

1 SB402
2 185360-1
3 By Senator Scofield
4 RFD: Banking and Insurance
5 First Read: 27-APR-17

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

11 This bill would authorize the Care Assurance
12 System for the Aging and Homebound and its
13 affiliated local centers to participate in the
14 Local Government Health Insurance Program.

15
16 A BILL
17 TO BE ENTITLED
18 AN ACT
19

20 To amend Section 11-91A-2, Code of Alabama 1975, as
21 last amended by Act 2016-348, 2016 Regular Session, relating
22 to the Local Government Health Insurance Program, to authorize
23 the Care Assurance System for the Aging and Homebound and its
24 affiliated local centers to participate in the program.

25 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

1 Section 1. Section 11-91A-2, Code of Alabama 1975,
2 as last amended by Act 2016-348, 2016 Regular Session, is
3 amended to read as follows:

4 "§11-91A-2.

5 "(a) The Local Government Health Insurance Board
6 shall govern and administer the Local Government Health
7 Insurance Program currently governed and administered by the
8 State Employees' Insurance Board (SEIB) pursuant to Chapter 29
9 of Title 36. The transfer of the governance and administration
10 to the board shall take effect at 12:01 a.m. on January 1,
11 2015, and thereafter the board shall take all control and
12 responsibility for the program under procedures and authority
13 set out in this chapter.

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

1 for the purpose of making the benefit plan more cost
2 effective.

3 "(c) Except as otherwise provided herein, the
4 program shall be funded solely from contributions of the
5 employer participants of the program and shall not receive any
6 funding from the state. The governing bodies of entities
7 participating in the program (hereinafter "employer
8 participants") are authorized to make appropriations to the
9 board as necessary for the proper administration of the
10 program including the payment of premiums as provided in this
11 chapter or under rules and regulations promulgated by the
12 board.

13 "(d) Notwithstanding the provisions of Section
14 36-29-14, the following entities and organizations shall be
15 employer participants in the program:

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

20 "(2) Subject to acceptance by the board, any of the
21 following entities or organizations not already employer
22 participants in the program pursuant to subdivision (1) which
23 by resolution legally conforming to rules prescribed by the
24 board elects to have its elected officials, full-time
25 employees, and retired employees become eligible for health
26 care coverage under the program: Any county, any municipality,
27 any municipal foundation, any fire or water district,

1 authority, or cooperative, any regional planning and
2 development commission established pursuant to Sections
3 11-85-50 through 11-85-73; the Association of County
4 Commissions of Alabama; the Alabama League of Municipalities;
5 the Alabama Retired State Employees' Association; the Alabama
6 State Employees Credit Union; Easter Seals Alabama; Alabama
7 State University; the Alabama Rural Water Association; Rainbow
8 Omega, Incorporated; The Arc of Alabama, Incorporated, and any
9 of the affiliated local chapters of The Arc of Alabama,
10 Incorporated; United Ways of Alabama and its member United
11 Ways; the Alabama Network of Children's Advocacy Centers and
12 its member Children's Advocacy Centers; the Care Assurance
13 System for the Aging and Homebound and its affiliated local
14 centers; any railroad authority organized pursuant to Chapter
15 13 of Title 37; or any solid waste disposal authority
16 organized pursuant to Chapter 89A of Title 11.

17 "(e) The agreement of an employer participant to
18 have its full-time employees, elected officials, retirees, and
19 dependents covered under the program may be revoked only if
20 the employer participant, by resolution of its governing body,
21 signifies its intention and desire to withdraw from the
22 program. Any resolution to withdraw shall be delivered to the
23 board by certified mail no later than six months prior to the
24 effective date of withdrawal. Any employer participant that
25 withdraws from participation in the program shall be
26 responsible for paying any claims incurred prior to the date
27 of withdrawal that are not reported and paid by the date of

1 withdrawal and, on and after the date of withdrawal, shall be
2 liable for interest accrued at a rate of one and one-half
3 percent per month on any monies due the board which are over
4 30 days past due.

5 "(f) Any organization that provides or administers
6 health care benefits through or on behalf of the board shall
7 not provide or administer health care benefits to any entity
8 that withdraws from the program for a period of two years from
9 the effective date of withdrawal.

10 "(g) The board shall promulgate rules as may be
11 necessary for the effective administration of this section."

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