



The Texas Association of Health Underwriters (TAHU) is a professional association representing licensed health insurance agents, brokers, consultants and benefit professionals who serve the health insurance needs of employers seeking health insurance coverage. TAHU is a state affiliate of the National Association of Health Underwriters.

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TAHU Was Early Supporter

State Employees Get New, Better Health Plan Option

Legislation that had been on the Texas Association of Health Underwriters' priority list for several years and that will benefit Texas state employees finally made it past the finish line at the Texas Legislature. House Bill 966, authored by State Rep. Myra Crownover of Denton will allow state workers to have a health plan option that has been around for years in the private sector. TAHU was an early and consistent supporter of HSA legislation years ago.

HB 966 allows state workers to have a combination "health savings account" and high deductible health plan beginning next year.

"This bill potentially saves taxpayers millions of dollars because the State is the employer in this case and provides the health plans," said Jacqueline St. Hilaire, president of the Texas Association of Health Underwriters which pushed the bill. "We applaud Rep. Crownover for her steadfast work to get this bill passed."

"At the same time state employees who have an HSA plan will be able to accumulate significant savings, especially if they work to maintain good health," St. Hilaire added.

Under federal law, HSAs must be paired with high deductible health plans (HDHPs) in order to receive favorable pre-tax treatment, St. Hilaire noted. "They are just common sense; and we appreciate the Legislature recognizing this. There simply is no downside."

HSAs / HDHPs encourage people to become actively involved in their own health care, by educating themselves about different health care options and determining what works best and what is most cost-efficient.

The TAHU leader believes that people will make much wiser decisions when they see the benefits that can result.

What if a state employee is not comfortable with HSAs? St. Hilaire said he or she should stay in their traditional plan. "That's absolutely fine. Everyone needs to be comfortable with how their own plan works."

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Employees with HSAs will benefit in several ways:

- They'll be healthier because of smarter health care and life style decisions.
- They can gain financially due to the tax-free buildup in savings. The legislation provides that the State will contribute the amount of the savings between the costs of the more expensive traditional plan and the high deductible health plan. Employees may also contribute to the account on a pre-tax basis up to certain federal limits.
- The savings are portable. Should a state worker quit, they take their savings account with them.

"There has been a lot of misinformation and misunderstanding about HSAs but the truth is that no one suffers financially because they have an HSA," St. Hilaire said. She noted that TAHU members would be working with state employee groups across the State to provide details on the nuts and bolts of how HSAs really work and how to use them.

"Private sector employees have had HSAs for many years. It's past time for Texas state employees to have this good option, as well."

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