



TRS Summary of Proposed Rule

Rule 41.38 - Termination Date of Coverage

State law requires the Teacher Retirement System of Texas (TRS) to manage the program responsibly and set premiums in a way that supports the long-term financial stability of the TRS-ActiveCare trust fund. Each year, TRS sets premiums based on projected enrollment and health care costs for the upcoming plan year. This process assumes that participants who enroll will generally remain enrolled and that the fund will continue receiving the contributions toward coverage throughout the year.

In contrast, Rule 41.38(a)(7) allows participants to voluntarily drop TRS-ActiveCare coverage at the end of any month during the plan year, even without a HIPAA qualifying life event. This can lead to enrollment instability and make it more difficult for TRS to accurately set premiums and manage costs. Furthermore, this is inconsistent with standard health insurance practices.

TRS proposes repealing Rule 41.38(a)(7) to promote more predictable enrollment, support stable premium setting, and help protect the long-term sustainability of the TRS-ActiveCare program. Participants would still be able to change or terminate coverage mid-year when they experience qualifying life events, as required by federal law.