

1 HB232
2 204928-1
3 By Representatives Gaston and Jones (S)
4 RFD: State Government
5 First Read: 13-FEB-20

SYNOPSIS: Under existing law, subject to acceptance by the board, certain entities may participate in the Local Government Health Insurance Program.

This bill would authorize Volunteers of America to participate in the Local Government Health Insurance Program.

A BILL
TO BE ENTITLED
AN ACT

To amend Section 11-91A-2, Code of Alabama 1975, relating to the Local Government Health Insurance Program, to authorize Volunteer of America 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

1 Insurance Program currently governed and administered by the
2 State Employees' Insurance Board (SEIB) pursuant to Chapter 29
3 of Title 36. The transfer of the governance and administration
4 to the board shall take effect at 12:01 a.m. on January 1,
5 2015, and thereafter the board shall take all control and
6 responsibility for the program under procedures and authority
7 set out in this chapter.

8 "(b) The program governed and administered by the
9 board shall provide a reasonable relationship between the
10 health care benefits to be included and the expected health
11 care expenses to be incurred by affected employees, retirees,
12 and their dependents. The board may establish a fully insured
13 or self-insured health care plan for employees and retirees as
14 defined in this chapter and may adopt rules for the
15 administration of the program. The program shall include
16 appropriate controls to provide reasonable assurance of its
17 stability in future years, which may include, but are not
18 limited to, deductibles, copayments, coinsurance, and other
19 cost containment measures, such as medical management,
20 utilization review, wellness initiatives, and case management,
21 for the purpose of making the benefit plan more cost
22 effective.

23 "(c) Except as otherwise provided herein, the
24 program shall be funded solely from contributions of the
25 employer participants of the program and shall not receive any
26 funding from the state. The governing bodies of entities
27 participating in the program, hereinafter "employer

1 participants," are authorized to make appropriations to the
2 board as necessary for the proper administration of the
3 program including the payment of premiums as provided in this
4 chapter or under rules adopted by the board.

5 "(d) Notwithstanding Section 36-29-14, the following
6 entities and organizations shall be employer participants in
7 the program:

8 "(1) All entities and organizations which are active
9 participants in good standing in the Local Government Health
10 Insurance Program governed and administered by SEIB
11 immediately prior to 12:01 a.m. on January 1, 2015.

12 "(2) Subject to acceptance by the board, any of the
13 following entities or organizations not already employer
14 participants in the program pursuant to subdivision (1) which
15 by resolution legally conforming to rules prescribed by the
16 board elects to have its elected officials, full-time
17 employees, and retired employees become eligible for health
18 care coverage under the program: Any county, any municipality,
19 any municipal foundation, any fire or water district,
20 authority, or cooperative, any regional planning and
21 development commission established pursuant to Sections
22 11-85-50 through 11-85-73; the Association of County
23 Commissions of Alabama; the Alabama League of Municipalities;
24 the Alabama Retired State Employees' Association; the Alabama
25 State Employees Credit Union; Easter Seals Alabama; Alabama
26 State University; the Alabama Rural Water Association; Rainbow
27 Omega, Incorporated; The Arc of Alabama, Incorporated, and any

1 of the affiliated local chapters of The Arc of Alabama,
2 Incorporated; United Ways of Alabama and its member United
3 Ways; the Alabama Network of Children's Advocacy Centers and
4 its member Children's Advocacy Centers; the Care Assurance
5 System for the Aging and Homebound and its affiliated local
6 centers; Volunteers of America; any railroad authority
7 organized pursuant to Chapter 13 of Title 37; or any solid
8 waste disposal authority organized pursuant to Chapter 89A of
9 Title 11.

10 "(e) The agreement of an employer participant to
11 have its full-time employees, elected officials, retirees, and
12 dependents covered under the program may be revoked only if
13 the employer participant, by resolution of its governing body,
14 signifies its intention and desire to withdraw from the
15 program. Any resolution to withdraw shall be delivered to the
16 board by certified mail no later than six months prior to the
17 effective date of withdrawal. Any employer participant that
18 withdraws from participation in the program shall be
19 responsible for paying any claims incurred prior to the date
20 of withdrawal that are not reported and paid by the date of
21 withdrawal and, on and after the date of withdrawal, shall be
22 liable for interest accrued at a rate of one and one-half
23 percent per month on any monies due the board which are over
24 30 days past due.

25 "(f) Any organization that provides or administers
26 health care benefits through or on behalf of the board shall
27 not provide or administer health care benefits to any entity

1 that withdraws from the program for a period of two years from
2 the effective date of withdrawal.

3 "(g) Any entities or organizations added to the
4 Local Government Health Insurance Program on or after June 1,
5 2018, which were not identified as employer participants
6 eligible for participation in the Local Government Health
7 Insurance Program pursuant to subdivisions (1) and (2) of
8 subsection (d) prior to June 1, 2018, shall be treated as
9 separate entities and their premiums shall be established
10 independently from employer participants that entered the
11 program prior to this date.

12 "(h) The board shall adopt rules as may be necessary
13 for the effective administration of this section.

14 Section 2. This act shall become effective
15 immediately following its passage and approval by the
16 Governor, or its otherwise becoming law.