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ARTICLE 3

RELATING TO PUBLIC OFFICERS AND EMPLOYEES

SECTION 1. Section 30-15-5 of the General Laws in Chapter 30-15 entitled “Emergency Management” is hereby amended to read as follows:

§ 30-15-5. Emergency management preparedness agency created – Personnel – Facilities. – (a) There is hereby created within the executive department, the Rhode Island emergency management agency (hereinafter in this chapter called the "agency"), to be headed by a director, who shall be appointed by and serve at the pleasure of, the governor, and who shall be in the unclassified service.

(b) The director may employ such technical, clerical, stenographic, and other personnel, all of whom shall be in the classified service except for one administrative executive officer who shall be in the unclassified service, and may make such expenditures within the appropriation therefor, or from other funds made available for the purposes of this chapter, as may be necessary to carry out the purposes of this chapter, consistent with other applicable provisions of law.

(c) The agency may provide itself with appropriate office space, furniture, equipment, supplies, stationery, and printing.

(d) The director, subject to the direction and control of the governor, shall be the head of the agency, and shall be responsible to the governor for carrying out the program for disaster preparedness of this state. The director shall coordinate the activities of all organizations for disasters within the state, and shall maintain liaison with and cooperate with disaster agencies and organizations of other states and of the federal government. The director shall have such additional authority, duties, and responsibilities authorized by this chapter as may be prescribed by the governor.

(e) Wherever in the general or public laws, or any rule or regulation, any reference to the "executive director" shall appear, it shall be deemed to mean and shall mean "the director."

SECTION 2. Section 36-3-10 of the General Laws in Chapter 36-3 entitled “Division of Personnel Administration” is hereby amended to read as follows:

§ 36-3-10. Appeals to appeal board. – (a) The personnel appeal board shall hear appeals:

(1) By any person with provisional, probationary, or permanent status in a position in the

1 classified service aggrieved by an action of the administrator of adjudication for the department
2 of administration on matters of personnel administration.

3 (2) By any person with provisional, probationary, or permanent status in a position in the
4 classified service who has been discharged, demoted, suspended, or laid off by any appointing
5 authority.

6 (3) By any person who holds the belief that he or she has been discriminated against
7 because of his or her race, sex, age, disability, or his or her political or religious beliefs in any
8 personnel action.

9 (4) By any person who by the personnel policy of the state of Rhode Island or by
10 contractual agreement with the state of Rhode Island is vested with the right of appeal to the
11 board.

12 (b) Appeals shall be taken in accordance with the provisions of this chapter and chapter 4
13 of this title of the personnel rules provided, however, that the personnel appeal board may dismiss
14 the appeal of a person who has already appealed or seeks to appeal the same matter under
15 provisions of a contractual agreement or other law or regulation.

16 (c) For all appeals brought on or after July 1, 2016 to the personnel appeal board by an
17 employee pursuant to subsection (a)(2) above, the personnel appeal board shall give deference to
18 the degree of discipline imposed upon the employee by the appointing authority provided that the
19 factual findings of the personnel appeal board are substantially consistent with the facts relied
20 upon by the appointing authority and the degree of discipline imposed was not arbitrary,
21 capricious or contrary to rule or law.

22 SECTION 3. Sections 36-4-2, 36-4-7, 36-4-16.2, 36-4-16.5, 36-4-28, and 36-4-42 of the
23 General Laws in Chapter 36-4 entitled "Merit System" are hereby amended to read as follows:

24 **§ 36-4-2. Positions in unclassified service.** – (a) The classified service shall comprise all
25 positions in the state service now existing or hereinafter established, except the following specific
26 positions which with other positions heretofore or hereinafter specifically exempted by legislative
27 act shall constitute the unclassified service:

28 (1) Officers and legislators elected by popular vote and persons appointed to fill
29 vacancies in elective offices.

30 (2) Employees of both houses of the general assembly.

31 (3) Officers, secretaries, and employees of the office of the governor, office of the
32 lieutenant governor, department of state, department of the attorney general, and the treasury
33 department.

34 (4) Members of boards and commissions appointed by the governor, members of the state

1 board of elections and the appointees of the board, members of the commission for human rights
2 and the employees of the commission, and directors of departments.

3 (5) The following specific offices:

4 (i) In the department of administration: director, chief information officer; [chief digital](#)
5 [officer; cybersecurity officer;](#) director of office of management and budget, director of
6 performance management, deputy director, chief of staff, public information officer and
7 legislative/policy director; and within the health benefits exchange: director, deputy director,
8 administrative assistant, senior policy analyst, and chief strategic planning monitoring and
9 evaluation;

10 (ii) In the department of business regulation: director, [chief of staff, and legislative/policy](#)
11 [director;](#)

12 (iii) In the department of elementary and secondary education: commissioner of
13 elementary and secondary education;

14 (iv) In the department of higher education: commissioner of postsecondary education;

15 (v) In the department of health: director, executive director, and deputy director;

16 (vi) In the department of labor and training: director, administrative assistant,
17 administrator of the labor board and legal counsel to the labor board, executive director and
18 communications director;

19 (vii) In the department of environmental management: director, [chief of staff, chief public](#)
20 [affairs officer, and policy director;](#)

21 (viii) In the department of transportation: director, chief operating officer,
22 administrator/division of project management, administrator/division of planning, chief of staff,
23 communications director, legislative director and policy director;

24 (ix) In the department of human services: director, [deputy director, chief of staff,](#)
25 [communications/legislative director, policy director](#) and director of veterans' affairs;

26 (x) In the state properties committee: secretary;

27 (xi) In the workers' compensation court: judges, administrator, deputy administrator,
28 clerk, assistant clerk, clerk secretary;

29 (xii) In the division of elderly affairs: director;

30 (xiii) In the department of behavioral healthcare, developmental disabilities and hospitals:
31 director, [chief medical officer \(Eleanor Slater Hospital\), chief medical officer \(BHDDH\), and](#)
32 [chief community relations officer;](#)

33 (xiv) In the department of corrections: director, assistant director (institutions/operations),
34 assistant director (rehabilitative services), assistant director (administration), [public information](#)

1 [officer, chief inspector](#), and wardens;

2 (xv) In the department of children, youth and families: director, one assistant director,
3 one associate director, one executive director, [policy director, public information officer](#) and a
4 chief of staff;

5 (xvi) In the public utilities commission: public utilities administrator;

6 (xvii) In the water resources board: general manager;

7 (xviii) In the human resources investment council: executive director.

8 (xix) In the office of health and human services: secretary of health and human services,
9 [medicaid program director, communications director, and policy/legislative director](#).

10 (xx) In the office of commerce: secretary, deputy secretary, chief of staff,
11 communications director, legislative director, and policy director.

12 (6) Chief of the hoisting engineers, licensing division, and his or her employees;
13 executive director of the veterans memorial building and his or her clerical employees.

14 (7) One confidential stenographic secretary for each director of a department and each
15 board and commission appointed by the governor.

16 (8) Special counsel, special prosecutors, regular and special assistants appointed by the
17 attorney general, the public defender and employees of his or her office, and members of the
18 Rhode Island bar occupying a position in the state service as legal counsel to any appointing
19 authority.

20 (9) The academic and/or commercial teaching staffs of all state institution schools, with
21 the exception of those institutions under the jurisdiction of the ~~board of regents for elementary~~
22 ~~and secondary education and the board of governors for higher~~ [board of](#) education.

23 (10) Members of the military or naval forces, when entering or while engaged in the
24 military or naval service.

25 (11) Judges, referees, receivers, clerks, assistant clerks, and clerical assistants of the
26 supreme, superior, family, and district courts, the traffic tribunal, security officers of the traffic
27 tribunal, jurors and any persons appointed by any court.

28 (12) Election officials and employees.

29 (13) Deputy sheriffs and other employees of the sheriffs division within the department
30 of public safety.

31 (14) Patient or inmate help in state charitable, penal, and correctional institutions and
32 religious instructors of these institutions and student nurses in training, residents in psychiatry in
33 training, and clinical clerks in temporary training at the institute of mental health within the state
34 of Rhode Island medical center.

1 (15)(i) Persons employed to make or conduct a temporary and special inquiry,
2 investigation, project or examination on behalf of the legislature or a committee therefor, or on
3 behalf of any other agency of the state if the inclusion of these persons in the unclassified service
4 is approved by the personnel administrator. The personnel administrator shall notify the house
5 fiscal advisor and the senate fiscal advisor whenever he or she approves the inclusion of a person
6 in the unclassified service.

7 (ii) The duration of the appointment of a person, other than the persons enumerated in
8 this section, shall not exceed ninety (90) days or until presented to the department of
9 administration. The department of administration may extend the appointment another ninety (90)
10 days. In no event shall the appointment extend beyond one hundred eighty (180) days.

11 (16) Members of the division of state police within the department of public safety.

12 (17) Executive secretary of the Blackstone Valley district commission.

13 (18) Artist and curator of state owned art objects.

14 (19) Mental health advocate.

15 (20) Child advocate.

16 (21) The position of aquaculture coordinator and marine infrastructure specialist within
17 the coastal resources management council.

18 (22) Employees of the office of the health insurance commissioner.

19 (23) In the department of revenue: the director, secretary, attorney, deputy director, and
20 public information officer.

21 (24) In the department of public safety: the director, and public information officer.

22 (25) In the emergency management agency: director and administrative executive officer.

23 (b) Provided however that, if any position added to the unclassified service by legislative
24 act after January 1, 2015, is occupied by a classified employee on June 30, 2015, such position
25 shall remain in the classified service until such position becomes vacant.

26 **§ 36-4-7. Probationary period in noncompetitive branch – Acquisition of full status.**

27 – (a) Effective for all appointments made on or after July 1, 2016 and subject to subsection (b)

28 below, persons ~~Persons~~ appointed to positions in the noncompetitive branch shall serve a
29 probationary period of ~~six (6)~~ twelve (12) months during which time the appointing authority
30 shall report to the personnel administrator every ~~sixty (60)~~ one hundred and twenty (120) days
31 concerning the work of the employee and at the end of the probationary period no further salary
32 or other compensation shall be paid to the employee unless the appointing authority has filed with
33 the personnel administrator a statement, in writing, that the services of the employee have been
34 satisfactory and that it is desired that his or her services be continued. The probationary period is

1 further defined to be ~~one hundred and thirty (130)~~ two hundred and fifty-one (251) days worked
2 in the non-competitive position to which the person has been appointed. Upon completion of the
3 probationary period and receipt of the statement of satisfactory service by the personnel
4 administrator and having fulfilled the requirements for character and physical condition, the
5 employee shall be deemed to have acquired full status and shall enjoy all the rights and privileges
6 of that status. Whenever a class of positions shall be assigned to the noncompetitive branch, every
7 employee holding a position in that class at the time of assignment who is a temporary employee
8 and has served in that class for ~~six (6)~~ twelve (12) months or more shall be considered to have
9 completed the required probationary period and upon receipt of a statement from his or her
10 appointing authority that his or her services have been satisfactory shall be deemed to have
11 acquired full status and shall enjoy all the rights and privileges of that status. A temporary
12 employee who has served at least ~~four (4)~~ eight (8) months but has not completed ~~six (6)~~ twelve
13 (12) months shall be deemed to have served ~~four (4)~~ eight (8) months of the required probationary
14 period and his or her appointing authority shall submit a report concerning the work of the
15 employee to the personnel administrator and shall at the end of ~~sixty (60)~~ one hundred and twenty
16 (120) days submit a final probationary report for the employee. An employee who has served at
17 least ~~two (2)~~ four (4) months but has not completed ~~four (4)~~ eight (8) months shall be deemed to
18 have served ~~two (2)~~ four (4) months of the required probationary period and his or her appointing
19 authority shall submit a report concerning the work of the employee to the personnel
20 administrator and shall subsequently submit a probationary report at the end of the next ~~sixty (60)~~
21 one hundred and twenty (120) days and a final probationary report at the end of ~~six (6)~~ twelve
22 (12) months of service.

23 (b) In the event an appointee is covered by a collective bargaining agreement that is in
24 effect on June 30, 2016, the probationary period provisions of the collective bargaining
25 agreement shall govern until the scheduled expiration date without regard to any extensions.

26 **§ 36-4-16.2. Duties and responsibilities of the department of administration.** – (a) It
27 is the duty of the department of administration to maintain a pay plan for unclassified employees
28 of the state, including any rules and regulations that are necessary to implement and complement
29 the plan. In maintaining the pay plan, it will be the duty of the department of administration to
30 allocate all new unclassified positions to existing grades within the plan, and to review at least
31 once annually all existing unclassified positions and to reallocate those positions within the pay
32 plan as it deems proper. No new unclassified position shall be created or allocated or reallocated
33 to any grade within the plan unless state agency and department heads have been afforded the
34 opportunity to make recommendations regarding the proposed changes; provided further,

1 however that any unclassified position that has been vacant for more than twelve (12) months
2 shall be canceled and removed from the unclassified pay plan unless within that twelve (12)
3 months the person having supervisory authority over the position requests an extension, in which
4 case the department of administration may approve an extension of not more than twelve (12)
5 months; and provided further, that employees, appointing authorities, and the general public, shall
6 be afforded an opportunity at a public hearing to provide testimony, orally and in writing,
7 regarding the changes, prior to the department's submission of recommendations to the governor.
8 The agenda for the public hearing shall include a summary of the proposed changes. Hearings
9 conducted pursuant to this section shall be subject to the provisions of chapter 46 of title 42.

10 (b) The department of administration, ~~notwithstanding any provision to the contrary,~~
11 shall only have the authority to make recommendations to the governor provided however that the
12 governor may delegate his or her authority to receive, accept, modify or reject any
13 recommendations to the director of administration. The governor or the director of administration
14 through authority delegated by the governor shall approve and adopt the plan with such changes
15 as he or she may deem necessary. Following approval by the governor or the director of
16 administration through authority delegated by the governor, all unclassified pay plan changes
17 shall be included in the normal budget process in the appropriate section of the personnel
18 supplement.

19 (c) When the pay plan and regulations have been adopted they shall constitute the official
20 pay schedule for the positions in the unclassified service. Thereafter, no person in the unclassified
21 service shall be paid a salary that is greater than the maximum or less than the minimum rates
22 fixed by the approved pay plan and regulations or by amendments thereto, nor shall salary
23 adjustments for unclassified employees made by the department of administration during its
24 review exceed two (2) grades per year at the maximum of the grade; provided, however, that
25 unclassified employees shall be entitled to all monetary additives accorded other state employees,
26 including, but not limited to, longevity and incentive training awards.

27 **§ 36-4-16.5. Certain unclassified positions excluded.** – ~~Sections~~ Section 36-4-16.2 ~~and~~
28 ~~36-4-16.4~~ of this chapter shall have no application to those positions enumerated in subdivisions
29 36-4-2(1), 36-4-2(2) and 36-4-2(3), and the department of administration shall have no
30 jurisdiction over the status, tenure or salaries of those said enumerated positions.

31 **§ 36-4-28. Probationary period.** – (a) Effective for all appointments made on or after
32 July 1, 2016 and subject to subsection (b) below, all ~~AH~~ original appointments and promotional
33 appointments to the classified service shall be for a probationary period of ~~six (6)~~ twelve (12)
34 months, during which time the appointment authority shall report to the personnel administrator

1 every ~~sixty (60)~~ one hundred and twenty (120) days concerning the work of the employee and at
2 the expiration of the probationary period unless the appointing authority files with the personnel
3 administrator a statement in writing that the services of the employee during the probationary
4 period have not been satisfactory and that it is not desired that he or she be continued in the
5 service, he or she shall receive permanent status in this classification. Any employee may be
6 dismissed by the appointing authority during the probationary period for reasons relating to the
7 employee's qualifications or for the good of the service stated by the appointing authority in
8 writing and filed with the personnel administrator. The probationary period is further defined to
9 be ~~one hundred and thirty (130)~~ two hundred and fifty-one (251) days worked in the classified
10 position to which the person has been appointed.

11 (b) In the event an appointee is covered by a collective bargaining agreement that is in
12 effect on June 30, 2016, the probationary period provisions of the collective bargaining
13 agreement shall govern until the scheduled expiration date without regard to any extensions.

14 **§ 36-4-42. Appeal from appointing authority to appeal board.** – Any state employee
15 with provisional, probationary, or permanent status who feels aggrieved by an action of an
16 appointing authority resulting in a demotion, suspension, layoff, or dismissal or by any personnel
17 action which an appointing authority might take which causes the person to believe that he or she
18 had been discriminated against because of his or her race, sex, age, disability, or his or her
19 political or religious beliefs, may, within thirty (30) calendar days of the mailing of the notice of
20 that action, appeal in writing to the personnel appeal board for a review or public hearing. Within
21 thirty (30) days after conclusion of the hearing the personnel appeal board shall render a decision
22 applying the deference standard as prescribed in section 36-3-10(c) and shall notify the affected
23 employee and other interested parties of the decision which may confirm or reduce the demotion,
24 suspension, layoff, or dismissal of the employee or may reinstate the employee and the board may
25 order payment of part or all of the salary to the employee for the period of time he or she was
26 demoted, suspended, laid off, or dismissed.

27 The decision of the board shall be final and binding upon all parties concerned, and upon
28 the finding of the personnel administrator, or upon appeal, in favor of the employee, the employee
29 shall be forthwith returned to his or her office or position without loss of compensation, seniority,
30 or any other benefits he or she may have enjoyed, or under such terms as the appeal board shall
31 determine. The employee who is returned to his or her office or position by the appeal board
32 following a review or public hearing shall be granted by the state of Rhode Island counsel fees,
33 payable to his or her representative counsel, of fifty dollars (\$50.00) for each day his or her
34 counsel is required to appear before the appeal board in the behalf of the aggrieved employee.

1 SECTION 4. Section 36-4-16.4 of the General Laws in Chapter 36-4 entitled “Merit
2 System” is hereby repealed.

3 ~~§ 36-4-16.4. Salaries of directors. — (a) In the month of March of each year, the~~
4 ~~department of administration shall conduct a public hearing to determine salaries to be paid to~~
5 ~~directors of all state executive departments for the following year, at which hearing all persons~~
6 ~~shall have the opportunity to provide testimony, orally and in writing. In determining these~~
7 ~~salaries, the department of administration will take into consideration the duties and~~
8 ~~responsibilities of the aforementioned officers, as well as such related factors as salaries paid~~
9 ~~executive positions in other states and levels of government, and in comparable positions~~
10 ~~anywhere which require similar skills, experience, or training. Consideration shall also be given~~
11 ~~to the amounts of salary adjustments made for other state employees during the period that pay~~
12 ~~for directors was set last.~~

13 ~~(b) Each salary determined by the department of administration will be in a flat amount,~~
14 ~~exclusive of such other monetary provisions as longevity, educational incentive awards, or other~~
15 ~~fringe additives accorded other state employees under provisions of law, and for which directors~~
16 ~~are eligible and entitled.~~

17 ~~(c) In no event will the department of administration lower the salaries of existing~~
18 ~~directors during their term of office.~~

19 ~~(d) Upon determination by the department of administration, the proposed salaries of~~
20 ~~directors will be referred to the general assembly by the last day in April of that year to go into~~
21 ~~effect thirty (30) days hence, unless rejected by formal action of the house and the senate acting~~
22 ~~concurrently within that time.~~

23 ~~(e) Notwithstanding the provisions of this section, for 2015 only, the time period for the~~
24 ~~Department of Administration to conduct the public hearing shall be extended to July and the~~
25 ~~proposed salaries shall be referred to the general assembly by August 30. The salaries may take~~
26 ~~effect before next year, but all other provisions of this section shall apply.~~

27 SECTION 5. Sections 36-6-3 and 36-6-5 of the General Laws in Chapter 36-6 entitled
28 “Salaries and Traveling Expenses” are hereby amended to read as follows:

29 § 36-6-3. Salaries of directors of state departments. — The general officers of the state
30 shall receive such annual salaries as the general assembly may by law determine. Directors shall
31 receive such annual salaries ~~as may be from time to time established by the unclassified pay plan~~
32 ~~board which shall consist of seven (7) members as provided in § 36-4-16. [in the same manner as](#)~~
33 ~~[employees of the office of the governor and shall be eligible to receive the same cost of living](#)~~
34 ~~[raises as granted to unclassified employees of the executive branch who are not covered by a](#)~~

1 [collective bargaining agreement](#). The state controller is hereby authorized and directed to draw
2 his or her orders upon the general treasurer for the payment of such sums, or so much thereof, as
3 may be required from time to time, upon receipt by him or her of properly authenticated
4 vouchers.

5 **§ 36-6-5. Manner of compensation prescribed by appropriation law.** – All officials
6 and employees shall be compensated in the manner provided by the annual appropriation act or as
7 may hereafter otherwise be prescribed by law. This section shall not apply ~~to the directors of the~~
8 ~~several departments of the state of Rhode Island or~~ to the general officers of the state of Rhode
9 Island whose salaries shall be fixed by the general assembly.

10 SECTION 6. Section 36-12-1 of the General Laws in Chapter 36-12 entitled “Insurance
11 Benefits” is hereby amended to read as follows:

12 **§ 36-12-1. Definitions.** – The following words, as used in §§ 36-12-1 – 36-12-14, shall
13 have the following meanings:

14 (1) "Employer", means the state of Rhode Island.

15 (2) "Employee", means all persons who are classified employees as the term "classified
16 employee" is defined under § 36-3-3, and all persons in the unclassified and non-classified
17 service of the state; provided, however, that the following shall not be included as "employees"
18 under §§ 36-12-1 – 36-12-14:

19 (i) Part-time personnel whose work week is less than twenty (20) hours a week and
20 limited period and seasonal personnel;

21 (ii) Members of the general assembly, its clerks, doorkeepers, and pages.

22 (3) "Dependents" means an employee's spouse, domestic partner and unmarried children
23 under nineteen (19) years of age. Domestic partners shall certify by affidavit to the benefits
24 director of the division of personnel that the (i) partners are at least eighteen (18) years of age and
25 are mentally competent to contract, (ii) partners are not married to anyone, (iii) partners are not
26 related by blood to a degree which would prohibit marriage in the state of Rhode Island, (iv)
27 partners reside together and have resided together for at least one year, (v) partners are financially
28 interdependent as evidenced by at least two (2) of the following: (A) domestic partnership
29 agreement or relationship contract; (B) joint mortgage or joint ownership of primary residence,
30 (C) two (2) of: (I) joint ownership of motor vehicle; (II) joint checking account; (III) joint credit
31 account; (IV) joint lease; and/or (D) the domestic partner has been designated as a beneficiary for
32 the employee's will, retirement contract or life insurance. Misrepresentation of information in the
33 affidavit will result in an obligation to repay the benefits received, and a civil fine not to exceed
34 one thousand dollars (\$1000) enforceable by the attorney general and payable to the general fund.

1 The employee will notify the benefits director of the division of personnel by completion of a
2 form prescribed by the benefits director when the domestic partnership ends.

3 (4) "Retired employee", means all persons retired from the active service of the state,
4 who, immediately prior to retirement, were employees of the state as determined by the
5 retirement board under § 36-8-1, and also all retired teachers who have elected to come under the
6 employees' retirement system of the state of Rhode Island.

7 (5) "State retiree", means all persons retired from the active service of the state who,
8 immediately prior to retirement, were employees of the state as determined by the retirement
9 board under § 36-8-1.

10 (6) "Teacher retiree", means all retired teachers who have elected to come under the
11 employees' retirement system of the state of Rhode Island.

12 (7) "Long-term health care insurance", means any insurance policy or rider advertised,
13 marketed, offered, or designed to provide coverage for not less than twelve (12) consecutive
14 months for each covered person on an expense incurred, indemnity, prepaid, or other basis for
15 one or more necessary or medically necessary diagnostic, preventive, therapeutic, rehabilitative,
16 maintenance, or personal care services, provided in a setting other than an acute care unit of a
17 hospital. The term includes: group and individual policies or riders whether issued by insurers,
18 fraternal benefit societies, nonprofit health, hospital, and medical service corporations; prepaid
19 health plans, health maintenance organizations; or any similar organization. Long-term health
20 care insurance shall not include: any insurance policy which is offered primarily to provide basic
21 medicare supplement coverage; basic hospital expense coverage; basic medical-surgical expense
22 coverage; hospital confinement indemnity coverage; major medical expense coverage; disability
23 income protection coverage; accident only coverage; specified disease or specified accident
24 coverage; or limited benefit health coverage. This list of excluded coverages is illustrative and is
25 not intended to be all inclusive.

26 (8) "Non-Medicare-eligible retiree health care insurance", means the health benefit
27 employees who retire from active service of the state (subsequent to July 1, 1989), who
28 immediately prior to retirement were employees of the state as determined by the retirement
29 board pursuant to § 36-8-1, shall be entitled to receive until attaining Medicare eligibility. ~~This~~
30 ~~health care insurance shall be equal to semi-private hospital care, surgical/medical care and major~~
31 ~~medical with a one hundred seventy five dollar (\$175) calendar year deductible.~~ The
32 aforementioned program will be provided on a shared basis in accordance with § 36-12-4.

33 (9) "Medicare-eligible retiree health care insurance", means the health benefit employees
34 who retire from active service of the state (subsequent to July 1, 1989), who immediately prior to

1 retirement were employees of the state as determined by the retirement board pursuant to § 36-8-
2 1, shall have access to when eligible for Medicare. This health care insurance shall include plans
3 providing hospital care, surgical/medical services, rights and benefits which, when taken together
4 with their federal Medicare program benefits, 42 U.S.C. § 1305 et seq., shall be comparable to
5 those provided for retirees prior to the attainment of Medicare eligibility.

6 (10) "Health reimbursement arrangement", or "HRA" means an account that:

7 (i) Is paid for and funded solely by state contributions;

8 (ii) Reimburses a Medicare-eligible state retiree for medical care expenses as defined in §
9 213(d) of the Internal Revenue Code of 1986, as amended, which includes reimbursements for
10 health care insurance premiums;

11 (iii) Provides reimbursements up to a maximum dollar amount for a coverage period; and

12 (iv) Provides that any unused portion of the maximum dollar amount at the end of a
13 coverage period is carried forward to increase the maximum reimbursement amount in
14 subsequent coverage periods.

15 SECTION 7. Chapter 36-12 of the General Laws entitled "Insurance Benefits" is hereby
16 amended by adding thereto the following section:

17 **§ 36-12-4.2. Retiree Health Insurance Cash Payment Option.** – (a)Notwithstanding
18 any other provision of the law to the contrary, any retired employee who is receiving state health
19 insurance coverage under this chapter may opt to receive a cash payment in lieu of his or her state
20 health insurance coverage provided the retiree has other non-state health insurance coverage and
21 the director of administration has approved the cash payment. Any waiver of health insurance
22 coverage under this section must be for a defined period of time not to exceed twelve months
23 provided that there shall be no limit to the number of times a retiree may opt to waive his or her
24 state health insurance coverage in accordance with the provisions of this section.

25 (b) The director of administration is hereby authorized and empowered to adopt and
26 prescribe rules of procedure and regulations, and from time to time amend, change, and eliminate
27 rules and regulations for the purposes of administering the provisions of this section. Any such
28 rules and regulations shall be promulgated in accordance with chapter 35 of title 42.

29 SECTION 8. This article shall take effect upon passage.