

HOUSE BILL No. 5695

December 10, 2009, Introduced by Rep. Dillon and referred to the Committee on Public Employee Health Care Reform.

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, hospitalization and
2 medical coverage insurance premium payable by any retirant or his
3 or her beneficiary and his or her dependents under any group health
4 plan authorized by the Michigan civil service commission and the
5 department of management and budget shall be paid by the retirement
6 board from the health insurance reserve fund created in section 11.
7 The amount payable shall be in the same proportion of premium
8 payable by the state of Michigan for the classified employees
9 occupying positions in the state civil service. The hospitalization
10 and medical insurance premium payable shall be paid from

1 appropriations made for this purpose to the health insurance
2 reserve fund sufficient to cover the premium payment needed to be
3 made. **COVERAGE PROVIDED AND PLANS AUTHORIZED UNDER THIS SECTION**
4 **SHALL BE PROVIDED AND AUTHORIZED IN ACCORDANCE WITH THE MICHIGAN**
5 **HEALTH BENEFITS PROGRAM ACT. COVERAGE PROVIDED AND PLANS AUTHORIZED**
6 **IN ACCORDANCE WITH THE MICHIGAN HEALTH BENEFITS PROGRAM ACT SHALL**
7 **BE PROVIDED AND AUTHORIZED SUBJECT TO SECTION 21 OF THE MICHIGAN**
8 **HEALTH BENEFITS PROGRAM ACT.**

9 (2) Effective January 1, 1988, 90% of the premium payable by a
10 retirant or the retirant's beneficiary and his or her dependents
11 for dental coverage or vision coverage, or both, under any group
12 plan authorized by the Michigan civil service commission and the
13 department of management and budget shall be paid by the retirement
14 board from the health insurance reserve fund created in section 11.

15 (3) The department of management and budget shall calculate
16 for each fiscal year any cost savings that have accrued to this
17 state as a result of the implementation of 1996 PA 487 over the
18 costs that would have been incurred by this state to fund premiums
19 payable pursuant to section 68 had 1996 PA 487 not been
20 implemented. The total amount of the cost savings, if any, shall be
21 allocated to the health advance funding subaccount created under
22 section 11(9).

23 (4) On and after March 31, 1997, the retirement system shall
24 also pay health insurance premiums described in this section in the
25 manner prescribed in section 68.

26 (5) For purposes of this section, "retirant" includes a person
27 who retires under section 306 or 410 of the Michigan military act,

1 1967 PA 150, MCL 32.706 and 32.810.

2 Enacting section 1. This amendatory act does not take effect
3 unless House Bill No. 5345 of the 95th Legislature is enacted into
4 law.