

HB309 ENROLLED



1 HB309
2 YMMYM26-3
3 By Representative Garrett
4 RFD: Ways and Means Education
5 First Read: 18-Feb-25



HB309 Enrolled

1 Enrolled, An Act,

2
3 Relating to the Public Education Employees' Health
4 Insurance (PEEHIP) Board; to amend Section 16-25A-7, Code of
5 Alabama 1975; to require the renegotiation of contracts for
6 Medicare retiree health benefit plans every five years.

7 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

8 Section 1. Section 16-25A-7 of the Code of Alabama
9 1975, is amended to read as follows:

10 "§16-25A-7

11 (a) The board ~~is hereby authorized to~~ may execute a
12 contract or contracts to provide for the benefits or the
13 administration of the plan determined in accordance with ~~the~~
14 ~~provisions of~~ this article. ~~Such~~ The contract or contracts may
15 be executed with one or more agencies or corporations licensed
16 to transact or administer group health insurance business in
17 this state. All of the benefits to be provided under this
18 article may be included in one or more similar contracts
19 issued by the same or different companies. The board is
20 further authorized to develop a plan whereby ~~it~~ the board may
21 become self-insured upon its finding that ~~such~~ the arrangement
22 would be financially advantageous to the state and plan
23 participants.

24 (b) (1) Before entering into any contract or contracts
25 authorized by subsection (a), the board shall invite
26 competitive bids from all qualified entities who may wish to
27 administer or offer plans for the health insurance coverage or
28 the administrative services desired. The board shall award



HB309 Enrolled

~~such~~ the contract or contracts on a competitive basis as determined by the benefits afforded, administrative costs, the costs to be incurred by employee, retiree, and employer, the experience of the offering company or agency in the group health insurance field, and its facilities for the handling of claims. In evaluating these factors the board may employ the services of impartial professional insurance analysts or actuaries.

(2) The board shall reevaluate the contract or contracts yearly, and renegotiate all contracts, except for contracts for Medicare retiree health care, on a competitive basis at least every three years. Contracts for Medicare retiree health care shall be renegotiated on a competitive basis at least every five years.

(c) The board may authorize the carrier with whom the primary contracts are executed to reinsure portions of ~~such~~ the contract with other ~~such~~ carriers which elect to be a reinsurer and who are legally qualified to enter into reinsurance agreement under the laws of this state.

(d) Each employee or retired employee who is covered by the plan provided pursuant to this article shall receive evidence of ~~such~~ the coverage. In addition, each employee or retired employee shall receive, upon request, information setting forth the benefits to which the employee or retired employee and his or her dependents are entitled, to whom ~~such~~ the benefits shall be payable, to whom claims shall be submitted, and a summary of the provisions of the plan as they affect the employee and his or her dependents.



HB309 Enrolled

57 (e) The plan shall require adequate notice in writing
58 to any participant whose claim for benefits under the plan has
59 been denied, setting forth the specific reasons for ~~such~~ the
60 denial and shall afford a reasonable opportunity to any
61 participant whose claim for benefits has been denied for a
62 full and fair review by the claims administrator upon the
63 written request of the participant, within 60 days ~~of~~ after
64 the date of denial, setting forth the specific reasons for
65 review. The claims administrator shall provide in writing,
66 within 60 days ~~of~~ after the request for review, a final
67 determination of the claim provided that an extension of 60
68 days may be obtained upon written notification to the
69 participant. Review of a final decision by the claims
70 administrator shall be by the Circuit Court of Montgomery
71 County as provided for the review of contested cases under the
72 Alabama Administrative Procedure Act, Section 41-22-20.

73 (f) The board ~~may~~ may, at the end of any contract period,
74 may discontinue any contract or contracts ~~if~~ the board has
75 executed with any carrier and replace same with a contract or
76 contracts with any other carrier or carriers meeting the
77 requirements of this article.

78 (g) The Public Education Employees' Health Insurance
79 Board may enter into contracts of the State Employees'
80 Insurance Board that were awarded through a competitive bid
81 process, upon the mutual consent of the State Employees'
82 Insurance Board and the contractor."

83 Section 2. This act shall become effective immediately.



HB309 Enrolled

84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100
101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116

Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in and
was passed by the House 04-Mar-25.

John Treadwell
Clerk

Senate

10-Apr-25

Passed