

Committee on Governmental Oversight and Accountability

SB 1802 — State Employee Health Insurance

by Governmental Oversight and Accountability Committee

This bill expands the group of employees eligible to participate in the State Employee Health Insurance Program (program). Under current law, no person paid from other-personal-services funds is eligible to participate regardless of the numbers of hours the employee works. Under the provisions of this bill, any state employee working an average of at least 30 or more hours per week will be eligible for health insurance coverage and premium subsidies. In addition, the proration of the state premium contribution will apply only to permanent employees working less than 30 hours per week on average. The bill requires employers participating in the program to submit certain information relating to employees paid from other-personal-services funds to ensure compliance with the federal law. These changes are effective December 1, 2013, so that insurance coverage will be available beginning January 1, 2014.

The bill authorizes the Department of Management Services to adopt emergency rules to modify the eligibility of persons paid with other-personal-services funds to comply with the federal Patient Protection and Affordable Care Act in order to mitigate the state's exposure to potential liability under the penalty provisions of that law. This provision is effective July 1, 2014, but the emergency rules must expire by June 30, 2014.

The bill continues the current level of state contributions into health savings accounts for employees participating in the high deductible health insurance plans under the State Employee Health Insurance Program. The current authority for the state to contribute to the health savings accounts expires on June 30, 2013. Under this bill, the state can continue to contribute at the current levels (\$500 for individual coverage and \$1,000 for family coverage) for FY 2013-2014. Beginning in FY 2014-2015, the amount of the contributions by the state will be established in the annual general appropriations act. This provision takes effect December 1, 2013.

If approved by the Governor, these provisions take effect July 1, 2013, except as otherwise provided in the bill.

Vote: Senate 38-0; House 117-0