I S D	YES	YES
125-901	ALICE I S D	YES	YES
101-903	ALIEF I S D	YES	YES
101-817	ALPHONSO CRUTCH'S CHARTER	Did not respond	Did not respond
020-901	ALVIN I S D	YES	YES
188-901	AMARILLO I S D	NO	YES
227-801	AMERICAN YOUTHWORKS	NO	NO
101-819	AMIGOS POR VIDA-FRIENDS FOR LIFE CH SCH	YES	YES
002-901	ANDREWS I S D	YES	YES
227-901	AUSTIN I S D	Did not respond	YES
014-903	BELTON I S D	YES	YES
015-809	BEXAR CO ACADEMY	YES	YES
178-902	BISHOP CONS I S D	YES	YES
180-901	BOYS RANCH I S D	YES	YES
243-801	BRIGHT IDEAS CHARTER SCHOOL	Did not respond	YES
031-901	BROWNSVILLE I S D	YES	YES
021-902	BRYAN I S D	YES	YES
071-907	CANUTILLO I S D	YES	YES
183-902	CARTHAGE I S D	NO	Did not respond
220-815	CHAPEL HILL ACADEMY	YES	2008 Charter
084-910	CLEAR CREEK I S D	YES	YES
046-902	COMAL I S D	YES	YES
170-902	CONROE I S D	YES	YES
178-904	CORPUS CHRISTI I S D	NO	NO
178-807	CORPUS CHRISTI MONTESSORI SCHOOL	Did not respond	Did not respond
052-901	CRANE I S D	YES	YES
220-912	CROWLEY I S D	YES	YES
254-901	CRYSTAL CITY I S D	YES	YES
055-901	CULBERSON COUNTY I S D	Did not respond	YES
101-907	CYPRESS FAIRBANKS I S D	YES	YES
057-804	DALLAS CAN! ACADEMY	Did not respond	YES
057-805	DALLAS COMM CHARTER SCH	YES	YES
101-908	DEER PARK I S D	YES	YES
227-910	DEL VALLE I S D	YES	YES
061-901	DENTON I S D	YES	YES
108-902	DONNA I S D	YES	YES
101-856	DRAW ACADEMY	YES	YES
159-901	EAGLE PASS I S D	YES	YES
068-901	ECTOR CTY I S D	YES	YES
015-905	EDGEWOOD I S D	YES	YES
108-904	EDINBURG C I S D	YES	Did not respond
071-902	EL PASO I S D	YES	YES
178-914	FLOUR BLUFF I S D	YES	YES

# REPORTING DISTRICT COMPARABILITY RESULTS COMPARISON LIST

TEA Number	District Name	2009 - 2010 Comparability Status	2007 - 2008 Comparability Status
079-907	FORT BEND I S D	YES	NO
152-907	FRENSHIP I S D	YES	YES
043-905	FRISCO I S D	YES	NO
084-902	GALVESTON I S D	YES	YES
057-909	GARLAND I S D	YES	YES
015-802	GEORGE GERVIN ACADEMY	YES	YES
101-804	GEORGE I SANCHEZ CHARTER HOUSTON	YES	Did not respond
015-812	GEORGE I SANCHEZ CHARTER SAN ANTONIO	Did not respond	YES
246-904	GEORGETOWN I S D	YES	YES
057-835	GOLDEN RULE CHARTER SCHOOL	Did not respond	YES
057-910	GRAND PRAIRIE I S D	YES	Did not respond
220-906	GRAPEVINE COLLEYVILLE I S D	YES	YES
165-902	GREENWOOD I S D	YES	YES
015-904	HARLANDALE I S D	YES	YES
031-903	HARLINGEN I S D	YES	YES
105-906	HAYS CONS I S D	YES	YES
015-803	HIGGS CARTER KING ACADEMY*	NO	Did not respond
057-911	HIGHLAND PARK I S D	YES	YES
101-821	HOUSTON HEIGHTS HIGH SCHOOL	YES	YES
101-912	HOUSTON I S D	YES	YES
101-913	HUMBLE I S D	YES	YES
186-903	IRAAN SHEFFIELD I S D	YES	YES
057-912	IRVING I S D	NO	NO
015-916	JUDSON I S D	YES	YES
015-826	K I P P ASPIRE ACADEMY	YES	YES
227-820	K I P P AUSTIN COLLEGE PREP	YES	YES
101-813	K I P P INC CHARTER	YES	YES
101-860	K I P P SOUTHEAST HOUSTON	YES	YES
057-837	K I P P TRUTH ACADEMY	YES	YES
101-914	KATY I S D	YES	YES
220-907	KELLER I S D	YES	YES
014-906	KILLEEN I S D	YES	YES
137-901	KINGSVILLE I S D	YES	YES
101-915	KLEIN I S D	YES	YES
015-811	LA ESCUELA DELAS AMERICAS	YES	YES
071-807	LA FE PREPARATORY SCHOOL	YES	YES
031-905	LA FERIA I S D	YES	YES
108-912	LA JOYA I S D	YES	YES
227-913	LAKE TRAVIS I S D	YES	YES
079-901	LAMAR CONS I S D	YES	YES
240-901	LAREDO I S D	YES	YES
246-913	LEANDER I S D	YES	YES
110-902	LEVELLAND I S D	YES	YES

\*Reported that, in addition to not offering comparable coverage, they are not in compliance with all other requirements of Section 22.004 of Education Code.

# REPORTING DISTRICT COMPARABILITY RESULTS COMPARISON LIST

TEA Number	District Name	2009 - 2010 Comparability Status	2007 - 2008 Comparability Status
057-807	LIFE SCHOOL	Did not respond	YES
031-906	LOS FRESNOS CONS I S D	Did not respond	YES
152-901	LUBBOCK I S D	YES	YES
084-801	MAINLAND PREP ACADEMY	YES	YES
057-844	MANARA ACADEMY	YES	2009 Charter
108-906	MC ALLEN I S D	YES	YES
231-901	MC CAMEY I S D	YES	YES
101-801	MEDICAL CENTER CHARTER	YES	YES
108-907	MERCEDES I S D	YES	YES
057-914	MESQUITE I S D	NO	NO
101-855	MEYERPARK ELEMENTARY CHARTER	Did not respond	YES
165-901	MIDLAND I S D	YES	YES
161-903	MIDWAY I S D	YES	YES
108-908	MISSION CONS I S D	YES	YES
227-804	N Y O S CHARTER SCHOOL	YES	Did not respond
015-805	NEW FRONTIERS CHARTER SCHOOL	YES	YES
015-910	NORTH EAST I S D	YES	YES
015-915	NORTHSIDE I S D	YES	YES
061-911	NORTHWEST I S D	YES	YES
101-917	PASADENA I S D	YES	YES
020-908	PEARLAND I S D	YES	YES
227-904	PFLUGERVILLE I S D	NO	YES
108-909	PHARR SAN JUAN ALAMO	YES	YES
031-909	POINT ISABEL I S D	Did not respond	YES
188-801	RICHARD MILBURN AMARILLO	YES	Did not respond
123-804	RICHARD MILBURN BEAUMONT	YES	Did not respond
178-804	RICHARD MILBURN CORPUS CHRISTI	YES	Did not respond
220-812	RICHARD MILBURN FORT WORTH	YES	Did not respond
101-854	RICHARD MILBURN HOUSTON	YES	Did not respond
014-801	RICHARD MILBURN KILLEEN	YES	Did not respond
068-801	RICHARD MILBURN ODESSA	YES	Did not respond
031-911	RIO HONDO I S D	YES	YES
101-853	RIPLEY HOUSE CHARTER SCHOOL	Did not respond	Did not respond
199-901	ROCKWALL I S D	YES	YES
214-903	ROMA I S D	Did not respond	Did not respond
246-909	ROUND ROCK I S D	YES	YES
226-903	SAN ANGELO I S D	YES	YES
015-907	SAN ANTONIO I S D	YES	YES
015-824	SAN ANTONIO PREP ACADEMY	Did not respond	YES
031-912	SAN BENITO CONS I S D	YES	YES
071-904	SAN ELIZARIO I S D	YES	YES
233-901	SAN FELIPE DEL RIO I S D	YES	YES
094-902	SCHERTZ-CIBOLO-UNIVERSAL CITY ISD	YES	YES
178-802	SEASHORE LEARNING CTR	YES	YES
178-808	SEASHORE MIDDLE ACADEMY	YES	YES

# REPORTING DISTRICT COMPARABILITY RESULTS COMPARISON LIST

TEA Number	District Name	2009 - 2010 Comparability	2007 - 2008 Comparability
		Status	Status
101-802	SER NINOS	YES	YES
108-911	SHARYLAND I S D	YES	YES
071-909	SOCORRO I S D	YES	YES
015-908	SOUTH SAN ANTONIO I S D	YES	YES
101-838	SOUTHWEST HIGH SCHOOL	YES	YES
101-919	SPRING ISD	YES	YES
156-902	STANTON I S D	YES	YES
205-907	TAFT I S D	YES	YES
222-901	TERRELL COUNTY I S D	YES	YES
226-801	TLC ACADEMY	YES	2009 Charter
212-905	TYLER I S D	YES	YES
240-903	UNITED I S D	YES	YES
232-903	UVALDE CONS I S D	YES	NO
108-808	VANGUARD ACADEMY	YES	YES
161-801	WACO CHARTER SCHOOL	YES	YES
161-914	WACO I S D	YES	YES
108-913	WESLACO I S D	YES	YES
220-920	WHITE SETTLEMENT I S D	YES	YES
040-902	WHITEFACE I S D	YES	YES
170-904	WILLIS I S D	YES	YES
057-828	WINFREE ACADEMY CHARTER SCHOOLS	YES	YES
248-902	WINK LOVING CONS I S D	YES	YES
196-902	WOODSBORO I S D	YES	YES
071-905	YSLETA I S D	YES	YES

## **Appendices**

## LAWS AND RULES PERTAINING TO COMPARABILITY

### Applicable State Law

A copy of the law pertaining to the Comparability Report is listed below with the amended changes enacted in the 81<sup>st</sup> Legislative Session, 2009:

#### **Sec. 22.004. Education Code, GROUP HEALTH BENEFITS FOR SCHOOL EMPLOYEES**

(a) A district shall participate in the uniform group coverage program established under Chapter 1579, Insurance Code, as provided by Subchapter D of that chapter.

(b) A district that does not participate in the program described by Subsection (a) shall make available to its employees group health coverage provided by a risk pool established by one or more school districts under Chapter 172, Local Government Code, or under a policy of insurance or group contract issued by an insurer, a company subject to Chapter 842, Insurance Code, or a health maintenance organization under Chapter 843, Insurance Code. The coverage must meet the substantive coverage requirements of Chapter 1251, Subchapter A, Chapter 1364, and Subchapter A, Chapter 1366, Insurance Code, and any other law applicable to group health insurance policies or contracts issued in this state. The coverage must include major medical treatment but may exclude experimental procedures. In this subsection, "major medical treatment" means a medical, surgical, or diagnostic procedure for illness or injury. The coverage may include managed care or preventive care and must be comparable to the basic health coverage provided under Chapter 1551, Insurance Code. The board of trustees of the Teacher Retirement System of Texas shall adopt rules to determine whether a school district's group health coverage is comparable to the basic health coverage specified by this subsection. The rules must provide for consideration of the following factors concerning the district's coverage in determining whether the district's coverage is comparable to the basic health coverage specified by this subsection:

- (1) the deductible amount for service provided inside and outside of the network;
- (2) the coinsurance percentages for service provided inside and outside of the network;
- (3) the maximum amount of coinsurance payments a covered person is required to pay;
- (4) the amount of the copayment for an office visit;
- (5) the schedule of benefits and the scope of coverage;
- (6) the lifetime maximum benefit amount; and
- (7) verification that the coverage is issued by a provider licensed to do business in this state by the Texas Department of Insurance or is provided by a risk pool authorized under Chapter 172, Local Government Code, or that a district is capable of covering the assumed liabilities in the case of coverage provided through district self-insurance.

(c) The cost of the coverage provided under the program described by Subsection (a) shall be paid by the state, the district, and the employees in the manner provided by Subchapter F, Chapter 1579, Insurance Code. The cost of coverage provided under a plan adopted under Subsection (b) shall be shared by the employees and the district using the contributions by the state described by Subchapter F, Chapter 1579, Insurance Code, or Subchapter D.

(d) Each district shall report the district's compliance with this section to the executive director of the Teacher Retirement System of Texas not later than March 1 of each even-numbered year in the manner required by the board of trustees of the Teacher Retirement System of Texas. For a district that does not participate in the program described by Subsection (a), the report must be available for review, together with the policy or contract for the group health coverage plan, at the central administrative office of each campus in the district and be posted on the district's Internet website if the district maintains a website, must be based on the district group health coverage plan in effect during the current plan year, and must include:

- (1) appropriate documentation of:
  - (A) the district's contract for group health coverage with a provider licensed to do business in this state by the Texas Department of Insurance or a risk pool authorized under Chapter 172, Local Government Code; or
  - (B) a resolution of the board of trustees of the district authorizing a self-insurance plan for district employees and of the district's review of district ability to cover the liability assumed;
- (2) the schedule of benefits;
- (3) the premium rate sheet, including the amount paid by the district and employee;

- (4) the number of employees covered by the health coverage plan offered by the district;
- (5) information concerning the ease of completing the report, as required by the executive director of the Teacher Retirement System of Texas; and
- (6) any other information considered appropriate by the executive director of the Teacher Retirement System of Texas.

(e) The executive director of the Teacher Retirement System of Texas shall submit a report to the legislature not later than September 1 of each even-numbered year describing the status of each district's group health coverage program based on the information contained in the report required by Subsection (d). The retirement system shall post the report on the Internet website maintained by the system.

(f) A school district that does not participate in the program described by Subsection (a) may not contract with an insurer, a company subject to Chapter 842, Insurance Code, or a health maintenance organization to issue a policy or contract under this section, or with any person to assist the school district in obtaining or managing the policy or contract unless, before the contract is entered into, the insurer, company, organization, or person provides the district with an audited financial statement showing the financial condition of the insurer, company, organization, or person.

(g) An insurer, a company subject to Chapter 842, Insurance Code, or a health maintenance organization that issues a policy or contract under this section and any person that assists the school district in obtaining or managing the policy or contract for compensation shall provide an annual audited financial statement to the school district showing the financial condition of the insurer, company, organization, or person.

(h) An audited financial statement provided under this section must be made in accordance with rules adopted by the commissioner of insurance or with generally accepted accounting principles, as applicable.

(i) Notwithstanding any other provision of this section, a district participating in the uniform group coverage program established under Chapter 1579, Insurance Code, may not make group health coverage available to its employees under this section after the date on which the program of coverages provided under Chapter 1579, Insurance Code, is implemented.

(j) This section does not preclude a district that is participating in the uniform group coverage program established under Chapter 1579, Insurance Code, from entering into contracts to provide optional insurance coverages for the employees of the district.

(k) Notwithstanding any other law, an employee of a district participating in the uniform group coverage program under Subsection (a) or providing group health coverage under Subsection (b) whose resignation is effective after the last day of an instructional year is entitled to participate or be enrolled in the uniform group coverage plan or the group health coverage through the first anniversary of the date participation in or coverage under the uniform group coverage plan or the group health coverage was first made available to district employees for the last instructional year in which the employee was employed by the district.

(l) If an employee's resignation is effective after the last day of an instructional year, the district may not diminish or eliminate the amount of a contribution available to the employee under Chapter 1581, Insurance Code, before the last date on which the employee is entitled to participation or enrollment under Subsection (k).

(m) Notwithstanding any other law, group health benefit coverage provided by or offered through a district to district employees under any law is subject to the requirements of Sections 1501.102-1501.105, Insurance Code. This section applies to all group health benefit coverage provided by or offered through a district to district employees, including:

- (1) a standard health benefit plan issued under Chapter 1507, Insurance Code; and
- (2) health and accident coverage provided through a risk pool established under Chapter 172, Local Government Code.



## **TEXAS ADMINISTRATIVE CODE, TITLE 34, RULE § 41.91**

(a) When used in this section, the term "school district" includes a school district, another educational district whose employees are members of the Teacher Retirement System of Texas (TRS), and an open-enrollment charter school established under Subchapter D, Chapter 12, Education Code that meets the requirements of Section 1579.154, Insurance Code.

(b) This section applies only to school districts that do not participate in the health benefits program offered under Chapter 1579, Insurance Code.

(c) Each school district shall determine the comparability of the group health coverage it offers to its employees to the coverage provided under the Texas Employees Group Benefits Act (Chapter 1551, Insurance Code). As required by the Education Code, §22.004, each district shall make available to its employees group health coverage provided by a risk pool established by one or more school districts under Chapter 172, Local Government Code, or under a policy of insurance or group contract issued by an insurer, a company subject to Chapter 842, Insurance Code, or a health maintenance organization under Chapter 843, Insurance Code. The coverage must meet the substantive coverage requirements of Chapter 1251, Subchapter A, Chapter 1364, and Subchapter A, Chapter 1366, Insurance Code, and any other law applicable to group health insurance policies or contracts issued in this state. The coverage must include major medical treatment but may exclude experimental diagnostic procedures. In this subsection, "major medical treatment" means a medical, surgical, or diagnostic procedure for illness or injury. The coverage may include managed care or preventive care and must be comparable to the basic health coverage provided under the Texas Employees Group Benefits Act (Chapter 1551, Insurance Code). In addition to these requirements, the following factors shall be considered by each school district in determining comparability:

- (1) the deductible amount for service provided inside and outside of the network;
- (2) the coinsurance percentages for service provided inside and outside of the network;
- (3) the maximum amount of coinsurance payments a covered person is required to pay;
- (4) the amount of the co-payment for an office visit;
- (5) the schedule of benefits and the scope of coverage;
- (6) the lifetime maximum benefit amount; and
- (7) verification that the coverage is issued by a provider licensed to do business in this state by the Texas Department of Insurance or is provided by a risk pool authorized under Chapter 172, Local Government Code, or that a district is capable of covering the assumed liabilities in the case of coverage provided through district self-insurance.

(d) Each school district shall be responsible for developing a methodology and criteria for comparison determination. This methodology will include an evaluation of relevant variables with respect to applicable factors stated in subsection (c) of this section.

(e) Each school district shall prepare a report by March 1 of each even-numbered school year, based on the district group health coverage plan in effect during that current plan year, that includes:

(1) appropriate documentation of:

- (A) the school district's contract for group health coverage with a provider licensed to do business in Texas by the Texas Department of Insurance or a risk pool authorized under Chapter 172, Local Government Code; or
- (B) a resolution of the board of trustees of the school district authorizing a self-insurance plan for school district employees and of the school district's review of its ability to cover the liability assumed;

(2) the schedule of benefits;

(3) the premium rate sheet, including the amount paid by the school district and employee;

(4) the number of employees covered by the health coverage plan offered by the school district;

(5) information concerning the ease of completing the report required in subsection (g) of this section; and

(6) the compliance statement required in subsection (g) of this section.

(f) By March 1 of each even-numbered school year, each school district shall make the report required under subsection (e) of this section available for review, together with the policy or contract for the group health coverage plan, at the central administrative office of each campus associated with or in the school district. By such date, each school district shall also post this report on the school district's Internet website, if the school district maintains a website; and, in lieu of delivering a copy of this report to TRS, the school district shall provide a copy of the report upon written request from TRS.

(g) Each school district shall report, using a uniform reporting form or method of reporting prescribed by TRS, the district's compliance with Education Code, §22.004, to the Executive Director of TRS by March 1 of each even-numbered school year. This compliance statement must state whether or not the school district has complied with the requirements of Education Code, §22.004, specifically as to whether or not the school district:

- (1) provides health coverage to its employees that is comparable to the basic health coverage provided under the Texas Employees Group Benefits Act (Chapter 1551, Insurance Code); and
- (2) has complied with the other requirements of this section. A school district's failure to make the completed report required in subsection (e) of this section available as required in subsection (f) of this section or to submit to TRS the required compliance statement, on

or before March 1 of each even numbered year, may result in the TRS report to the legislature reflecting the school district's non-compliance with one or more of the requirements of this section.