

1 HB611
2 139351-2
3 By Representatives Buskey and Gaston
4 RFD: State Government
5 First Read: 22-MAR-12

1 "When used in this chapter, the following terms
2 shall have the following meanings, respectively, unless the
3 context clearly indicates otherwise:

4 "(1) BOARD. The State Employees' Insurance Board.

5 "(2) CLASS. An employee or retiree shall be included
6 in one of the following classes: (i) active employee single,
7 (ii) active employee family, (iii) non-Medicare retiree
8 single, (iv) non-Medicare retiree family, (v) Medicare retiree
9 single, (vi) Medicare retiree family, (vii) non-Medicare
10 retiree with Medicare eligible dependent(s), or (viii)
11 Medicare retiree with non-Medicare dependent(s).

12 "(3) EMPLOYEE. A person who works full time for the
13 State of Alabama or for a county health department and who
14 receives his or her full compensation on a monthly basis
15 through means of a state warrant drawn upon the State Treasury
16 or by check drawn by the Treasurer of the Alabama State Port
17 Authority or by check drawn by the Treasurer of the USS
18 Alabama Battleship Commission or by check drawn by the
19 treasurer of the Administrative Office of Courts Juvenile
20 Probation Services or by check drawn by the treasurer of the
21 Alabama state agency for surplus property other than those
22 employees covered by the federal Railroad Retirement Act.
23 Full-time employees of the county health department in all
24 counties having populations of not less than 300,000 nor more
25 than 500,000 shall also be included in the definition of
26 employee for the purpose of this chapter, and the health
27 department of any such county is hereby authorized to pay the

1 employer's share of any contributions to the retirement fund;
2 provided further, that any district attorney or full-time
3 employees in the district attorney's office, of any judicial
4 circuit shall be included in the definition of employee for
5 the purpose of this chapter, and the respective judicial
6 circuits are hereby authorized to pay the employer's share of
7 any contribution therefor and any person employed part time by
8 the State of Alabama on a wage and hourly basis, excluding fee
9 compensations and other like arrangements, shall be included
10 in the definition of employee as defined in this chapter
11 provided such person shall agree to have deducted from his or
12 her hourly wage, as stipulated, a pro rata portion of the
13 premium cost of a full-time state employee based on the
14 percentage of time such person is employed by the state
15 according to rules and regulations established by the State
16 Employees' Insurance Board. The term shall also include an
17 employee who worked at least 10 years for the State Department
18 of Transportation in "captive county" circumstances as defined
19 by Section 23-1-100 and who was transferred to county
20 employment upon the adoption of Article 3A, Chapter 1, Title
21 23. Provided further, however, any costs incurred as a result
22 of including such employee in this term shall be payable from
23 funds of the State Department of Transportation.

24 "(4) EMPLOYEE CONTRIBUTION. The amount of the total
25 health insurance premium to be paid by the employee or retiree
26 as determined by the board.

1 "(5) EMPLOYER CONTRIBUTION. The amount of the total
2 health insurance premium to be paid by the employer as
3 determined by the board.

4 "(6) FEDERAL POVERTY LEVEL. Income level determined
5 in Section 673(2) of the Community Services Block Grant Act 2
6 (42 U.S.C. § 9902(2)). Should the federal government no longer
7 derive or substantially change its derivation of the federal
8 poverty level, the State Employees' Insurance Board has the
9 authority to derive and apply an alternate poverty level to
10 carry out its obligations under this chapter.

11 "(7) HEALTH INSURANCE PREMIUM. The total health
12 insurance cost under the State Employees' Health Insurance
13 Plan with respect to each class of employees or retirees.
14 Individual premiums may include adjustments and surcharges for
15 (i) family size including, but not limited to, a husband and
16 wife both being covered by the State Employees' Health
17 Insurance Plan, (ii) spouse's eligibility for other health
18 insurance, (iii) smokers and users of tobacco products, (iv)
19 preventative care and wellness care participation, and (v) any
20 such other categories of risk that the board shall approve.

21 "(8) MEDICARE RETIREE. A retiree entitled to
22 benefits under the federal Medicare program (Subchapter XVIII
23 of the Social Security Act, 42 U.S.C. §§ 1395 et seq.).

24 "(9) NON-MEDICARE RETIREE. A retiree not entitled to
25 benefits under the federal Medicare program (Subchapter XVIII
26 of the Social Security Act, 42 U.S.C. §§ 1395 et seq.).

1 "(10) OTHER EMPLOYER GROUP HEALTH INSURANCE
2 COVERAGE. Group health insurance coverage available to an
3 employee or retiree through an employer other than the State
4 of Alabama. Other employer group health insurance coverage
5 does not include the State Employees' Health Insurance Plan,
6 the Public Education Employees' Health Insurance Plan, or the
7 local government health insurance plan.

8 "(11) RETIREE. An employee who retires from the
9 service of the State of Alabama, who, at the time of such
10 retirement has at least 10 years of creditable coverage, meets
11 the criteria set out in this chapter and who, following such
12 retirement, draws a monthly benefit from the Employees'
13 Retirement System of Alabama, the USS Alabama Battleship
14 Commission, the Judicial Retirement System of Alabama, the
15 Teachers' Retirement System of Alabama, or the Alabama State
16 Port Authority.

17 "(12) STATE EMPLOYEES' HEALTH INSURANCE PLAN. The
18 health benefit plan administered or offered by the State
19 Employees' Insurance Board for eligible employees and retirees
20 and their respective dependents. The State Employees'
21 Insurance Board may offer supplemental coverages and policies
22 in lieu of or in addition to coverage in the basic medical
23 plan of the State Employees' Health Insurance Plan. Also
24 referred to herein as "health insurance plan" or "plan."

25 "(13) SUPPLEMENTAL COVERAGE. Coverage offered to
26 employees and retirees by the State Employees' Insurance Board
27 in lieu of coverage in the basic medical plan of the State

1 Employees' Health Insurance Plan that supplements an
2 employee's or retiree's other employer group health insurance
3 coverage.

4 "(14) SUPPLEMENTAL POLICY. A policy offered to
5 employees and retirees by the State Employees' Insurance
6 Board, in lieu of or in addition to coverage in the basic
7 medical plan of the State Employees' Health Insurance Plan,
8 that provides a defined set of benefits.

9 "(15) THIRD PARTY ADMINISTRATOR. An entity
10 contracted by the State Employees' Insurance Board to provide
11 certain administrative services as it deems appropriate and
12 necessary to carry out its obligations under this chapter.

13 "(16) YEARS OF CREDITABLE COVERAGE. The number of
14 years and months that an employee is covered under the State
15 Employees' Health Insurance Plan prior to retirement as
16 determined by the State Employees' Insurance Board, including
17 any periods of full-time permanent employment subsequent to
18 retirement up to a maximum of five years. Creditable coverage
19 shall also include months and years: (1) Related to service in
20 the United States Armed Forces; (2) as a part-time employee
21 prior to October 1, 2005; (3) as an employee as defined in
22 Sections 16-25A-1 and 16-25A-11; (4) as a full time employee
23 of a local legislative delegation office which participates in
24 the Employees' Retirement System if the employee is under the
25 state employees' insurance plan on June 14, 2011; (5) as an
26 employee of a postsecondary institution eligible for Public
27 Education Employees' Health Insurance Plan coverage as a

1 retiree whether the institution participates in the Public
2 Education Employees' Health Insurance Plan or has its own plan
3 of insurance for active employees, provided the postsecondary
4 institution contributes an amount to the State Employees
5 Insurance Fund for each of its retired employees equal to any
6 amount appropriated by the state to fund benefits for retired
7 employees as determined by the State Employees' Insurance
8 Board; or (6) as a juvenile probation officer provided that
9 the Administrative Office of Courts contributes an amount to
10 the State Employees Insurance Fund for each retired juvenile
11 probation officer equal to any amount appropriated by the
12 state to fund benefits for retired employees as determined by
13 the State Employees' Insurance Board. For employees of the
14 Alabama State Port Authority and the USS Alabama Battleship
15 Commission and the Administrative Office of Courts Juvenile
16 Probation Services, the term years of creditable coverage
17 shall mean the sum of the number of years and months of
18 creditable service as determined by the Employees' Retirement
19 System, the Teachers' Retirement System, or the Judicial
20 Retirement System with regard to any periods of time during
21 which such employee was employed under the Merit System plus
22 the number of years and months of creditable service as
23 determined by the State Employees' Insurance Board with regard
24 to any period of time during which such employee was employed
25 by the Alabama State Port Authority or by the USS Alabama
26 Battleship Commission or the Administrative Office of Courts
27 Juvenile Probation Services as a non-Merit System employee.

1 "(17) YEARS OF SERVICE. The number of years and
2 months of creditable service by an employee prior to
3 retirement as determined by the Employees' Retirement System,
4 Teachers' Retirement System, or Judicial Retirement System
5 including any periods of full time permanent employment
6 subsequent to retirement up to a maximum of five years. Except
7 for creditable service related to service in the United States
8 Armed Forces, or as an employee as defined in Sections
9 16-25A-1 and 16-25A-11, or as an employee of a postsecondary
10 institution eligible for PEEHIP coverage as a retiree whether
11 the institution participates in PEEHIP or has its own plan of
12 insurance for active employees, the State Employees' Insurance
13 Board may exclude from years of service any years and months
14 of creditable service it determines was not related to service
15 as an employee as defined in Section 36-29-1. For employees of
16 the Alabama State Port Authority and the USS Alabama
17 Battleship Commission and the Administrative Office of Courts
18 Juvenile Probation Services, the term years of service shall
19 mean the sum of the number of years and months of creditable
20 service as determined by the Employees' Retirement System, the
21 Teachers' Retirement System, or the Judicial Retirement System
22 with regard to any periods of time during which such employee
23 was employed under the Merit System plus the number of years
24 and months of creditable service as determined by the State
25 Employees' Insurance Board with regard to any period of time
26 during which such employee was employed by the Alabama State
27 Port Authority or by the USS Alabama Battleship Commission or

1 by the Administrative Office of Courts Juvenile Probation
2 Services as a non-Merit System employee."

3 Section 2. This act shall become retroactive,
4 effective to July 1, 2008.

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House of Representatives

Read for the first time and re-ferred to the House of Representatives committee on State Government 22-MAR-12

Read for the second time and placed on the calendar..... 12-APR-12

Read for the third time and passed as amended..... 24-APR-12

Yeas 102, Nays 0, Abstains 2

Greg Pappas
Clerk