

1 SB436
2 130132-1
3 By Senator Smith
4 RFD: Finance and Taxation General Fund
5 First Read: 21-APR-11

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8 SYNOPSIS: Under existing law, certain entities may be
9 eligible for health insurance coverage under the
10 State Employees' Insurance Board without liability
11 to the state or to the State Employees' Health
12 Insurance Plan.

13 This bill would allow United Ways of Alabama
14 and its member United Ways to elect to participate
15 in the state health insurance coverage.
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17 A BILL
18 TO BE ENTITLED
19 AN ACT
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21 To amend Section 36-29-14 of the Code of Alabama
22 1975, relating to the election of certain agencies to be
23 eligible for health insurance coverage under the State
24 Employees' Insurance Board; to allow United Ways of Alabama
25 and its member United Ways to elect to participate in the
26 state health insurance coverage.

27 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

1 Section 1. Section 36-29-14 of the Code of Alabama
2 1975, is amended to read as follows:

3 "§36-29-14.

4 "(a) Any agency of the state, or any governmental
5 entity, body, or subdivision thereto, any county, any
6 municipality, any municipal foundation, any fire or water
7 district, authority, or cooperative, any regional planning and
8 development commission established pursuant to Sections
9 11-85-50 through 11-85-73, that is not and was not for the 12
10 months immediately preceding the date of application to
11 participate in any plan created pursuant to the provisions of
12 this article a member of an existing government sponsored
13 health insurance program, formed under the provisions of
14 Section 11-26-2, the Association of County Commissions of
15 Alabama or the Alabama League of Municipalities, the Alabama
16 Retired State Employees' Association, the Alabama State
17 Employees Credit Union, Easter Seals Alabama, Alabama State
18 University, the Alabama Rural Water Association, Rainbow
19 Omega, Incorporated, The Arc of Alabama, Incorporated, and any
20 of the affiliated local chapters of The Arc of Alabama,
21 Incorporated, United Ways of Alabama and its member United
22 Ways, any railroad authority organized pursuant to Chapter 13,
23 Title 37, or any solid waste disposal authority organized
24 pursuant to Chapter 89A, Title 11, by resolution legally
25 adopted to conform to rules prescribed by the State Employees'
26 Insurance Board, may elect to have its officers, members,
27 employees, and retired employees become eligible for health

1 insurance coverage under the State Employees' Insurance Board
2 without any liability to the state or the State Employees'
3 Health Insurance Plan.

4 "(b) Acceptance of the employees identified in
5 subsection (a) shall be optional with the State Employees'
6 Insurance Board.

7 "(c) Employees, officers, members, and retirees who
8 are eligible for health insurance pursuant to this section
9 shall be entitled to coverage and benefits as designated by
10 the State Employees' Insurance Board.

11 "(d) Any portion of the cost of the insurance
12 coverage as determined by the State Employees' Insurance Board
13 for the employees, officers, members, and retirees and their
14 dependents pursuant to this section may be paid by the
15 employer.

16 "(e) The chief fiscal officer of each employer shall
17 remit to the State Employees' Insurance Board the amount of
18 premiums required for employee and dependent coverage under
19 this section. The employer shall furnish the necessary
20 information to the State Employees' Insurance Board.

21 "(f) The agreement of any employer to have its
22 employees, officers, members, and retirees to be covered under
23 the health insurance plan provided by the State Employees'
24 Insurance Board may be revoked only by complying with the
25 following provisions:

26 "The employer, by resolution of the governing body,
27 shall signify its intention and desire to withdraw from such

1 plan in writing and by delivering a copy of such resolution by
2 certified mail to the State Employees' Insurance Board no
3 later than six months prior to the effective date of
4 withdrawal. Any employer that withdraws from participation in
5 such plan shall be responsible for paying its claims incurred
6 prior to the date of withdrawal, but not reported and paid
7 prior to the date of withdrawal. The withdrawing employer
8 shall also be liable for interest which will accrue at a rate
9 of one and one-half percent per month on any monies due to the
10 State Employees' Insurance Board which are over 30 days past
11 due. Any organization which provides or administers health
12 insurance benefits through the Local Government Health
13 Insurance Program shall not provide or administer health
14 insurance benefits to any entity which withdraws from the
15 Local Government Health Insurance Program for a period of two
16 years from the effective date of withdrawal.

17 "(g) The State Employees' Insurance Board shall
18 promulgate such rules and regulations as may be necessary for
19 the effective administration of the provisions of this
20 section.

21 "(h) In addition, the State Employees' Insurance
22 Board shall engage such actuarial and other special services
23 as shall be required to transact the business of the board.
24 The compensation of all persons engaged by the board, with the
25 exception of clerical employees who shall be employed under
26 the Merit System Act, and all other expenses of the board

1 necessary for the operation of the board shall be paid at such
2 rates and in such amounts as the board shall approve."

3 Section 2. This act shall become effective
4 immediately following its passage and approval by the
5 Governor, or its otherwise becoming law.