

Amendment to SB 495-FN-A

1 Amend the title of the bill by replacing it with the following:

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3 AN ACT relative to the health care premium contribution for retired state employees who
4 are eligible for Medicare Parts A and B due to age or disability, relative to
5 funding of retiree health benefits, and making appropriations to the department
6 of administrative services.
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8 Amend the bill by replacing all after the enacting clause with the following:

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10 1 Department of Administrative Services; State Employees Group Insurance; Retiree Medical
11 Benefits. Amend RSA 21-I:30, II to read as follows:

12 II.(a) The state shall pay a ***partial*** premium for each Medicare-eligible retired employee,
13 as defined in paragraphs VI and VII of this section, and his or her spouse for their lifetimes, toward
14 group hospitalization, hospital medical care, surgical care and other medical benefits plan or a self-
15 funded alternative within the limits of the funds appropriated at each legislative session and
16 providing any change in plan is approved by the fiscal committee of the general court prior to its
17 adoption.

18 (b) ***A retired employee and/or spouse receiving medical and surgical benefits***
19 ***provided under this section who becomes eligible for Medicare Parts A and B due to age or***
20 ***disability on or after July 1, 2016, shall continue payment of the percentage of premium***
21 ***contribution determined under paragraph XIII.***

22 (c) Retired employees who are eligible for Medicare may voluntarily cease participation
23 in plan benefits at any time and may reenroll without restriction.

24 2 Department of Administrative Services; State Employees Group Insurance; Retiree Medical
25 Benefits; Premium Contribution. Amend RSA 21-I:30, XIII to read as follows:

26 XIII.(a) The commissioner of administrative services shall invoice and collect from retired
27 state employees and/or each applicable spouse ~~[who are not Medicare-eligible and]~~ receiving medical
28 and surgical benefits provided under this section, who do not receive a retirement allowance as
29 defined in RSA 100-A:1, XXII, [a] ***the*** premium contribution amount ***for either Medicare-eligible***
30 ***or non-Medicare-eligible retiree health benefit plans*** based on a percentage of the total
31 monthly premium attributable to the applicable retiree and/or spouse, as determined by the
32 commissioner of administrative services, with prior approval by the fiscal committee of the general
33 court~~[, provided the percentage is not lower than 12.5 percent]~~. ***Beginning January 1, 2017, the***

1 *commissioner of administrative services shall determine, with prior approval by the fiscal*
2 *committee of the general court, a premium contribution amount for Medicare-eligible*
3 *retiree health benefit plans and a premium contribution amount for non-Medicare-*
4 *eligible retiree health benefit plans.*

5 *(b) Retired state employees and/or spouses under subparagraph (a) who become*
6 *eligible for Medicare Parts A and B due to age or disability on or after July 1, 2016, shall*
7 *continue payment of the premium contribution amount based on a percentage of the total*
8 *monthly premium attributable to the applicable retiree and/or spouse, as approved by the*
9 *fiscal committee of the general court under subparagraph (a). The commissioner of*
10 *administrative service is authorized to invoice and collect such contribution amounts.*

11 *(c) The commissioner of administrative services is also authorized to invoice and collect*
12 *from such other participants contribution amounts as specified by law.*

13 *(d) Collected amounts shall be deposited in the employee and retiree benefit risk*
14 *management fund. Failure to remit payment of the contribution amount in full within 30 days of*
15 *billing shall be grounds for terminating benefits, effective from the beginning of the billing period.*
16 *Reenrollment shall be dependent upon payment of any outstanding contribution or other amounts*
17 *within 6 months of the termination date. If a participant fails to remit payment in full for*
18 *participation within 30 days of billing, on the 30th day the participant shall be notified by certified*
19 *mail, return receipt requested, that he or she shall remit payment to the department within 10*
20 *business days of receiving the letter or his or her benefits shall be terminated effective upon the*
21 *10th business day after receipt of the letter and that reenrollment shall be dependent upon payment*
22 *of any outstanding contribution or other amount within 6 months of the termination date.*

23 3 New Hampshire Retirement System; Deductions; Retiree Medical Benefits. Amend RSA 100-
24 A:54, III to read as follows:

25 III.(a) The retirement system shall deduct from the monthly retirement allowance of
26 retired state employees and/or each applicable spouse ~~[who are not Medicare-eligible and]~~ receiving
27 medical and surgical benefits provided pursuant to RSA 21-I:30, [a] *the* premium contribution
28 amount *for either Medicare-eligible or non-Medicare-eligible retiree health benefit plans*
29 based on a percentage of the total monthly premium attributable to the applicable retiree and/or
30 spouse, as determined by the commissioner of administrative services with prior approval by the
31 fiscal committee of the general court ~~[provided the percentage is not lower than 12.5 percent]~~ *under*
32 *RSA 21-I:30, XIII.*

33 *(b) The retirement system shall continue to deduct from the monthly retirement*
34 *allowance of a retired state employee and/or spouse receiving medical and surgical*
35 *benefits provided pursuant to RSA 21-I:30, who become eligible for Medicare Parts A and B*
36 *due to age or disability on or after July 1, 2016, the premium contribution amount based*
37 *on a percentage of the total monthly premium attributable to the applicable retiree and/or*

1 ***spouse as approved by the fiscal committee of the general court under RSA 21-I:30, XIII.***

2 (c) The department of administrative services shall provide information as to the total
3 monthly premium cost for each participant to the retirement system for purposes of calculating this
4 deduction. Deducted amounts, which shall be in addition to and notwithstanding any amounts
5 payable by the retirement system pursuant to RSA 100-A:52, RSA 100-A:52-a, and RSA 100-A:52-b,
6 shall be deposited in the employee and retiree benefit risk management fund. In the event the
7 retiree's monthly allowance is insufficient to cover the certified contribution amount, the retirement
8 system shall so notify the department of administrative services, which shall invoice and collect
9 from the retiree and/or each applicable spouse the remaining contribution amount. Failure to remit
10 payment of the contribution amount in full within 30 days of billing shall be grounds for
11 terminating benefits, effective from the beginning of the billing period. Reenrollment shall be
12 dependent upon payment of any outstanding contribution or other amounts within 6 months of the
13 termination date. The department of administrative services shall provide notice of the termination
14 of benefits as provided in RSA 21-I:30, XIII.

15 4 Judicial Retirement Plan; Deductions; Retiree Health Insurance. Amend RSA 100-C:11-a to
16 read as follows:

17 100-C:11-a Retiree and Spouse Health Insurance Premium Contribution.

18 I. Retired judges and their applicable spouses ~~[who are not Medicare-eligible and]~~ receiving
19 medical and surgical benefits shall be responsible for payment of ~~[a]~~ ***the*** premium contribution
20 amount ***for either Medicare-eligible or non-Medicare-eligible retiree health benefit plans***
21 based on a percentage of the total monthly premium attributable to the applicable retiree and/or
22 spouse, as determined by the commissioner of administrative services, with prior approval by the
23 fiscal committee of the general court~~[, provided the percentage is not lower than 12.5 percent]~~
24 ***under RSA 21-I:30, XIII.***

25 II. ***Retired judges and/or spouses receiving medical and surgical benefits under***
26 ***RSA 21-I:30, who become eligible for Medicare Parts A and B due to age or disability on or***
27 ***after July 1, 2016, shall continue to be responsible for payment of the premium***
28 ***contribution amount based on a percentage of the total monthly premium attributable to***
29 ***the applicable retiree and/or spouse as approved by the fiscal committee of the general***
30 ***court under RSA 21-I:30, XIII.***

31 III. The department of administrative services shall provide information as to the total
32 monthly premium cost for each participant to the judicial retirement plan for purposes of
33 calculating this deduction. The judicial retirement plan shall deduct the payment required under
34 this section from the retiree's monthly retirement allowance. Deducted amounts shall be remitted
35 to the administrative office of the courts within 14 days along with a statement identifying from
36 whom the deduction was made, and shall be used to pay for plan retiree and spouse health care
37 expenses and any administrative costs related thereto.

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5 Appropriation; Department of Administrative Services; Risk Management; Overtime. In addition to any other sums appropriated, the sum of \$20,000 for the biennium ending June 30, 2017 is hereby appropriated to the department of administrative service for the purpose of overtime charged to the risk management accounting unit, class 18. The governor is authorized to draw a warrant for said sum out of any money in the treasury not otherwise appropriated.

6 6 Health Care Consultant Contract; Benefit Plan; Appropriation.

7 I. The commissioner of administrative services is hereby authorized to contract with a health care consultant for the purpose of a long-term design for funding state retiree health benefits and to provide training for state retirees on the benefit plan and its funding. The total amount expended by the department of administrative services for the health care consultant contract, benefit plan design, and training shall not exceed \$300,000.

12 II. The sum of up to \$300,000 for the biennium ending June 30, 2017 is hereby appropriated to the commissioner of the department of administrative services for the purpose of payment for the cost of the contract with the health care consultant under paragraph I. The source of funds for the appropriation shall be the employee and retiree benefit risk management fund under RSA 21-I:30-e.

16 7 New Paragraph; Legislative Budget Assistant; Fiscal Committee; Retiree Health Advisory Council. Amend RSA 14:30-a by inserting after paragraph VI the following new paragraph:

18 VII. The committee shall establish a retiree health advisory council as a subcommittee to the committee. The advisory council shall convene public meetings as needed to review options under consideration for changes to the retiree health plan if additional changes are needed after the new retiree health benefits plan is established. The advisory council shall also receive testimony from retirees and other interested members of the public.

23 8 Appropriation and Charge; Department of Administrative Services; Risk Management; Health Plan Costs. In addition to any other sums appropriated, the sum of \$360,000 is appropriated to the department of administrative services, risk management unit, for the biennium ending June 30, 2017 for state retiree health plan costs under RSA 21-I:30. Said appropriations shall be a charge against the following account:

<u>Accounting Unit</u>	<u>Class</u>	<u>Class Name</u>	<u>FY 2016</u>	<u>FY 2017</u>
02-10-10-1000-1880	049	Transfer to Other State Agencies	(\$180,000)	(\$180,000)

30 9 Repeals; January 1, 2017. The following are repealed:

31 I. RSA 21-I:30, II(b), relative to continuation of premium contribution amounts for certain retired state employees and spouses who become Medicare eligible.

33 II. RSA 21-I:30, XIII(b), relative to continuation of premium contribution amounts for certain retired state employees and spouses not receiving a retirement allowance who become Medicare eligible.

36 III. RSA 100-A:54, III(b), relative to continuation of premium contribution amounts for certain retired state employees and spouses receiving a retirement allowance who become Medicare

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1 eligible.

2 IV. RSA 100-C:11-a, II, relative to continuation of premium contribution amounts for
3 certain retired judges and spouses who become Medicare eligible.

4 10 Contingent Nullification. If SB 388 of the regular 2016 legislative session becomes law, then
5 the amendment to RSA 21-I:30, II as inserted by SB 388, shall not take effect.

6 11 Effective Date.

7 I. Section 9 of this act shall take effect January 1, 2017.

8 II. The remainder of this act shall take effect upon its passage.

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2016-1652h

AMENDED ANALYSIS

This bill:

I. Requires premium contribution amounts for retiree health benefits for retired state employees who are Medicare eligible.

II. Continues the premium contributions for retired persons receiving medical and surgical benefits who become Medicare eligible on or after July 1, 2016 until separate rates are approved effective January 1, 2017.

III. Makes an appropriation to the department of administrative services for a health care consultant to design a long-term retiree health care funding plan, and transfers certain judicial branch funds for health plan costs.

IV. Nullifies an amendment made by SB 388, relative to public hearings on retiree health plan changes, if it becomes law.