

SEIB Retiree

1 69783-5 : n : 10/07/2004 : EBO-DHI / dhi

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8 SYNOPSIS: To provide for the sharing of the cost of
9 health insurance premiums based on years of service
10 by state retirees who are covered by the State
11 Employees' Health Insurance Plan and offer
12 supplemental coverage in lieu of coverage in the
13 basic medical plan of the State Employees' Health
14 Insurance Plan.

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A BILL

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TO BE ENTITLED

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AN ACT

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To add Section 36-29-19.7 and 36-29-19.8 to the Code
21 of Alabama 1975, to provide for the sharing of the cost of
22 health insurance premiums based on years of service by state
23 retirees who are covered by the State Employees' Health
24 Insurance Plan and to offer supplemental coverage in lieu of
25 coverage in the basic medical plan of the State Employees'
26 Health Insurance Plan.

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BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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Section 1. Add Sections 36-29-19.7 and 36-29-19.8

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Code of Alabama 1975, to read as follows:

1 Section 36-29-19.7. Retiree contribution based on
2 years of service.

3 The Board shall set forth the employer contribution
4 to the health insurance premium for each retiree class. For
5 employees who retire other than for disability after September
6 30, 2005, the employer contribution to the health insurance
7 premium set forth by the Board for each retiree class shall be
8 reduced by two percent for each year of service less than
9 twenty-five and increased by two percent for each year of
10 service over twenty-five, subject to adjustment by the Board
11 for changes in Medicare premium costs required to be paid by a
12 retiree. In no case shall the employer contribution of the
13 health insurance premium exceed 100 percent of the total
14 health insurance premium cost for the retiree.

15 Section 36-29-19.8.

16 The Board may offer a retiree a supplemental
17 coverage to other employer group health insurance coverage and
18 certain requirements shall be maintained regarding retiree
19 health coverage and cost sharing.

20 A. For employees who retire after September 30,
21 2005, and who become employed by an employer that provides
22 employees at least 50 percent of the cost of single health
23 insurance coverage and that qualify to receive other employer
24 group health insurance coverage through that employer shall be
25 required to use the employer's health benefit plan for primary
26 coverage and the State Employees' Health insurance plan may
27 provide supplemental coverage.

28 B. For retirees who have spouses with other employer
29 group health insurance coverage available to them through

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1 their employer or previous employer, the Board may provide
2 such retirees with a supplemental coverage to other employer
3 group health insurance coverage in lieu of coverage in the
4 basic medical plan of the State Employees' Health Insurance
5 Plan.

6 C. Employers that provide some or all retirees other
7 employer group health insurance coverage shall not disqualify
8 or otherwise limit a retiree or their spouse, from receiving
9 health care benefits.

10 Section 2. All laws or parts of laws, general,
11 special, private or local, in conflict with or inconsistent
12 with the provisions of this Act are hereby expressly repealed.
13 If it is determined by a court of competent jurisdiction that
14 any provision of this act shall contravene any Constitutional
15 provision or amendment, either now in effect or in the future,
16 then only that conflicting provision or provisions in this act
17 shall be deemed null and void.

18 Section 3. This act shall become effective upon its
19 passage and approval by the Governor and upon the passage and
20 approval of the Governor of House Bill _____ of the first
21 Special Session of 2004 of the Alabama Legislature. In the
22 event that House Bill _____ of the first Special Session of
23 2004 of the Alabama Legislature is not passed and approved,
24 then this Act shall become null and void.