



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

# SENATE BILL 6: State Health Plan/Rehired Retiree Eligibility

2015-2016 General Assembly

<b>Committee:</b>	House State Personnel, if favorable, Appropriations	<b>Date:</b>	April 15, 2015
<b>Introduced by:</b>	Sens. Tillman, Barefoot	<b>Prepared by:</b>	Theresa Matula Committee Staff
<b>Analysis of:</b>	PCS to Second Edition S6-CSSH-23		

**SUMMARY:** *The Proposed Committee Substitute for Senate Bill 6 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, removes the requirement that the employing unit pay the employer premiums for retirees who enroll under this provision, and appropriates funds.*

*Upon introduction, Senate Bill 6 was recommended by the Joint Legislative Education Oversight Committee.*

[As introduced, this bill was identical to H56, as introduced by Reps. Holloway, L. Johnson, McGrady, Lucas, which is currently in House Serial Referral To Appropriations Added.]

**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:** Senate Bill 6 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 PCS removes the requirement that the employing units pay the employer premiums for retirees who enroll under this provision which was included in SB 6, v2. The PCS returns the bill to the original language contained in SB 6, but includes an appropriation for \$3,000,000 for both 2015-16 and 2016-17 fiscal years.

**EFFECTIVE DATE:** This act becomes effective July 1, 2015.

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

O. Walker Reagan  
Director



Research Division  
(919) 733-2578

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