

IN THE SENATE

SENATE BILL NO. 1020

BY COMMERCE AND HUMAN RESOURCES COMMITTEE

AN ACT

1 RELATING TO THE DEPARTMENT OF ADMINISTRATION; AMENDING SECTION 67-5761,
2 IDAHO CODE, TO PROVIDE FOR REPRESENTATION FROM AN IDAHO SCHOOL DISTRICT
3 ON THE GROUP INSURANCE ADVISORY COMMITTEE, TO REVISE PROVISIONS REGARD-
4 ING ELIGIBILITY DETERMINATIONS FOR PARTICIPATION IN GROUP PLANS, AND TO
5 MAKE TECHNICAL CORRECTIONS; AND DECLARING AN EMERGENCY AND PROVIDING AN
6 EFFECTIVE DATE.
7

8 Be It Enacted by the Legislature of the State of Idaho:

9 SECTION 1. That Section 67-5761, Idaho Code, be, and the same is hereby
10 amended to read as follows:

11 67-5761. POWERS AND DUTIES -- GROUP INSURANCE. (1) The director of the
12 department of administration shall:

13 (a) Establish an advisory committee to be comprised of program partic-
14 ipants from the executive, legislative and judicial branches of state
15 government. The advisory committee shall include one (1) active ~~and~~
16 employee representative, one (1) retired employee representative, ~~and~~
17 one (1) representative from an Idaho school district that is partici-
18 partating in the group insurance plan. The director shall consult with the
19 advisory committee in the performance of those duties as enumerated in
20 subsection (2) of this section.

21 (b) ~~Promulgate rules for determining~~ Determine the eligibility of ac-
22 tive personnel, retired personnel and dependents of such active and re-
23 tired personnel for participation in any group plans.

24 (c) Determine the nature and extent of needs for group life insur-
25 ance, group annuities, group disability insurance, and group health
26 care service coverages with respect to personnel, including elected or
27 appointed officers and employees, of all offices, departments, divi-
28 sions, boards, commissions, institutions, agencies and operations of
29 the government of the state of Idaho and retired personnel, the premi-
30 ums or prepayments for which are payable in whole or in part from funds
31 of the state. "Disability" insurance includes all personal accident,
32 health, hospital, surgical, and medical coverages, and "health care
33 service" includes all services rendered for maintenance of good health
34 and diagnosis, relief, or treatment of any injury, ailment, or bodily
35 condition.

36 (d) Determine the types, terms, conditions, and amounts of group insur-
37 ance, group annuities, or group coverage by health care service organi-
38 zations, as the case may be, required by such needs.

39 (e) Negotiate ~~and~~, contract for, and have placed or continued in effect
40 all such insurance and coverages as may reasonably be obtainable from
41 insurers and health care service organizations, as the case may be, duly
42 authorized to transact such business in this state. The director may

1 negotiate deductibles to any group plan or coverage. Alternatively,
 2 the director may self-insure any insurance or coverage and may contract
 3 with any insurance company or third-party administrator duly autho-
 4 rized to transact business in this state or administer such plan.

5 (f) Prepare or otherwise obtain and make available to all personnel
 6 affected thereby, printed information concerning all such group plans
 7 currently in effect, together with the rules governing eligibility,
 8 payment of premium or prepayment where applicable, claims procedures,
 9 and other matters designed to facilitate utilization and administra-
 10 tion of such plans.

11 (g) Administer all such group plans on behalf of the insured, including
 12 but not limited to:

13 (i) Enrollment and reporting to the insurer or health care ser-
 14 vice organization of individuals eligible for coverage and cover-
 15 ed under particular policies or contracts, and termination of
 16 such enrollment upon termination of eligibility;

17 (ii) Collection or payment of premiums or prepayments for such
 18 coverage, policies, and contracts and accounting for the same;

19 (iii) Establishment of reasonable procedures for handling claims
 20 arising under such coverage, policies, and contracts, and render-
 21 ing assistance to claimants, as may be required in the presenta-
 22 tion and consideration of claims;

23 (iv) Effectuation of changes in such coverage, policies, and con-
 24 tracts and renewal or termination thereof; and

25 (v) Making and settlement of claims.

26 (2) The director shall formulate and negotiate a plan or plans of health
 27 care service coverage ~~which~~ that includes eligible active personnel and
 28 their dependents in consultation with the advisory committee.

29 (3) The director shall formulate and negotiate a plan or plans of health
 30 care service coverage ~~which~~ that includes eligible retired personnel and de-
 31 pendents. Such plan or plans will be pooled for rating purposes with the plan
 32 or plans provided for in subsection (2) of this section.

33 (a) Beginning July 1, 2009, the state shall pay one hundred fifty-five
 34 dollars (\$155) per eligible retired personnel per month toward such
 35 health care service coverage, subject to the conditions of ~~subsection~~
 36 ~~(3) paragraph~~ (b) of this subsection. Retired personnel shall be re-
 37 sponsible for paying the balance of the monthly premium for any plan of
 38 health care service coverage provided pursuant to this section.

39 (b) Beginning January 1, 2010, retired personnel health care service
 40 coverage shall not be available to any retired personnel or depen-
 41 dent who is or becomes eligible for medicare. Dependent spouses of
 42 such medicare-eligible retired personnel who are not themselves medi-
 43 care-eligible may remain on health care service coverage until they
 44 become eligible for medicare.

45 (c) Any person who is eligible for health care service coverage as a re-
 46 tired person prior to June 30, 2009, remains eligible for coverage sub-
 47 ject to the conditions of ~~subsections (3) paragraphs~~ (a) and (b) of this
 48 subsection.

49 (d) ~~No p~~ersonnel, including elected or appointed officers and em-
 50 ployees, of all offices, departments, divisions, boards, commissions,

1 agencies and operations of the government of the state of Idaho, who
2 begin service or employment after June 30, 2009, shall not be provided
3 or be eligible for any retired personnel health care service coverage,
4 unless such personnel have credited state service of at least twenty
5 thousand eight hundred (20,800) hours before June 30, 2009, and, subse-
6 quent to reemployment, election, or reappointment on or after July 1,
7 2009, accumulate an additional six thousand two hundred forty (6,240)
8 continuous hours of credited state service, and ~~who~~ are otherwise eli-
9 gible for coverage.

10 (e) Nothing in this subsection prohibits an active employee who retires
11 from state service on or after July 1, 2009, from being eligible for
12 health care service coverage, provided that he or she is drawing a state
13 retirement benefit and meets eligibility requirements of the health
14 care service coverage.

15 (f) The Idaho department of administration shall assist medicare-eli-
16 gible retirees in transitioning to a medicare supplement plan in accor-
17 dance with procedures established by the advisory committee.

18 (4) Nothing contained herein and no coverage, policy, or contract ~~which~~
19 that provides coverage or benefits for active personnel, dependents of per-
20 sonnel, or retired personnel shall create any vested right or benefit for any
21 such individual in group insurance coverage.

22 SECTION 2. An emergency existing therefor, which emergency is hereby
23 declared to exist, this act shall be in full force and effect on and after
24 July 1, 2023.