

MAINE STATE LEGISLATURE

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L.D. 2470

(Filing No. S-403)

STATE OF MAINE
SENATE
113TH LEGISLATURE
SECOND REGULAR SESSION

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COMMITTEE AMENDMENT " A " to S.P. 937, L.D. 2470,
Bill, "AN ACT Relating to the State Health Insurance
Program and the Bureau of State Employee Health."

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Amend the bill by striking everything after the
enacting clause and inserting in its place the
following:

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'Sec. 1. 5 MRSA c. 13, sub-c. II, first 2
lines, are repealed and the following enacted in
their place:

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SUBCHAPTER II

STATE EMPLOYEE HEALTH INSURANCE PROGRAM

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Sec. 2. 5 MRSA §285, sub-§2, as amended by PL
1985, c. 785, Pt. A, §30, is repealed and the
following enacted in its place:

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2. Coverage. Each state employee to whom this
section applies shall be eligible for group accident
and sickness or health insurance as provided in Title
24-A, sections 2802 to 2812, including major medical
benefits. The provisions of these group insurance
policy or policies shall be determined, insofar as the
provisions are not inconsistent with terms and
conditions contained in collective bargaining
agreements negotiated pursuant to Title 26, chapter
9-B, by the State Employee Health Commission as
provided in section 285-A. The master policy for the

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1 group insurance shall be held by the Commissioner of
2 Administration.

3 Sec. 3. 5 MRSA §285, sub-§3, as amended by PL
4 1969, c. 588, §1, is further amended to read:

5 3. Enrollment. Any employee eligible under this
6 section may join within the first 60 days of his
7 employment or during a declared open enrollment
8 period. The filing of necessary applications shall be
9 the responsibility of the employer. Effective dates
10 under this section shall be at the discretion of the
11 board-of-trustees commission.

12 Sec. 4. 5 MRSA §285, sub-§5, as amended by PL
13 1985, c. 785, Pt. A, §31, is repealed and the
14 following enacted in its place:

15 5. Purchase of policies. The commission shall
16 purchase, by competitive bidding, from one or more
17 insurance companies or nonprofit organizations, or
18 both, a policy or policies of group accident and
19 sickness or health insurance, including major medical
20 insurance, to provide the benefits specified by this
21 section. Notwithstanding this subsection, with the
22 consent of the policyholder and of the insurer and at
23 the sole discretion of the commission, existing
24 policies of insurance covering at least 1,000 of the
25 employees defined as eligible by this section may be
26 amended to provide the benefits specified by this
27 section and assigned to the Commissioner of
28 Administration for the benefit of all those eligible
29 under this section. The company or companies or
30 nonprofit organizations must be licensed under the
31 laws of the State. The policy provisions shall be
32 subject to and as provided for by the insurance laws
33 of this State.

34 Sec. 5. 5 MRSA §285, sub-§7, as amended by PL
35 1985, c. 693, §12, is further amended to read:

36 7. Payment by State. Except as otherwise
37 provided in this subsection, the State, through the
38 board of trustees commission, shall pay 100% of only
39 the employee's share of this insurance, except for
40 Legislators where the State shall pay 50% of the
41 Legislators' health insurance premium for dependent
42 coverage. For any person appointed to a position

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1 after November 1, 1981, who is employed less than full
2 time, the State shall pay a share of the employee's
3 share reduced pro rata to reflect the reduced number
4 of work hours.

5 Sec. 6. 5 MRSA §285-A is enacted to read:

6 §285-A. State Employee Health Commission

7 1. Establishment. The State Employee Health
8 Commission is established to serve as trustees of the
9 group accident and sickness or health insurance in
10 this subchapter and to advise the Director of State
11 Employee Health on health insurance issues and other
12 issues concerning health and wellness, the employee
13 assistance program and the use of the State Employee
14 Health Internal Service Fund Account, section 956.

15 2. Membership. The State Employee Health
16 Commission shall consist of 15 labor and management
17 members as follows:

18 A. One labor member from each bargaining unit
19 recognized under Title 26, chapter 9-B appointed
20 by the employee organization certified to
21 represent the unit;

22 B. One labor member from the largest bargaining
23 unit recognized under Title 26, chapter 14,
24 appointed by the employee organization authorized
25 to represent the unit;

26 C. One labor member appointed by the retiree
27 chapters of the Maine State Employees Association;

28 D. Four management members appointed by the
29 Commissioner of Administration;

30 E. One management member appointed by the Court
31 Administrators; and

32 F. The Director of State Employee Health, ex
33 officio.

34 All appointed or elected members shall serve at the
35 pleasure of their appointing or electing authorities.

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1 3. Voting. All votes of the commission shall be
2 one vote cast by labor and one vote cast by
3 management. The votes shall be cast by the labor
4 cochairman who shall be chosen by the labor members,
5 and the vote shall represent the majority opinion of
6 the labor members of the commission, and by the
7 management cochairman who shall be the Director of
8 State Employee Health.

9 Sec. 7. 5 MRSA §286, as amended by PL 1985, c.
10 785, Pt. B, §16, is repealed and the following enacted
11 in its place:

12 §286. Administration

13 The Commissioner of Administration shall be
14 responsible for the operation of the state employee
15 health insurance program, administering program
16 services through offices, systems, consultants and
17 staff necessary to provide cost effective, accessible
18 and responsive services to eligible employees and
19 retirees. Administration of the program shall be
20 consistent with rules promulgated by the commission.

21 Appeals by eligible employees or retirees shall be
22 to hearing officers designated by the commission.

23 The cost of administration of the state employee
24 health insurance program shall be funded from an
25 administrative allowance to be negotiated by the
26 commission with the health benefit carrier or
27 carriers. Indirect costs may not be allocated to the
28 program.

29 The commissioner shall establish a fund through
30 the Treasurer of State in which premium dividends,
31 return of premiums resulting from risk reduction
32 programs and any other receipts shall be deposited to
33 be used for the purposes of the state employee health
34 insurance program as determined by the commission.
35 Interest earned from investment of the fund shall be
36 credited to the fund.

37 An annual report shall be prepared for the
38 Governor concerning the number of participants,
39 premiums charged, utilization of benefits and
40 operating costs. The report shall also include

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1 recommendations regarding future operation of the
2 program.

3 Sec. 8. 5 MRSA §955, last ¶, as enacted by PL
4 1985, c. 785, Pt. C, §1, is repealed and the following
5 enacted in its place:

6 The director shall work with the Bureau of
7 Employee Relations, the State Employee Health
8 Commission established in section 285-A, and other
9 labor management groups to maximize the involvement of
10 state employees and their representatives in the
11 planning and execution of all programs under the
12 charge of the bureau, including, but not limited to,
13 the health insurance issues, the employee assistance
14 program and the planning and use of the State Employee
15 Health Internal Service Fund Account.

16 Sec. 9. 5 MRSA §12004, sub-§7, ¶A, sub-¶(8) is
17 repealed and the following enacted in its place:

18 (8) State Employee Health Expenses 5 MRSA §285-A
19 Commission Only

20 Sec. 10. Transition.

21 1. Contracts and agreements. All contracts and
22 agreements currently in effect with respect to the
23 state employee health insurance program affected by
24 this Act shall remain in effect until rescinded,
25 terminated or modified as provided by state law.

26 2. Rules and procedures. All rules and
27 procedures currently in effect pertaining to the state
28 employee health insurance program shall remain in
29 effect until rescinded or amended as provided by state
30 law.

31 3. Board of trustees. The current board of
32 trustees of the state employee health insurance
33 program shall remain in effect until the members of
34 the State Employee Health Insurance Commission have
35 been appointed and qualified.

36 4. Funds, personnel, property and equipment. All
37 funds, personnel, equipment and property relating to
38 the Accident and Sickness or Health Insurance Program

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1 remain with the state employee health insurance
2 program.'

3 STATEMENT OF FACT

4 This amendment establishes the State Employee
5 Health Commission as the trustees of the state
6 employee health insurance program and as the primary
7 advisory group to the Director of State Employee
8 Health. The commission replaces the former board of
9 trustees of the insurance program and provides a
10 broader, more representative panel. The commission is
11 given the policy and regulatory authority for employee
12 health insurance, with the Commissioner of
13 Administration providing for the day-to-day operation
14 of the program. The commission may also replace the
15 current Labor-Management Committee on Employee Health
16 as the primary advisor for the Director of State
17 Employee Health.

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Reported by Senator Tuttle for the Committee on State
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