



This Bill Analysis reflects the contents of the bill as it was presented in committee.

HOUSE BILL 56: State Health Plan/Rehired Retiree Eligibility

2015-2016 General Assembly

Committee:	House Serial Referral To Appropriations Added	Date:	April 21, 2015
Introduced by:	Reps. Holloway, L. Johnson, McGrady, Lucas	Prepared by:	Theresa Matula
Analysis of:	PCS to First Edition H56-CSSH-29		Committee Staff

SUMMARY: House Bill 56 amends the law governing categories of eligibility under the State Health Plan to allow retirees who return to work for the State in nonpermanent positions to retain their coverage under the Plan rather than limiting their coverage options to the "Bronze Level" high deductible health plan necessitated by the Affordable Care Act. Upon introduction, House Bill 56 was recommended by the Joint Legislative Education Oversight Committee.

The PCS for HB 56 amends Section 3 to provide that the act becomes effective July 1, 2015, only if funds are appropriated by the 2015 General Assembly to fund the provisions of the act.

CURRENT LAW: The 2014 Appropriations Act (S.L. 2014-100, Sec. 35.16 and 35.16A) authorized the Treasurer and Board of Trustees of the State Health Plan to establish alternative benefit coverage for nonpermanent full-time State employees. The new provision generally applies if the employer determines that the employee is a full-time employee and the employee does not qualify for other partially contributory coverage. The full-time status of the employee must be determined by the employer in accordance with applicable provisions of the Internal Revenue Code and regulations. The alternative coverage must include the following:

- Be designed to meet the requirements of minimum essential coverage under the Affordable Care Act.
- Provide no greater coverage than a bronze-level plan, as defined under the Affordable Care Act.
- Minimize the required employer contribution in an administratively feasible manner.

BILL ANALYSIS: House Bill 56 amends the law to allow State retirees who are employed by a State employer to work on a nonpermanent full-time basis to be covered under the same State Health Plan options available to permanent full-time employees. The Department of State Treasurer must use a process to reimburse an employing unit for the employing unit's cost to cover a retiree who enrolls in the Plan. The reimbursement must be made at least once per plan year and paid from the Retiree Health Benefit Fund.

The PCS provides that the act becomes effective July 1, 2015, only if funds are appropriated by the 2015 General Assembly to fund the provisions of the act.

EFFECTIVE DATE: This act becomes effective July 1, 2015, only if funds are appropriated by the 2015 General Assembly to fund the provisions of the act.

*Karen Cochrane-Brown, Research Division Staff, contributed to this summary.

