

1 HB126  
2 173538-1  
3 By Representative McCutcheon  
4 RFD: Insurance  
5 First Read: 09-FEB-16

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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 Alabama  
12 Network of Children's Advocacy Centers and its  
13 member Children's Advocacy Centers to participate  
14 in the 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,  
21 relating to the Local Government Health Insurance Program, to  
22 authorize the Alabama Network of Children's Advocacy Centers  
23 and its member Children's Advocacy Centers to participate in  
24 the program.

25 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

26 Section 1. Section 11-91A-2, Code of Alabama 1975,  
27 is amended to read as follows:

1           "§11-91A-2.

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

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

26           "(c) Except as otherwise provided herein, the  
27 program shall be funded solely from contributions of the

1 employer participants of the program and shall not receive any  
2 funding from the state. The governing bodies of entities  
3 participating in the program (hereinafter "employer  
4 participants") are authorized to make appropriations to the  
5 board as necessary for the proper administration of the  
6 program including the payment of premiums as provided in this  
7 chapter or under rules and regulations promulgated by the  
8 board.

9 "(d) Notwithstanding the provisions of Section  
10 36-29-14, the following entities and organizations shall be  
11 employer participants in the program:

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

16 "(2) Subject to acceptance by the board, any of the  
17 following entities or organizations not already employer  
18 participants in the program pursuant to subdivision (1) which  
19 by resolution legally conforming to rules prescribed by the  
20 board elects to have its elected officials, full-time  
21 employees, and retired employees become eligible for health  
22 care coverage under the program: Any county, any municipality,  
23 any municipal foundation, any fire or water district,  
24 authority, or cooperative, any regional planning and  
25 development commission established pursuant to Sections  
26 11-85-50 through 11-85-73; the Association of County  
27 Commissions of Alabama; the Alabama League of Municipalities;

1 the Alabama Retired State Employees' Association; the Alabama  
2 State Employees Credit Union; Easter Seals Alabama; Alabama  
3 State University; the Alabama Rural Water Association; Rainbow  
4 Omega, Incorporated; The Arc of Alabama, Incorporated, and any  
5 of the affiliated local chapters of The Arc of Alabama,  
6 Incorporated; United Ways of Alabama and its member United  
7 Ways; the Alabama Network of Children's Advocacy Centers and  
8 its member Children's Advocacy Centers; any railroad authority  
9 organized pursuant to Chapter 13 of Title 37; or any solid  
10 waste disposal authority organized pursuant to Chapter 89A of  
11 Title 11.

12 "(e) The agreement of an employer participant to  
13 have its full-time employees, elected officials, retirees, and  
14 dependents covered under the program may be revoked only if  
15 the employer participant, by resolution of its governing body,  
16 signifies its intention and desire to withdraw from the  
17 program. Any resolution to withdraw shall be delivered to the  
18 board by certified mail no later than six months prior to the  
19 effective date of withdrawal. Any employer participant that  
20 withdraws from participation in the program shall be  
21 responsible for paying any claims incurred prior to the date  
22 of withdrawal that are not reported and paid by the date of  
23 withdrawal and, on and after the date of withdrawal, shall be  
24 liable for interest accrued at a rate of one and one-half  
25 percent per month on any monies due the board which are over  
26 30 days past due.

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

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

8                   Section 2. This act shall become effective  
9 immediately following its passage and approval by the  
10 Governor, or its otherwise becoming law.