

HB 1155-FN – AS INTRODUCED

2014 SESSION

14-2452
10/05

HOUSE BILL ***1155-FN***

AN ACT relative to state retiree health coverage premium contributions.

SPONSORS: Rep. Muns, Rock 21

COMMITTEE: Executive Departments and Administration

ANALYSIS

This bill allows the commissioner of administrative services to determine the premium contribution percentage for health coverage for retired state employees and their spouses.

This bill was requested by the department of administrative services.

Explanation: Matter added to current law appears in ***bold italics***.
 Matter removed from current law appears ~~[in brackets and struck through]~~.
 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Fourteen

AN ACT relative to state retiree health coverage premium contributions.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 State Retiree Group Insurance; Health Coverage; Spouses. Amend RSA 21-I:30, III to read as
2 follows:

3 III. The state shall pay a partial premium for each retiree ***and his or her spouse*** receiving
4 medical and surgical benefits provided under this section who is not eligible for Medicare. Pursuant
5 to paragraph XIII, a portion of the premium shall be paid by each retiree ***and each spouse as***
6 ***applicable***. Retirees who are not eligible for Medicare may voluntarily cease participation in plan
7 benefits at any time.

8 2 Retired State Employees; Premium Contribution Amount. Amend RSA 21-I:30, XIII to read as
9 follows:

10 XIII. The commissioner of administrative services shall invoice and collect from retired state
11 employees ~~[under the age of 65 years]~~ ***and each spouse as applicable who are not Medicare***
12 ***eligible and*** receiving medical and surgical benefits provided under this section, who do not receive
13 a retirement allowance as defined in RSA 100-A:1, XXII, ~~[the]~~ ***a*** premium contribution ~~[amounts of~~
14 ~~12.5 percent]~~ ***amount based on a percentage*** of the total monthly premium ~~[for each such retiree~~
15 ~~and 12.5 percent of the total monthly premium for each applicable spouse; provided that the charge~~
16 ~~to each household shall not exceed 12.5 percent of the total monthly premium for 2 plan participants]~~
17 ***attributable to the retiree and spouse as applicable, as determined by the commissioner,***
18 ***with prior approval of the legislative fiscal committee, provided the percentage is not lower***
19 ***than 12.5 percent***. The commissioner of administrative services is also authorized to invoice and
20 collect from such other participants contribution amounts as specified by law. Collected amounts
21 shall be deposited in the employee and retiree benefit risk management fund. Failure to remit
22 payment of the contribution amount in full within 30 days of billing shall be grounds for terminating
23 benefits, effective from the beginning of the billing period. Reenrollment shall be dependent upon
24 payment of any outstanding contribution or other amounts within 6 months of the termination date.
25 If a participant fails to remit payment in full for participation within 30 days of billing, on the 30th
26 day the participant shall be notified by certified mail, return receipt requested, that he or she shall
27 remit payment to the department within 10 business days of receiving the letter or his or her
28 benefits shall be terminated effective upon the 10th business day after receipt of the letter and that
29 reenrollment shall be dependent upon payment of any outstanding contribution or other amount
30 within 6 months of the termination date.

31 3 Retirement System; Premium Contribution Deductions. Amend RSA 100-A:54, III to read as

HB 1155-FN – AS INTRODUCED
- Page 2 -

1 follows:

2 III. The retirement system shall deduct from the monthly retirement allowance of retired
3 state employees ~~[under the age of 65 years]~~ **and each spouse as applicable who are not**
4 **Medicare eligible and** receiving medical and surgical benefits provided pursuant to RSA 21-I:30,
5 ~~[the]~~ **a premium contribution [amounts of 12.5 percent] amount based on a percentage** of the total
6 monthly premium ~~[for each such retiree and 12.5 percent of the total monthly premium for each~~
7 ~~applicable spouse; provided that the charge to each household shall not exceed 12.5 percent of the~~
8 ~~total monthly premium for 2 plan participants]~~ **attributable to the retiree and spouse as**
9 **applicable, as determined by the commissioner of administrative services, with prior**
10 **approval of the legislative fiscal committee, provided the percentage is not lower than 12.5**
11 **percent.** The department of administrative services shall provide information as to the total
12 monthly premium cost for each participant to the retirement system for purposes of calculating this
13 deduction. Deducted amounts, which shall be in addition to and notwithstanding any amounts
14 payable by the retirement system pursuant to RSA 100-A:52, RSA 100-A:52-a, and RSA 100-A:52-b,
15 shall be deposited in the employee and retiree benefit risk management fund. In the event the
16 retiree's monthly allowance is insufficient to cover the certified contribution amount, the retirement
17 system shall so notify the department of administrative services, which shall invoice and collect from
18 the retiree **and each spouse as applicable** the remaining contribution amount. Failure to remit
19 payment of the contribution amount in full within 30 days of billing shall be grounds for terminating
20 benefits, effective from the beginning of the billing period. Reenrollment shall be dependent upon
21 payment of any outstanding contribution or other amounts within 6 months of the termination date.
22 The department of administrative services shall provide notice of the termination of benefits as
23 provided in RSA 21-I:30, XIII.

24 4 Effective Date. This act shall take effect 60 days after its passage.

LBAO
14-2452
11/18/13

HB 1155-FN - FISCAL NOTE

AN ACT relative to state retiree health coverage premium contributions.

FISCAL IMPACT:

The Department of Administrative Services states this bill, **as introduced**, may increase state restricted revenue by an indeterminable amount in FY 2014 and each year thereafter. There will be no impact on county and local revenue, or state, county, and local expenditures.

METHODOLOGY:

The Department of Administrative Services states this bill allows the Department, with prior Fiscal Committee approval, to determine the premium contribution percentage for health coverage for non-Medicare eligible retired state employees and their spouses. Current statute (RSA 21-I:30, XIII) requires such retirees to contribute 12.5 percent of the monthly premium costs for their health coverage; this bill states that the required contribution shall be no *lower* than 12.5 percent. The Department states that the bill will have no immediate fiscal impact because the premium contribution will remain at 12.5 percent unless the Department requests, and the Fiscal Committee approves, an increase. Should the Fiscal Committee approve such an increase, the result will be an increase in revenue to the employee and retiree benefit risk management fund.