

IN THE SUPREME COURT OF TEXAS

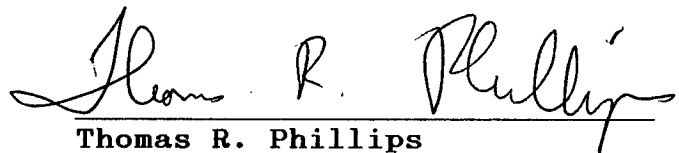
Misc. Docket No. 90-0024

ORDER ON STATE BAR'S MOTION RE: 1991 BUDGET

On this day came on to be considered the Motion of the State Bar to permit the presentation of the proposed budget for fiscal year 1991 to the Board of Directors of the State Bar of Texas at a special meeting called for such purpose in the month of February, 1991, rather than require presentation thereof at the January meeting pursuant to Article V. Section 3 or the State Bar Rules. After considering the reasons stated by the State Bar in its Motion and being of the opinion that such reasons are true and state sufficient grounds to grant the relief requested; it is accordingly,

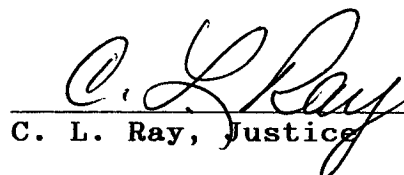
ORDERED by the Court, en banc, that the State Bar of Texas present its proposed annual budget for fiscal year 1991 to a special meeting of its Board of Directors during the month of February, 1991, and that it will not be required to present the budget at the January meeting in 1991; provided, the State Bar shall timely publish the proposed budget in the Texas Bar Journal, shall timely hold the public hearing on the proposed budget and shall timely present the same to this Court for consideration and approval.

IN CHAMBERS, EN BANC, this 4th day of December, 1990.



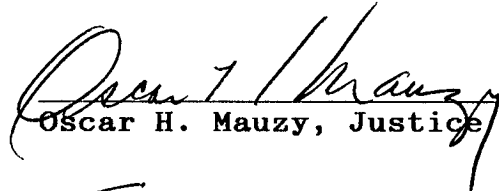
Thomas R. Phillips
Chief Justice

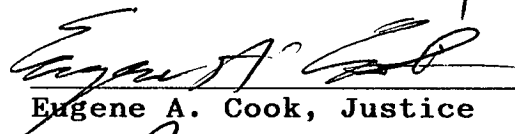
Franklin S. Spears, Justice





C. L. Ray, Justice

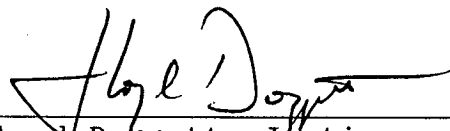

Raul A. Gonzalez, Justice


Oscar H. Mauzy, Justice


Eugene A. Cook, Justice


Jack Hightower, Justice


Nathan L. Hecht, Justice


Lloyd Doggett, Justice

STATE BAR OF TEXAS



Office of the General Counsel

August 14, 1990

Hon. Raul Gonzalez, Justice
Supreme Court of Texas
Supreme Court Building
Austin, Texas 78711

Re: Budget Amendment for Employees Insurance Increase

Dear Judge Gonzalez:

Enclosed is a Petition (with attachments) to Approve an Amendment to the FY 1990-1991 Budget of the State Bar of Texas. It, along with the attachments are self-explanatory. This proposed Amendment is submitted pursuant to Section 81.022 of the State Bar Act. In the opinion of this office, this budget amendment does not require a referendum and therefore is not contrary to the State Bar Act.

If you have any questions please feel free to contact Steve Lee or me.

Very truly yours,

A handwritten signature in black ink, appearing to read "Frank J. Douthitt".

Frank J. Douthitt
General Counsel

FJD/ch

Enclosures

IN THE SUPREME COURT OF THE
STATE OF TEXAS

PETITION TO APPROVE AN AMENDMENT TO THE FY 1990-1991 BUDGET
OF THE STATE BAR OF TEXAS

TO THE HONORABLE SUPREME COURT OF TEXAS:

NOW COMES the State Bar of Texas, by and through the undersigned, and would respectfully represent to the Supreme Court of Texas the following:

I.

The Executive Committee of the State Bar of Texas, in a regularly-called meeting in Jefferson, Texas, on July 27, 1990, at which meeting a quorum was present, moved and adopted an amendment to the fiscal year 1990-1991 general fund budget as follows:


[A]n increase in the amount of the State Bar's contribution towards employees insurance so that it would equal the state's - \$47,564 budget amendment needed (hand vote).

II.

Such expenditures could not have been reasonably foreseen nor anticipated at the time such budget was originally presented to the Supreme Court for approval in 1990. In support of this Petition, the State Bar of Texas directs the Court's attention to the memo and letter attached hereto as Exhibit "A".

WHEREFORE, the State Bar of Texas respectfully requests the Supreme Court of Texas approve this proposed amendment to its 1990-1991 general fund budget.

Respectfully submitted,


Karen Johnson
Executive Director

Attest:


Frank J. Douthitt
General Counsel

STATE BAR OF TEXAS



MEMORANDUM

Director of Finance

July 10, 1990

TO: KAREN R. JOHNSON

FROM: LINDA A. FERNANDEZ

Per the attached letter from the Employees Retirement System of Texas, the state hospitalization rates will increase an average of 16.7% on September 1, 1990.

The state has increased the employer contribution in order to minimize the increased cost to employees.

In the past, the State Bar has increased their contribution accordingly.

The fiscal impact of increasing our employer contribution would be as follows:

Coverage	# of Employees	Old Rate (Annualized)	New Rate
Employee Only	137	\$213,720	\$253,998
Employee and Spouse	12	22,260	26,601
Employee and Children	49	84,266	94,309
Employee and Family	22	46,710	55,466
TOTAL		\$366,956	\$430,374

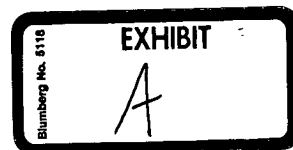
The annualized difference in the increased rates equals \$63,418. Since the rates go into effect on September 1, 1990, the fiscal impact for the current fiscal year would be \$47,564.

This would require Board approval and a budget amendment. (We did not receive this letter until after our budget had already been approved.)

This would need to be approved at the July Executive Committee meeting in order for us to implement it in a timely manner.

Thank you for your consideration of this matter.

cc: Pat Hiller



BOARD OF TRUSTEES
JACK D. KYLE, CHAIRMAN
B. L. PARKER, VICE-CHAIRMAN
PAMELA A. CARLEY
J. MICHAEL WEISS
MARCUS L. YANCEY, JR.
JANICE R. ZITELMAN



CLAYTON T. GARRISON
EXECUTIVE DIRECTOR

JAMES T. HEROD
DEPUTY EXECUTIVE DIRECTOR

EMPLOYEES RETIREMENT SYSTEM OF TEXAS

18TH & BRAZOS STREETS
P. O. BOX 13207
AUSTIN, TEXAS 78711-3207
(512) 476-6431

May 16, 1990

Mr. Larry K. Montgomery
Executive Director
State Bar of Texas
1414 Colorado
Austin, Texas 78701

Dear Mr. Montgomery:

On April 30, 1990, the Board of Trustees of the Employees Retirement System of Texas (ERS) renewed its contract with Blue Cross and Blue Shield of Texas, Inc. (Blue Cross/Blue Shield) to provide group insurance benefits under the Texas Employees Uniform Group Insurance Program effective September 1, 1990.

Group health insurance rates will increase an average of 16.7% effective September 1, 1990. Life insurance and disability rates will remain unchanged. Accidental Death and Dismemberment (AD&D) rates will increase by 3.4%. Based upon the approved Blue Cross/Blue Shield health insurance rates, the Board of Trustees will adopt the following State contribution for FY 1991 for each level of coverage at its meeting on May 23, 1990:

<u>Coverage</u>	<u>State Contribution</u>	<i>old yk.</i>
Employee Only	\$154.50	130.00
Employee & Spouse	184.73	154.58
Employee & Children	160.39	143.31
Employee & Family	210.10	174.93

The ERS consulting actuaries, Rudd & Wisdom, Inc., advised the Trustees that the rates proposed by Blue Cross/Blue Shield represent the required premium based on the anticipated experience of the program. The actuaries have identified several factors which have contributed to the rate increase. Primarily, health insurance claim costs continue to escalate at a pace that is well above the overall inflation rate. The effect of the higher claim costs was partially offset by the Trustees' action



to eliminate the claims margin from the FY 1991 rates by transferring some \$9.5 million from the previous contract to the current contract. This action will not result in the transfer of any funds to Blue Cross/Blue Shield. The funds will still remain in the State Treasury for claims payment purposes.

The Trustees approved the addition of chemical dependency to be treated as any other illness, the addition of Licensed Professional Counselors as practitioners, and other changes required as a result of legislation passed by the 71st Texas Legislature.

The Trustees also approved the reapplications of twenty health maintenance organizations (HMOs) currently participating and the applications of two new HMOs to provide prepaid services for FY 1991. The HMO rates will increase an overall average of approximately 6.8% effective September 1, 1990. Some HMO rate increases will be considerably higher, and a few reflect decreases in rates.

Attached is a schedule listing health premium rates for Blue Cross/Blue Shield and the HMOs effective September 1, 1990. In addition, the approved rates are listed for Optional Term Life, AD&D, Dependent Term Life with AD&D, and Short-Term and Long-Term Disability. None of the premium rates include any amount for ERS' administrative expenses which are funded from investment return on the premiums held by the ERS. A copy will also be provided to the Insurance Coordinator of your State agency.

The primary concern of the Board of Trustees is to ensure that the ERS will continue to provide a health insurance program for all state employees and retirees. The Trustees believe their action is in the best interest of the employees and retirees of the State of Texas.

The Board of Trustees appreciates your support of the Texas Employees Uniform Group Insurance Program and welcomes your comments and recommendations regarding the program.

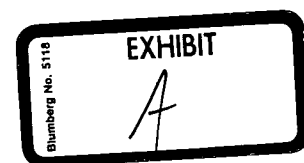
Sincerely,


JAMES T. HEROD
Deputy Executive Director

JTH:JWS:mh

Attachment

cc: Agency Insurance Coordinator



Texas Employees Uniform Group Insurance Program
Rates Effective September 1, 1990

Group Health

Plan Code	Plan Name	Employee Only	Employee & Spouse	Employee & Children	Employee & Family
O	Blue Cross and Blue Shield of Texas	\$134.50	\$289.78	\$229.96	\$385.23
Y	FirstCare/Amarillo	132.25	286.05	248.25	387.75
A	PCA Health Plans/Austin	131.17	273.43	260.49	409.21
T	PruCare/Austin	140.35	306.55	261.12	406.27
V	Travelers Health Network/Austin	123.67	282.48	214.15	379.67
Z	Coastal Bend Health Plan/Corpus Christi	129.29	261.24	319.53	400.06
J	Humana Health Plan/Corpus Christi	131.95	272.41	222.12	372.97
H	CIGNA Healthplan/Dallas	129.09	307.22	243.69	345.38
C	Equicor Health Plan/Dallas	149.96	354.35	283.25	453.58
K	Kaiser Foundation Health Plan/Dallas	125.21	297.91	248.57	353.43
Q	PruCare/Dallas	154.90	360.59	292.79	415.23
R	Southwest Health Plan/Dallas	156.58	350.87	296.04	455.91
M	Harris Health Plan/Ft. Worth	148.83	374.46	297.81	477.08
E	CIGNA Healthplan/Houston	156.27	341.58	295.26	478.99
G	Equicor Health Plan/Houston	154.24	321.88	299.02	481.90
P	PruCare/Houston	132.23	282.68	239.53	353.87
F	Sanus/New York Life Health Plan/Houston	131.85	305.98	267.58	418.55
W	Travelers Health Network/Houston	144.95	331.52	251.25	445.69
I	Humana Health Plan/San Antonio	131.95	274.40	223.75	375.69
U	PacifiCare of Texas/San Antonio	122.48	251.55	243.11	321.52
S	PruCare/San Antonio	140.60	287.67	236.47	400.75
X	Travelers Health Network/San Antonio	130.37	297.92	225.83	400.45
D	Scott and White Health Plan/Temple	121.93	298.65	220.38	375.71

All premiums include \$1.85 for \$4,000 Basic Term Life (includes an equal amount of Accidental Death and Dismemberment coverage) for active employees.

Optional Term Life

(Rates per \$1,000)

Age	Election I	Election II	Age	Election I	Election II	Age	Election I	Election II
15-19	\$0.13	\$0.29	40-44	\$0.19	\$0.42	65-69	\$ 1.85	\$ 3.76
20-24	0.13	0.29	45-49	0.28	0.61	70-74	2.84	5.75
25-29	0.14	0.31	50-54	0.45	0.99	75-79	4.59	9.31
30-34	0.14	0.31	55-59	0.73	1.61	80-84	7.32	14.84
35-39	0.15	0.33	60-64	1.23	2.51	85-89	12.18	24.69
						90 +	18.25	37.00

Dependent Term Life

\$0.77 (includes \$2,000 term life with AD&D coverage per dependent)

Voluntary Accidental Death and Dismemberment (AD&D)

Employee Only\$0.03 / \$1,000 of coverage
Employee and Family.....\$0.06 / \$1,000 of coverage

Short-Term and Long-Term Disability Income

Short-Term Disability\$0.16 / \$100 of monthly salary
Long-Term Disability\$1.15 / \$100 of monthly salary

Blumberg No. 5118
EXHIBIT
A

TEXAS EMPLOYEES UNIFORM GROUP INSURANCE PROGRAM RATE INFORMATION

Effective September 1, 1989

ALD

Employees Retirement System of Texas Insured Plan and HMO Health Premium Rates*

PLAN CODE	PLAN NAME	EMPLOYEE ONLY	EMPLOYEE & SPOUSE	EMPLOYEE & CHILDREN	EMPLOYEE & FAMILY
O	Blue Cross and Blue Shield of Texas, Inc.	\$ 110.43	\$ 249.63	\$ 202.88	\$ 342.06
Y	FirstCare/Amarillo	110.65	239.05	207.55	323.95
T	PruCare/Austin	124.02	280.96	225.59	367.76
A	Texas Health Plans/Austin	112.73	245.79	223.61	428.74
V	Travelers Health Network/Austin	138.52	294.71	242.21	398.41
Z	Coastal Bend Health Plan/Corpus Christi	114.79	231.73	284.80	355.81
J	Humana Health Plan/Corpus Christi	103.26	204.67	232.05	306.08
H	CIGNA Healthplan/Dallas	134.59	320.43	254.06	360.25
K	Kaiser Foundation Health Plan/Dallas	100.97	239.74	200.09	279.39
Q	PruCare of North Texas/Dallas	132.50	264.93	252.10	402.71
R	Southwest Health Plan/Dallas	144.48	328.95	292.67	436.22
E	CIGNA Healthplan/Houston	137.21	299.65	259.04	420.11
G	Equicor Health Plan/Houston	130.30	268.96	250.05	401.31
P	PruCare/Houston	121.56	259.88	229.53	374.88
F	Sanus/New York Life Health Plan/Houston	113.51	284.55	248.86	389.19
W	Travelers Health Network/Houston	157.65	334.48	302.23	481.52
I	Humana Health Plan/San Antonio	113.26	262.55	215.76	313.80
U	PacifiCare/San Antonio	106.97	219.45	201.58	280.42
S	PruCare/San Antonio	133.89	285.87	260.76	447.36
X	Travelers Health Network/San Antonio	140.44	300.03	273.67	420.68
D	Scott and White Health Plan/Temple	130.70	318.29	214.06	379.07

* Includes \$ 1.85 for \$4,000 basic term life with \$4,000 AD&D coverage for active employees

Optional Term Life Insurance Rates*

(Rates per \$1,000)

Age	Election I	Election I & II	Age	Election I	Election I & II	Age	Election I	Election I & II
15-19	\$ 0.1325	\$ 0.2850	40-44	\$ 0.1925	\$ 0.4150	65-69	\$ 1.8525	\$ 3.7550
20-24	0.1325	0.2850	45-49	0.2825	0.6050	70-74	2.8425	5.7450
25-29	0.1425	0.3050	50-54	0.4525	0.9850	75-79	4.5925	9.3050
30-34	0.1425	0.3050	55-59	0.7325	1.6050	80-84	7.3225	14.8350
35-39	0.1525	0.3250	60-64	1.2325	2.5050	85-89	12.1825	24.6850
						90 & Over	18.2525	36.9950

* For employees under the age of 70, amount of election is based on your annual salary rounded up to next \$1,000

Voluntary Accidental Death And Dismemberment Rates

Employee Only	\$0.037/\$1,000 of coverage
Employee and Family	\$0.052/\$1,000 of coverage

Short-Term And Long-Term Disability Income Rates

Short-Term Disability	\$0.16/\$100 of monthly salary
Long-Term Disability	\$1.15/\$100 of monthly salary

Dependent Term Life with AD&D

\$0.77 (Includes \$2,000 term life with \$2,000 AD&D coverage per dependent)

Blumberg No. 3110
EXHIBIT
A