

1 HB334  
2 190397-1  
3 By Representatives Chestnut and Lawrence  
4 RFD: County and Municipal Government  
5 First Read: 30-JAN-18

2  
3  
4  
5  
6  
7  
8 SYNOPSIS: This bill would authorize the Local  
9 Government Health Insurance Board to adopt terms  
10 and conditions necessary to administer the payment  
11 of health care services on behalf of employer  
12 participants in the Local Government Health  
13 Insurance Program whose eligible employees or  
14 officials suffer on-the-job injury.

15  
16 A BILL  
17 TO BE ENTITLED  
18 AN ACT

19  
20 To amend Section 11-91A-7, Code of Alabama 1975, to  
21 authorize the Local Government Health Insurance Board to  
22 provide additional types of optional health coverages or  
23 services, including the administration of the payment of  
24 health care services for on-the-job injuries on behalf of  
25 employer participants in the Local Government Health Insurance  
26 Program.

27 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

1           Section 1. Section 11-91A-7, Code of Alabama 1975,  
2 is amended to read as follows:

3           "§11-91A-7.

4           "The board shall have full, complete, and exclusive  
5 jurisdiction over the program and shall allocate funds from  
6 its treasury for the fulfillment and accomplishment of its  
7 duties and responsibilities in a manner as may be necessary  
8 and appropriate to carry out the purposes of this chapter. The  
9 board shall have the general powers and authority granted  
10 under the laws of this state for health insurers, and in  
11 addition thereto, the specific authority to do all of the  
12 following:

13           "(a) Subject to compliance with Section 11-91A-8  
14 where applicable, execute a contract or contracts to provide  
15 for the administration of the program in accordance with this  
16 chapter. The contract or contracts may be executed with one or  
17 more agencies or corporations licensed to transact or  
18 administer group health care business in this state with  
19 similar plans of the state for the joint performance of common  
20 administrative functions.

21           "(b) Establish, and modify from time to time as  
22 appropriate, rates, rate schedules, rate adjustments, expense  
23 allowances, claim reserve formulas, and any other actuarial  
24 function necessary and appropriate for the operation of the  
25 program. Rates and rate schedules may be adjusted for  
26 appropriate factors such as age, family size, smokers and  
27 users of tobacco products, preventive care and wellness care

1 participation, and any such other categories of risk that the  
2 board shall approve.

3 "(c) Appoint appropriate legal, actuarial, and other  
4 committees as necessary to provide technical or program  
5 assistance to the board.

6 "(d) Establish and maintain at a lawful depository  
7 or depositories in the State of Alabama as it shall select a  
8 Local Government Health Insurance Fund, composed of the money  
9 or moneys which may come into its hands from premiums, fees,  
10 assessments, grants, loans, or other sources, either public or  
11 private. The funds shall be used by the board to pay the  
12 administrative expenses of the board, pay medical claims costs  
13 of the program, and maintain a reserve fund. No moneys  
14 received or held by the board shall be co-mingled with any  
15 other funds of the state or any governmental entity.

16 "(e) Borrow money to effect the purposes of this  
17 chapter as determined appropriate by the board.

18 "(f) Take legal action as necessary, including, but  
19 not limited to, bringing action to do any of the following:

20 "(1) Recover premiums, fees, assessments, and  
21 penalties due the board.

22 "(2) Avoid the payment of improper claims against  
23 the board or the coverage provided by or through the board.

24 "(3) Recover any amounts erroneously or improperly  
25 paid by the board.

26 "(4) Recover any amounts paid by the board as a  
27 result of mistake of fact or law.

1           "(5) Recover other amounts due the board.

2           "(g) Promulgate rules concerning the selection of  
3 benefits offered and any other matters which in the opinion of  
4 the board may be required for the effective administration of  
5 this chapter.

6           "(h) Subject to subsection (a) of Section 11-91A-6,  
7 employ or otherwise appoint a chief executive officer to serve  
8 as manager of the program under the direction and supervision  
9 of the board and as required under this chapter. The board may  
10 appoint the chief executive officer of the SEIB to continue as  
11 chief executive officer after the initial 18 months of service  
12 as provided in subsection (a) of Section 11-91A-6 upon mutual  
13 consent of the board and the SEIB.

14           "(i) Employ and fix the compensation of employees,  
15 consultants, actuaries, and other personnel as may be  
16 necessary for carrying out the purposes and provisions of this  
17 chapter. All compensation shall be paid from the funds of the  
18 board. Employees of the board shall not be subject to the  
19 state Merit System Act; provided, however, the board shall  
20 offer its employees benefits equivalent to those offered to  
21 employees of the State of Alabama, including retirement,  
22 medical and dental care, and workers' compensation plans. The  
23 employees of the board are eligible and may elect to  
24 participate in the state health care plan under Chapter 29 of  
25 Title 36, and in the State Employees' Retirement System under  
26 Chapter 27 of Title 36.

27           "(j) Acquire property by purchase or lease.

1           "(k) Provide for reinsurance of risks incurred by  
2 the program.

3           "(l) (1) ~~Issue~~ Provide additional types of optional  
4 health care ~~policies~~ coverages or services to provide optional  
5 coverage including, but not limited to, providing for the  
6 administration of the payment of health care services on  
7 behalf of employer participants whose eligible employees or  
8 officials suffer on-the-job injury, under such terms and  
9 conditions as the board shall determine.

10           "(2) Participation in any service established for  
11 the administration of the payment of health care services on  
12 behalf of an employer participant relating to on-the-job  
13 injury shall be at the sole option of the employer  
14 participant. Refusal to participate by an employer participant  
15 shall not affect eligibility for the program or factor into  
16 the establishment of rates as authorized in subsection (b).

17           "(m) Adopt bylaws, policies, and procedures as may  
18 be necessary or convenient for the implementation of this  
19 chapter and the operations of the program."

20           Section 2. This act shall become effective  
21 immediately following its passage and approval by the  
22 Governor, or its otherwise becoming law.