

1 HB89
2 147596-6
3 By Representative McClendon
4 RFD: Health
5 First Read: 05-FEB-13
6 PFD: 02/01/2013

1
2 ENROLLED, An Act,

3 To authorize the State Employees' Insurance Board to
4 offer a High Deductible Health Plan with a federally qualified
5 Health Savings Account and a Health Reimbursement Arrangement
6 to eligible state employees, state retirees, and their
7 dependents.

8 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

9 Section 1. High Deductible Health Plan with a
10 Federally Qualified Health Savings Account.

11 (a) As used in this section, the following words
12 shall have the following meanings:

13 (1) HEALTH SAVINGS ACCOUNT or HSA. A savings or
14 other account meeting the requirements for favorable tax
15 treatment under §26 U.S.C. 223, as amended.

16 (2) HIGH DEDUCTIBLE HEALTH PLAN or HDHP. That term
17 as defined in §26 U.S.C. 223(c)(2), as amended, and any
18 regulations promulgated thereunder.

19 (3) PARTICIPANT. An eligible active or retired state
20 employee and his or her dependents as determined by the State
21 Employees' Insurance Board.

22 (b) The State Employees' Insurance Board may offer a
23 high deductible health plan with a federally qualified health
24 savings account (HDHP-HSA) to eligible active and retired
25 state employees and their dependents. A retired state employee

1 eligible for or entitled to Medicare benefits under Title
2 XVIII of the federal Social Security Act is not eligible to
3 participate in the HDHP-HSA. The terms and conditions of the
4 HDHP-HSA shall be established by the board in accordance with
5 federal requirements and limitations.

6 (c) A participant in the HDHP-HSA may receive an
7 employer contribution into the participant's HSA from the
8 State Employees' Insurance Fund in an amount to be determined
9 by the board. The employer contributions into the
10 participant's HSA shall not constitute compensation to an
11 employee for the purposes of any statute fixing or limiting
12 the compensation of the employee.

13 (d) A participant in the HDHP-HSA is eligible to
14 deposit the participant's own funds into a HSA. Each
15 department, agency, or county health department on behalf of
16 the state may deduct or reduce from salary or wages amounts
17 voluntarily designated by a participant pursuant to salary
18 reduction agreement to participate in the HDHP-HSA. The amount
19 by which a state employee's salary or wage is reduced pursuant
20 to a salary reduction agreement authorized by this article
21 shall continue to be included as earnable compensation for the
22 purpose of computing benefits under the State Employees'
23 Retirement System and the Teachers' Retirement System.

24 Section 2. Health Reimbursement Arrangement.

1 (a) As used in this section, the term health
2 reimbursement arrangement or HRA means a plan qualifying as a
3 health reimbursement arrangement as that term is defined under
4 IRS Notice 2002-45 and a medical reimbursement plan under
5 Sections 105 and 106 of the Internal Revenue Code of 1986, as
6 amended.

7 (b) The State Employees' Insurance Board may offer a
8 health reimbursement arrangement to eligible active and
9 retired state employees and their dependents. The terms and
10 conditions of the HRA shall be established by the board in
11 accordance with federal requirements and limitations.

12 (c) Participants in the HRA are eligible to receive
13 an employer contribution into the participant's HRA from the
14 State Employees Insurance Fund in an amount to be determined
15 by the board. Employer contributions into the participant's
16 HRA shall not constitute compensation to an employee for the
17 purposes of any statute fixing or limiting the compensation of
18 the employee.

19 Section 3. In the case of any state law authorizing
20 the assignment of benefits or a lien against benefits under a
21 health insurance policy, the health benefits covered under any
22 policy or plan of health insurance may not be assigned by the
23 insured or attached by lien if the policy provides coverage
24 for excepted benefits, as defined in Section 2791(c)(2), (3),
25 and (4) of the Public Health Service Act.

1 Section 4. All laws or parts of laws which conflict
2 with this act are repealed.

3 Section 5. This act shall become effective
4 immediately following its passage and approval by the
5 Governor, or its otherwise becoming law.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17

Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in
and was passed by the House 18-APR-13, as amended.

Jeff Woodard
Clerk

Senate

02-MAY-13

Passed