

HOUSE BILL No. 4668

April 24, 2001, Introduced by Reps. Schermesser, Wojno, Dennis, Rich Brown, Shackleton, Neumann, Hale, Whitmer, Minore, Gielegem, Jacobs and Bogardus and referred to the Committee on Senior Health, Security and Retirement.

A bill to amend 1980 PA 300, entitled
"The public school employees retirement act of 1979,"
by amending section 91 (MCL 38.1391), as amended by 1998 PA 85.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 91. (1) The retirement system shall pay the entire
2 monthly premium or membership or subscription fee for hospital,
3 medical-surgical, and sick care benefits for the benefit of a
4 retirant or retirement allowance beneficiary who elects coverage
5 in the plan authorized by the retirement board and the
6 department.

7 (2) ~~The~~ SUBJECT TO SUBSECTION (10), THE retirement system
8 may pay up to the maximum of the amount payable under subsection
9 (1) toward the monthly premium for hospital, medical-surgical,
10 and sick care benefits for the benefit of a retirant or
11 retirement allowance beneficiary enrolled in a group health

1 insurance or prepaid service plan not authorized by the
2 retirement board and the department, if enrolled before June 1,
3 1975, for whom the retirement system on July 18, 1983 was making
4 a payment towards his or her monthly premium.

5 (3) ~~A~~ SUBJECT TO SUBSECTION (10), A retirant or retirement
6 allowance beneficiary receiving hospital, medical-surgical, and
7 sick care benefits coverage under subsection (1) or (2), until
8 eligible for medicare, shall have an amount equal to the cost
9 chargeable to a medicare recipient for part B of medicare
10 deducted from his or her retirement allowance.

11 (4) ~~The~~ SUBJECT TO SUBSECTION (10), THE retirement system
12 shall pay 90% of the monthly premium or membership or subscrip-
13 tion fee for dental, vision, and hearing benefits for the benefit
14 of a retirant or retirement allowance beneficiary who elects cov-
15 erage in the plan authorized by the retirement board and the
16 department. Payments shall begin under this subsection upon
17 approval by the retirement board and the department of plan cov-
18 erage and a plan provider.

19 (5) The retirement system shall pay up to 90% of the maximum
20 of the amount payable under subsection (1) toward the monthly
21 premium or membership or subscription fee for hospital,
22 medical-surgical, and sick care benefits coverage described in
23 subsections (1) and (2) for each health insurance dependent of a
24 retirant receiving benefits under subsection (1) or (2).

25 ~~Payment~~ SUBJECT TO SUBSECTION (10), PAYMENT shall not exceed
26 90% of the actual monthly premium or membership or subscription
27 fee. The retirement system shall pay 90% of the monthly premium

1 or membership or subscription fee for dental, vision, and hearing
2 benefits described in subsection (4) for the benefit of each
3 health insurance dependent of a retirant receiving benefits under
4 subsection (4). Payment for health benefits coverage for a
5 health insurance dependent of a retirant shall not be made after
6 the retirant's death, unless the retirant designated a retirement
7 allowance beneficiary as provided in section 85 and the dependent
8 was covered or eligible for coverage as a health insurance depen-
9 dent of the retirant on the retirant's date of death. Payment
10 for health benefits coverage shall not be made for a health
11 insurance dependent after the later of the retirant's death or
12 the retirement allowance beneficiary's death. Payment under this
13 subsection and subsection (6) began October 1, 1985 for health
14 insurance dependents who on July 10, 1985 were covered by the
15 hospital, medical-surgical, and sick care benefits plan autho-
16 rized by the retirement board and the department. Payment under
17 this subsection and subsection (6) for other health insurance
18 dependents shall not begin before January 1, 1986.

19 (6) The payment described in subsection (5) shall also be
20 made for each health insurance dependent of a deceased member or
21 deceased duty disability retirant if a retirement allowance is
22 being paid to a retirement allowance beneficiary because of the
23 death of the member or duty disability retirant as provided in
24 section 43c(c), 89, or 90. Payment for health benefits coverage
25 for a health insurance dependent shall not be made after the
26 retirement allowance beneficiary's death.

1 (7) The payments provided by this section shall not be made
2 on behalf of a retiring section 82 deferred member or health
3 insurance dependent of a deferred member having less than 21 full
4 years of attained credited service or the retiring deferred
5 member's retirement allowance beneficiary, and shall not be made
6 on behalf of a retirement allowance beneficiary of a deferred
7 member who dies before retiring. ~~The~~ SUBJECT TO SUBSECTION
8 (10), THE retirement system shall pay, on behalf of a retiring
9 section 82 deferred member or health insurance dependent of a
10 deferred member or a retirement allowance beneficiary of a
11 deceased deferred member, either of whose allowance is based upon
12 not less than 21 years of attained credited service, 10% of the
13 payments provided by this section, increased by 10% for each
14 attained full year of credited service beyond 21 years, not to
15 exceed 100%. This subsection applies to any member who attains
16 deferred status under section 82 after October 31, 1980.

17 (8) Any retirant or retirement allowance beneficiary
18 excluded from payments under this section may participate in the
19 hospital, medical-surgical, and sick care benefits plan, the
20 dental plan, vision plan, or hearing plan, or any combination of
21 the plans described in this section in the manner prescribed by
22 the retirement system at his or her own cost.

23 (9) The hospital, medical-surgical, and sick care benefits
24 plan, dental plan, vision plan, and hearing plan that covers
25 retirants, retirement allowance beneficiaries, and health insur-
26 ance dependents pursuant to this section shall contain a

1 coordination of benefits provision that provides all of the
2 following:

3 (a) If the person covered under the hospital,
4 medical-surgical, and sick care benefits plan is also eligible
5 for medicare or medicaid, or both, then the benefits under medi-
6 care or medicaid, or both, shall be determined before the bene-
7 fits of the hospital, medical-surgical, and sick care benefits
8 plan provided pursuant to this section.

9 (b) If the person covered under any of the plans provided by
10 this section is also covered under another plan that contains a
11 coordination of benefits provision, the benefits shall be coordi-
12 nated as provided by the coordination of benefits act, 1984 PA
13 64, MCL 550.251 to 550.255.

14 (c) If the person covered under any of the plans provided by
15 this section is also covered under another plan that does not
16 contain a coordination of benefits provision, the benefits under
17 the other plan shall be determined before the benefits of the
18 plan provided pursuant to this section.

19 (10) BEGINNING ON THE EFFECTIVE DATE OF THE AMENDATORY ACT
20 THAT ADDED THIS SUBSECTION, EXCEPT FOR RETIRANTS AND RETIREMENT
21 ALLOWANCE BENEFICIARIES THAT ARE EXCLUDED FROM PAYMENTS UNDER
22 THIS SECTION, THE PROPORTION OF PREMIUM PAYABLE BY A RETIRANT,
23 RETIREMENT ALLOWANCE BENEFICIARY, OR HEALTH INSURANCE DEPENDENT
24 UNDER THIS SECTION FOR HOSPITAL, MEDICAL-SURGICAL, SICK CARE,
25 DENTAL, VISION, OR HEARING BENEFITS SHALL NOT BE GREATER THAN
26 125% OF THE PROPORTION OF PREMIUM THAT THE RETIRANT, RETIREMENT
27 ALLOWANCE BENEFICIARY, OR HEALTH INSURANCE DEPENDENT IS REQUIRED

1 TO PAY ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED
2 THIS SECTION.

3 (11) ~~-(10)-~~ For purposes of this section:

4 (a) "Health insurance dependent" means any of the
5 following:

6 (i) The spouse of the retirant or the surviving spouse to
7 whom the retirant or deceased member was married at the time of
8 the retirant's or deceased member's death.

9 (ii) An unmarried child, by birth or adoption, of the retir-
10 ant or deceased member, until December 31 of the calendar year in
11 which the child becomes 19 years of age.

12 (iii) An unmarried child, by birth or adoption, of the
13 retirant or deceased member, until December 31 of the calendar
14 year in which the child becomes 25 years of age, who is enrolled
15 as a full-time student, and who is or was at the time of the
16 retirant's or deceased member's death a dependent of the retirant
17 or deceased member as defined in section 152 of the internal rev-
18 enue code.

19 (iv) An unmarried child, by birth or adoption, of the retir-
20 ant or deceased member who is incapable of self-sustaining
21 employment because of mental or physical disability, and who is
22 or was at the time of the retirant's or deceased member's death a
23 dependent of the retirant or deceased member as defined in sec-
24 tion 152 of the internal revenue code.

25 (v) The parents of the retirant or deceased member, or the
26 parents of his or her spouse, who are residing in the household
27 of the retirant or retirement allowance beneficiary.

1 (b) "Medicaid" means benefits under the federal medicaid
2 program established under title XIX of the social security act,
3 chapter 531, 49 Stat. 620, 42 U.S.C. 1396 to 1396f, 1396g-1 to
4 1396r-6, and 1396r-8 to 1396v.

5 (c) "Medicare" means benefits under the federal medicare
6 program established under title XVIII of the social security act,
7 chapter 531, 49 Stat. 620, 42 U.S.C. 1395 to 1395b, 1395b-2,
8 1395b-6 to 1395b-7, 1395c to 1395i, 1395i-2 to 1395i-5, 1395j to
9 1395t, 1395u to 1395w, 1395w-2 to 1395w-4, 1395w-21 to 1395w-28,
10 1395x to 1395yy, and 1395bbb to 1395ggg.