

1 HB48
2 188465-3
3 By Representative Rich
4 RFD: Insurance
5 First Read: 09-JAN-18
6 PFD: 01/04/2018

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ENROLLED, An Act,

To amend Section 11-91A-2, Code of Alabama 1975, relating to the Local Government Health Insurance Program, to authorize the Care Assurance System for the Aging and Homebound and its affiliated local centers to participate in the program.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 11-91A-2, Code of Alabama 1975, is amended to read as follows:

"§11-91A-2.

"(a) The Local Government Health Insurance Board shall govern and administer the Local Government Health Insurance Program currently governed and administered by the State Employees' Insurance Board (SEIB) pursuant to Chapter 29 of Title 36. The transfer of the governance and administration to the board shall take effect at 12:01 a.m. on January 1, 2015, and thereafter the board shall take all control and responsibility for the program under procedures and authority set out in this chapter.

"(b) The program governed and administered by the board shall provide a reasonable relationship between the health care benefits to be included and the expected health care expenses to be incurred by affected employees, retirees, and their dependents. The board may establish a fully insured

1 or self-insured health care plan for employees and retirees as
2 defined in this chapter and may adopt and promulgate rules for
3 the administration of the program. The program shall include
4 appropriate controls to provide reasonable assurance of its
5 stability in future years, which may include, but are not
6 limited to, deductibles, copayments, coinsurance, and other
7 cost containment measures such as medical management,
8 utilization review, wellness initiatives, and case management
9 for the purpose of making the benefit plan more cost
10 effective.

11 "(c) Except as otherwise provided herein, the
12 program shall be funded solely from contributions of the
13 employer participants of the program and shall not receive any
14 funding from the state. The governing bodies of entities
15 participating in the program (hereinafter "employer
16 participants") are authorized to make appropriations to the
17 board as necessary for the proper administration of the
18 program including the payment of premiums as provided in this
19 chapter or under rules and regulations promulgated by the
20 board.

21 "(d) Notwithstanding the provisions of Section
22 36-29-14, the following entities and organizations shall be
23 employer participants in the program:

24 "(1) All entities and organizations which are active
25 participants in good standing in the Local Government Health

1 Insurance Program governed and administered by SEIB
2 immediately prior to 12:01 a.m. on January 1, 2015.

3 "(2) Subject to acceptance by the board, any of the
4 following entities or organizations not already employer
5 participants in the program pursuant to subdivision (1) which
6 by resolution legally conforming to rules prescribed by the
7 board elects to have its elected officials, full-time
8 employees, and retired employees become eligible for health
9 care coverage under the program: Any county, any municipality,
10 any municipal foundation, any fire or water district,
11 authority, or cooperative, any regional planning and
12 development commission established pursuant to Sections
13 11-85-50 through 11-85-73; the Association of County
14 Commissions of Alabama; the Alabama League of Municipalities;
15 the Alabama Retired State Employees' Association; the Alabama
16 State Employees Credit Union; Easter Seals Alabama; Alabama
17 State University; the Alabama Rural Water Association; Rainbow
18 Omega, Incorporated; The Arc of Alabama, Incorporated, and any
19 of the affiliated local chapters of The Arc of Alabama,
20 Incorporated; United Ways of Alabama and its member United
21 Ways; the Alabama Network of Children's Advocacy Centers and
22 its member Children's Advocacy Centers; the Care Assurance
23 System for the Aging and Homebound and its affiliated local
24 centers; any railroad authority organized pursuant to Chapter

1 13 of Title 37; or any solid waste disposal authority
2 organized pursuant to Chapter 89A of Title 11.

3 "(e) The agreement of an employer participant to
4 have its full-time employees, elected officials, retirees, and
5 dependents covered under the program may be revoked only if
6 the employer participant, by resolution of its governing body,
7 signifies its intention and desire to withdraw from the
8 program. Any resolution to withdraw shall be delivered to the
9 board by certified mail no later than six months prior to the
10 effective date of withdrawal. Any employer participant that
11 withdraws from participation in the program shall be
12 responsible for paying any claims incurred prior to the date
13 of withdrawal that are not reported and paid by the date of
14 withdrawal and, on and after the date of withdrawal, shall be
15 liable for interest accrued at a rate of one and one-half
16 percent per month on any monies due the board which are over
17 30 days past due.

18 "(f) Any organization that provides or administers
19 health care benefits through or on behalf of the board shall
20 not provide or administer health care benefits to any entity
21 that withdraws from the program for a period of two years from
22 the effective date of withdrawal.

23 "(g) Any entities or organizations added to the
24 Local Government Health Insurance Program on or after June 1,
25 2018, which were not identified as employer participants

1 eligible for participation in the Local Government Health
2 Insurance Program pursuant to subdivisions (1) and (2) prior
3 to June 1, 2018, shall be treated as "separate entities" and
4 their premiums shall be established independently from
5 employer participants that entered the program prior to this
6 date.

7 "~~(g)~~ (h) The board shall promulgate rules as may be
8 necessary for the effective administration of this section."

9 Section 2. This act shall become effective
10 immediately following its passage and approval by the
11 Governor, or its otherwise becoming law.

