

HOUSE BILL No. 5545

December 6, 2007, Introduced by Reps. Meadows, Johnson, Spade, Alma Smith and Coulouris and referred to the Committee on Retiree Health Care Reforms.

A bill to amend 1943 PA 240, entitled "State employees' retirement act," by amending section 20d (MCL 38.20d), as amended by 2002 PA 93.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 20d. (1) On and after July 1, 1974 **AND BEFORE JULY 1,**
2 **2008,** hospitalization and medical coverage insurance premium
3 payable by any retirant or his or her beneficiary and his or her
4 dependents under any group health plan authorized by the Michigan
5 civil service commission and the department of management and
6 budget shall be paid by the retirement board from the health
7 insurance reserve fund created in section 11. **ON AND AFTER JULY 1,**
8 **2008, HOSPITALIZATION AND MEDICAL COVERAGE INSURANCE PREMIUM**
9 **PAYABLE BY ANY RETIRANT OR HIS OR HER BENEFICIARY AND HIS OR HER**
10 **DEPENDENTS UNDER A GROUP HEALTH PLAN AUTHORIZED BY THE DEPARTMENT**

1 OF MANAGEMENT AND BUDGET SHALL BE PAID BY THE RETIREMENT BOARD FROM
2 THE HEALTH INSURANCE RESERVE FUND CREATED IN SECTION 11. ON AND
3 AFTER JULY 1, 2008, THE GROUP HEALTH PLAN SHALL BE AUTHORIZED AND
4 ADMINISTERED BY THE RETIREMENT SYSTEM IN THE DEPARTMENT OF
5 MANAGEMENT AND BUDGET. The amount payable shall be in the same
6 proportion of premium payable by the state of Michigan for the
7 classified employees occupying positions in the state civil
8 service. The hospitalization and medical insurance premium payable
9 shall be paid from appropriations made for this purpose to the
10 health insurance reserve fund sufficient to cover the premium
11 payment needed to be made.

12 (2) Effective January 1, 1988 AND BEFORE JULY 1, 2008, 90% of
13 the premium payable by a retirant or the retirant's beneficiary and
14 his or her dependents for dental coverage or vision coverage, or
15 both, under any group plan authorized by the Michigan civil service
16 commission and the department of management and budget shall be
17 paid by the retirement board from the health insurance reserve fund
18 created in section 11. ON AND AFTER JULY 1, 2008, 90% OF THE
19 PREMIUM PAYABLE BY A RETIRANT OR THE RETIRANT'S BENEFICIARY AND HIS
20 OR HER DEPENDENTS FOR DENTAL COVERAGE OR VISION COVERAGE, OR BOTH,
21 UNDER ANY GROUP PLAN AUTHORIZED BY THE DEPARTMENT OF MANAGEMENT AND
22 BUDGET SHALL BE PAID BY THE RETIREMENT BOARD FROM THE HEALTH
23 INSURANCE RESERVE FUND CREATED IN SECTION 11. ON AND AFTER JULY 1,
24 2008, THE GROUP PLAN FOR DENTAL COVERAGE OR VISION COVERAGE, OR
25 BOTH, SHALL BE AUTHORIZED AND ADMINISTERED BY THE OFFICE OF
26 RETIREMENT SERVICES IN THE DEPARTMENT OF MANAGEMENT AND BUDGET.

27 (3) The department of management and budget shall calculate

1 for each fiscal year any cost savings that have accrued to this
2 state as a result of the implementation of 1996 PA 487 over the
3 costs that would have been incurred by this state to fund premiums
4 payable pursuant to section 68 had 1996 PA 487 not been
5 implemented. The total amount of the cost savings, if any, shall be
6 allocated to the health advance funding subaccount created under
7 section 11(9).

8 (4) On and after March 31, 1997, the retirement system shall
9 also pay health insurance premiums described in this section in the
10 manner prescribed in section 68. **ON AND AFTER JULY 1, 2008, THE**
11 **OFFICE OF RETIREMENT SERVICES IN THE DEPARTMENT OF MANAGEMENT AND**
12 **BUDGET SHALL AUTHORIZE AND SELECT GROUP PLANS FOR QUALIFIED**
13 **PARTICIPANTS FOR HOSPITALIZATION, MEDICAL COVERAGE, DENTAL**
14 **COVERAGE, AND VISION COVERAGE.**

15 (5) For purposes of this section, "retirant" includes a person
16 who retires under section 306 or 410 of the Michigan military act,
17 1967 PA 150, MCL 32.706 and 32.810.