

1999 DRAFTING REQUEST

Bill

Received: 04/26/1999

Received By: champra

Wanted: As time permits

Identical to LRB:

For: Jim Baumgart (608) 266-2056

By/Representing: Pat

This file may be shown to any legislator: NO

Drafter: shoveme

May Contact: Joe Strohl
271-5255

Alt. Drafters: champra
kahlepj

Subject: Employ Pub - employe benefits
Munis - miscellaneous

Extra Copies: DAK

Pre Topic:

No specific pre topic given

Topic:

Health insurance continuation for certain municipal employees

Instructions:

See Attached.

Drafting History:

| <u>Vers.</u> | <u>Drafted</u> | <u>Reviewed</u> | <u>Typed</u> | <u>Proofed</u> | <u>Submitted</u> | <u>Jacketed</u> | <u>Required</u> |
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| /P1 | champra | csicilia | jfrantze | _____ | | | S&L |
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| | shoveme | csicilia | | _____ | | | |
| | 09/16/1999 | 11/10/1999 | | _____ | | | |
| | shoveme | | | _____ | | | |
| | 10/29/1999 | | | _____ | | | |
| /P2 | | | mclark | _____ | lrb_docadmin | | S&L |
| | | | 11/10/1999 | _____ | 11/10/1999 | | |

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| /1 | shoveme 02/07/2000 | csicilia 02/07/2000 | hhagen 02/07/2000 | _____ | lrb_docadmin 02/07/2000 | lrb_docadmin | S&L 02/09/2000 |

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May Contact: Joe Strohl
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| <i>1/P1 MES 9/16/99</i> | | | | | | | |

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1/P2 MES 10/29/99 1/P2 cjs 11/1/99

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1/P2 cmh 11/2 MRC MRC/JF 10/11

RAC
2

The surviving spouse and dependent children are able to continue participation after the death of the retired employee.

Joseph A. Strohl
Government Relations

7 N. Pinckney Street
Suite 135
Madison, WI 53703
(608) 251-9605
Fax (608) 251-8707

Home (608) 271-5255

Richard - ~~is~~ Senator Baumgart would like this drafted.
If you have any questions, please give me a call or
Joe Strohl at the above number. Thanks for your time.

Pat
6-2056

§ 471.61

MUNICIPALITIES

visions without regard to the manner of election or appointment. The appropriate officer of such governmental unit, or those disbursing county extension funds, shall collect from each such retired officer and retired employee who elects to become insured or so protected, on such officer's or employee's written order, all or part of the retired officer's or retired employee's share of such premiums or charges and remit the same to the insurer or company issuing such policy or contract. An insurer, health maintenance organization, or company issuing the policy or contract may not require a public employer to contribute any portion of the retired officer's or employee's share as a condition of eligibility for the insurance or protection. An insurer, health maintenance organization, or company issuing the policy or contract may require a retired officer or a retired employee to pay all or any part of the premiums or charges.

Any governmental unit, other than a school district, which pays all or any part of such premiums or charges is authorized to levy and collect a tax, if necessary, in the next annual tax levy for the purpose of providing the necessary funds for the payment of such premiums or charges, and such sums so levied and appropriated shall not, in the event such sum exceeds the maximum sum allowed by any law or the charter of a municipal corporation, be considered part of the cost of government of such governmental unit as defined in any tax levy or per capita expenditure limitation; provided at least 50 percent of the cost of benefits on dependents shall be contributed by the retired officer or retired employee or be paid by levies within existing per capita tax limitations.

The word "dependents" as used herein shall mean spouse and minor unmarried children under the age of 18 years actually dependent upon the retired officer or retired employee.

Subd. 2b. Insurance continuation. A unit of local government must allow a former employee and the employee's dependents to continue to participate indefinitely in the employer-sponsored hospital, medical, and dental insurance group that the employee participated in immediately before retirement, under the following conditions:

(a) The continuation requirement of this subdivision applies only to a former employee who is receiving a disability benefit or an annuity from a Minnesota public pension plan other than a volunteer firefighter plan, or who has met age and service requirements necessary to receive an annuity from such a plan.

(b) Until the former employee reaches age 65, the former employee and dependents must be pooled in the same group as active employees for purposes of establishing premiums and coverage for hospital, medical, and dental insurance.

(c) A former employee may receive dependent coverage only if the employee received dependent coverage immediately before leaving employment. This subdivision does not require dependent coverage to continue after the death of the former employee. For purposes of this subdivision, "dependent" has the same meaning for former employees as it does for active employees in the unit of local government.

Start Here
Minneapolis
Law
who is eligible
pooling

MUNICIPAL RIGHTS, POWERS, DUTIES**§ 471.61**

(d) Coverage for a former employee and dependents may not discriminate on the basis of evidence of insurability or preexisting conditions unless identical conditions are imposed on active employees in the group that the employee left.

(e) The former employee must pay the entire premium for continuation coverage, except as otherwise provided in a collective bargaining agreement or personnel policy. A unit of local government may discontinue coverage if a former employee fails to pay the premium within the deadline provided for payment of premiums under federal law governing insurance continuation.

(f) An employer must notify an employee before termination of employment of the options available under this subdivision, and of the deadline for electing to continue to participate.

(g) A former employee must notify the employer of intent to participate within the deadline provided for notice of insurance continuation under federal law. A former employee who does not elect to continue participation does not have a right to reenter the employer's group insurance program.

(h) A former employee who initially selects dependent coverage may later drop dependent coverage while retaining individual coverage. A former employee may not drop individual coverage and retain dependent coverage.

(i) This subdivision does not limit rights granted to former employees under other state or federal law, or under collective bargaining agreements or personnel plans.

(j) Unless otherwise provided by a collective bargaining agreement, if retired employees were not permitted to remain in the active employee group prior to August 1, 1992, a public employer may assess active employees through payroll deduction for all or part of the additional premium costs from the inclusion of retired employees in the active employee group. This paragraph does not apply to employees covered by section 179A.03, subdivision 7.

(k) Notwithstanding section 179A.20, subdivision 2a, insurance continuation under this subdivision may be provided for in a collective bargaining agreement or personnel policy.

Finish Here

Subd. 3. Payroll deductions. A like payroll deduction and remittance shall be made upon the written order of any such officer or employee who are, or become, subscribers under a contract with a nonprofit hospital service plan corporation as defined by law.

Subd. 4. Repealed by Laws 1965, c. 780, § 9.

Amended by Laws 1955, c. 193, §§ 1, 2; Laws 1957, c. 321, § 1; Laws 1959, c. 611, § 1; Laws 1959, Ex.Sess., c. 76, § 1; Laws 1965, c. 296, §§ 1, 2, eff. May 1, 1965; Laws 1971, c. 451, § 1, eff. May 22, 1971; Laws 1971, Ex.Sess., c. 31, art. 20, §§ 13, 14; Laws 1971, Ex.Sess., c. 48, § 16; Laws 1973, c. 385, § 1; Laws 1973, c. 725, §§ 68 to 70; Laws 1978, c. 764, § 127, eff. April 6, 1978; Laws 1979, c. 334, art. 6, § 26; Laws 1982, c. 602, § 1, eff. March 23, 1982; Laws 1984, c. 463, art. 7, §§ 22, 23; Laws 1986, c. 321, § 1; Laws 1986, c. 444; Laws 1988, c. 709, art. 2, § 2; Laws 1992, c. 488, § 3.



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-2980/P1
MES&RAC:Y:...

UPSK
cjs
+
JLg

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

Due
This week of
9/28

[Handwritten initials]

1 AN ACT ...; relating to ^{providing} health insurance coverage for certain ~~other~~ local
2 government employes and officers ^{who have terminated} local government employment.

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided in a subsequent draft.
For further information see the **state and local** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

3 SECTION 1. 20.515 (1) (s) of the statutes is amended to read:
4 20.515 (1) (s) *Benefit and coverage payments; employers other than the state;*
5 *retired employes.* All moneys received for health care coverage by the public employe
6 trust fund from eligible employes, as defined in s. 40.02 (25) (b) 9m. and 11., and from
7 employers, as defined in s. 40.02 (28), other than the state, and their employes
8 electing to be included in health care coverage plans through a program offered by
9 the group insurance board for payment of benefits and the costs of administering

SECTION 1

1 benefits under s. 40.51 (7) and (10). Estimated disbursements under this paragraph
2 shall not be included in the schedule under s. 20.005.

History: 1971 c. 40 s. 93; 1971 c. 125; 1973 c. 90, 151, 337; 1975 c. 39; 1977 c. 29, 84; 1979 c. 34, 38; 1979 c. 102 s. 236 (4); 1981 c. 96; 1981 c. 187 s. 10; 1981 c. 250;
1983 a. 27, 247, 255; 1983 a. 394 s. 2; 1985 a. 29; 1987 a. 27, 107; 1987 a. 403 s. 256; 1989 a. 14, 31; 1989 a. 56 s. 259; 1991 a. 269; 1995 a. 27, 88, 89, 240; 1997 a. 26, 27.

3 SECTION 2. 40.02 (25) (b) 9m. of the statutes is created to read:

4 40.02 (25) (b) 9m. A participant who terminated covered employment with an
5 employer that had acted under s. 40.51 (7) to make health care coverage available
6 to its employees, who has not attained the age of 65 years and who is an annuitant or
7 is eligible for an immediate annuity but defers application.

8 SECTION 3. 40.05 (4) (ae) of the statutes is created to read:

9 40.05 (4) (ae) For health insurance, each eligible employe, as defined in s. 40.02
10 (25) (b) 9m., who receives coverage under s. 40.51 (7) shall pay all required premiums
11 that are not otherwise paid by the employe's former employer.

Fix
Component

was ~~scribble~~

12 SECTION 4. 40.51 (2) of the statutes is renumbered ~~40.52~~ (2) (a) and amended
13 to read:

14

40.51
~~40.52~~ (2) (a)

14 Except as provided in subs. (10), (10m), (11) and (16), any eligible
15 employe may become covered by group health insurance by electing coverage within
16 30 days of being hired, to be effective as of the first day of the month which begins
17 on or after the date the application is received by the employer, or by electing
18 coverage prior to becoming eligible for employer contribution towards the premium
19 cost as provided in s. 40.05 (4) (a) to be effective upon becoming eligible for employer
20 contributions.

21 (b) An eligible employe who is not insured, but who is eligible for an employer
22 contribution under s. 40.05 (4) (ag) 1., may elect coverage prior to becoming eligible
23 for an employer contribution under s. 40.05 (4) (ag) 2., with the coverage to be
24 effective upon becoming eligible for the increase in the employer contribution.

1 (c) Any employe who does not ~~so elect at one of these times~~ make an election
 2 at one of the times specified in [✓]par. (a) or (b), or who subsequently cancels the
 3 insurance, shall not thereafter become insured unless the employe furnishes
 4 evidence of insurability satisfactory to the insurer, at the employe's own expense or
 5 obtains coverage subject to contractual waiting periods. The method to be used shall
 6 be specified in the health insurance contract.

History: 1981 c. 96; 1983 a. 27; 1985 a. 29; 1987 a. 27, 107, 356; 1987 a. 403 s. 256; 1989 a. 31, 93, 121, 129, 182, 201, 336, 359; 1991 a. 39, 70, 113, 152, 269, 315, 1993 a. 450, 481; 1995 a. 289; 1997 a. 27, 155, 202, 237, 252; s. 13.93 (2) (c).

7 SECTION 5. 40.51 (2) (d) of the statutes is created to read:

8 40.51 (2) (d) This subsection ~~shall~~ ^{does} not apply to an eligible employe, as defined
 9 in s. 40.02 (25) (b) 9m., who is covered under sub. (7).

10 ~~SECTION 6. 40.51 (7) of the statutes is amended to read:~~ 40.51

11 SECTION ~~6~~ 40.51 (7) of the statutes is renumbered ~~40.52~~ (7) (a) and amended
 12 to read:

13 40.51 (7) (a) [✓]Any employer, other than the state, may offer to all of its employes
 14 and to eligible employes, as defined in s. 40.02 (25) (b) 9m., a health care coverage
 15 plan through a program offered by the group insurance board.

16 [✓](b) Notwithstanding sub. (2) and ss. 40.05 (4) and 40.52 (1), but subject to par.
 17 (c), the department may by rule establish different eligibility standards or
 18 contribution requirements for such employes and employers and may by rule limit
 19 the categories of employers, other than the state, which may be included as
 20 participating employers under this subchapter.

History: 1981 c. 96; 1983 a. 27; 1985 a. 29; 1987 a. 27, 107, 356; 1987 a. 403 s. 256; 1989 a. 31, 93, 121, 129, 182, 201, 336, 359; 1991 a. 39, 70, 113, 152, 269, 315, 1993 a. 450, 481; 1995 a. 289; 1997 a. 27, 155, 202, 237, 252; s. 13.93 (2) (c).

21 SECTION ~~8~~ 40.51 (7) (c) of the statutes is created to read:

22 40.51 (7) (c) In establishing ~~requirements for the health care coverage plan~~ ^{eligibility standards and contribution}

23 [✓]under this subsection, the department:

the health care coverage plan

SECTION 8

1 1. May not impose different requirements relating to evidence of insurability
2 or preexisting conditions on ~~employees and~~ eligible employees, as defined in s. 40.02

3 (25) (b) 9m. ✓

from those which
it imposes on
employees.

4 2. May not segregate employees and eligible employees, as defined in s. 40.02 (25)

5 (b) 9m., into different groups for insurance coverage purposes.

6 3. Shall provide that any eligible employee, as defined in s. 40.02 (25) (b) 9m.,
7 may not receive dependent coverage unless the employee received dependent
8 coverage immediately before terminating employment with the employer.

9 4. Shall provide that any eligible employee, as defined in s. 40.02 (25) (b) 9m.,
10 who receives dependent coverage may convert to individual coverage, but that any
11 eligible employee who receives individual coverage may not convert to dependent
12 coverage. (as defined in s. 40.02 (25) (b) 9m.) ✓

13 SECTION 9. 40.52 (4) of the statutes is amended to read:

14 40.52 (4) The group insurance board shall establish the terms of health
15 insurance plans for eligible employees, as defined under s. 40.02 (25) (b) 9m. and
16 11., who elect coverage under s. 40.51 (7) or (10).

History: 1981 c. 96, 381; 1983 a. 429; 1987 a. 107; 1987 a. 327, 356; 1987 a. 403 s. 256; 1989 a. 13; 1991 a. 45; 1995 a. 216.

17 SECTION 10. 59.52 (11) (c) of the statutes is amended to read:

18 59.52 (11) (c) *Employe insurance.* Provide for individual or group hospital,
19 surgical and life insurance for county officers and employes and for payment of
20 premiums for such officers and employes. In addition, a county with at least 100
21 employes may elect to provide health care benefits on a self-insured basis to its
22 officers and employes, and any 2 or more counties which together have at least 100
23 employes may jointly provide health care benefits on a self-insured basis to officers
24 and employes of the counties. Counties which elect to provide health care benefits

1 on a self-insured basis to their officers and employes shall be subject to the
2 requirements set forth under s. 120.13 (2) (c) to (e) and (g). Any insurance or health
3 care benefits that are provided under this paragraph shall be subject to the
4 requirements under s. 66.183.

History: 1995 a. 201 ss. 104, 111 to 115, 117 to 122, 124, 127, 134, 139, 140, 157, 174, 181, 185, 186, 190, 238, 242, 252 to 256, 354, 356 to 360, 414 to 419, 432; 1995 a. 225 s. 135; 1997 a. 35, 237.

5 ~~SECTION 11.~~ 66.183 of the statutes is created to read:

6 **66.183 Health insurance for retired governmental employes. (1)**

7 **DEFINITIONS.** In this section:

8 (a) "Dependent" has the meaning given by a political subdivision for a
9 dependent of a current employe of the political subdivision for insurance purposes.

10 (b) "Eligible person" means an individual who, at the time of his or her
11 retirement from employment by, or as an officer of, a political subdivision is eligible
12 to become an annuitant of the Wisconsin retirement system under ch. 40 or is eligible
13 to receive disability payments from the Wisconsin retirement system under ch. 40.

14 (c) "Political subdivision" means a city, village, town or county.

15 (2) CONTINUATION OF COVERAGE. (a) 1. Upon his or her retirement or disability
16 and subject to subs. 2. and 3., a political subdivision shall allow an eligible person
17 to continue to be covered indefinitely by any employer-sponsored hospital, medical
18 or dental group insurance policy under which the eligible person was covered
19 immediately before his or her retirement or disability.

20 2. To maintain coverage under subd. 1., the eligible person must pay the entire
21 premium for continuation of coverage, except as otherwise provided in an applicable
22 collective bargaining agreement or a policy or ordinance of the political subdivision.

23 3. A political subdivision may discontinue the coverage that is required under
24 subd. 1. if the eligible person is responsible for paying the premium on the policy and

SECTION 11

1 he or she does not do so within the time period specified for payment of premiums
2 under **FEDERAL LAW CITE???**

3 4. The coverage required under this paragraph shall extend to the eligible
4 person's spouse and, if the eligible person had dependent coverage at the time of his
5 or her retirement or disability, to his or her dependents. This paragraph does not
6 require a political subdivision to continue to offer coverage to a dependent of an
7 eligible person after the eligible person's death.

8 5. If an eligible person initially selects dependent coverage, the person may
9 drop the dependent coverage and maintain coverage for the eligible person or the
10 eligible person and his or her spouse. An eligible person may not maintain
11 dependent coverage without maintaining individual coverage for the eligible
12 person or the eligible person and his or her spouse.

13 (b) For purposes of establishing premiums and coverage of the hospital,
14 medical or dental insurance, the political subdivision may not segregate a current
15 employe and an eligible person into different groups ~~for insurance coverage purposes~~
16 until the eligible person reaches the age of 65 years.

17 (c) Notwithstanding s. 632.897, the coverage required under par. (a) may not
18 discriminate on the basis of evidence of insurability or preexisting conditions,
19 unless identical conditions apply to current employes of the group to which the
20 eligible person belonged when he or she was an employe of the political subdivision.

21 (d) The former employer of an eligible person shall notify the person when he
22 ~~is a current employe~~ that he or she may be eligible to continue to be covered
23 by his or her hospital, medical or dental group insurance policy, as provided under
24 this section, upon his or her retirement or if he or she becomes disabled. The former
25 ~~employer of an eligible person~~ shall also notify the eligible person of any deadlines by which

A political subdivision shall notify an eligible person, while he or she is an employe or an officer of the political subdivision,

1 the ^{eligible} person must notify the ^{political subdivision} ~~employer~~ that he or she wishes to continue to be covered
 2 by his or her ~~person's~~ group insurance policy. If the person notifies ^{hospital, medical or dental} his or her ~~employer~~ ^{as provided under this section}
 3 that he or she wishes to continue to be covered, the notification must occur within
 4 the time period for such notification that is specified under **FEDERAL LAW**
 5 ~~CITE???~~ If the ^{eligible} person notifies ^{the political subdivision} his or her ~~employer~~ that he or she does not wish to
 6 continue to be covered, or does not notify ^{the political subdivision} his or her ~~employer~~ of his or her wishes by
 7 the deadline ^{in paragraph A} described in this paragraph, the ^{eligible} person has no right to reenter the
 8 political subdivision's group insurance program. hospital, medical or dental

9 ~~SECTION 12.~~ 66.184 of the statutes is amended to read:

10 **66.184 Self-insured health plans.** If a city, including a 1st class city, or a
 11 village provides health care benefits under its home rule power, or if a town provides
 12 health care benefits, to its officers and employees on a self-insured basis, the
 13 self-insured plan shall comply with ss. 49.493 (3) (d), 66.183, 631.89, 631.90, 631.93
 14 (2), 632.746 (10) (a) 2. and (b) 2., 632.747 (3), 632.85, 632.853, 632.855, 632.87 (4) and
 15 (5), 632.895 (9) to (13), 632.896, 767.25 (4m) (d), 767.51 (3m) (d) and 767.62 (4) (b) 4.

History: 1989 a. 201, 359; 1991 a. 39, 769; 1993 a. 246, 450, 481, 491; 1995 a. 289; 1997 a. 27, 155, 191, 237.

16 ~~SECTION 13.~~ 66.186 of the statutes is amended to read:

17 **66.186 Health insurance; first class cities.** The Subject to s. 66.183, the
 18 common council of any 1st. class city may, by ordinance or resolution, provide for
 19 general hospital, surgical and group insurance for both active and retired city officers
 20 and city employes and their respective dependents and for payment of premiums
 21 therefor in private companies, or may, by ordinance or resolution, elect to offer to all
 22 of its employes a health care coverage plan through a program offered by the group
 23 insurance board under ch. 40. Municipalities which elect to participate under s.
 24 40.51 (7) shall be subject to the applicable sections of ch. 40 instead of this section.

SECTION 13

1 Contracts for such insurance may be entered into for active officers and employes
 2 separately from such contracts for retired officers and employes, but shall be subject
 3 to s. 66.183. Appropriations may be made for the purpose of financing such
 4 insurance. Moneys accruing to such fund, by investment or otherwise, shall not be
 5 diverted for any other purpose than those for which such fund was set up or to defray
 6 management expenses of such fund or to partially pay premiums so as to reduce costs
 7 to the city or to persons covered by such insurance, or both.

History: 1985 a. 29.

~~SECTION 14.~~ **Initial applicability.**

8
 9 (1) The treatment of section 66.183 of the statutes, to the extent that ^{it} affects
 10 an eligible person, as defined in section 66.183 (1) (b), ^{of the statutes} who is affected by a collective
 11 bargaining agreement, first applies to such a person on the day on which the
 12 collective bargaining agreement expires or is extended, modified or renewed,
 13 whichever occurs first.

(END)

§ 471.61

MUNICIPALITIES

visions without regard to the manner of election or appointment. The appropriate officer of such governmental unit, or those disbursing county extension funds, shall collect from each such retired officer and retired employee who elects to become insured or so protected, on such officer's or employee's written order, all or part of the retired officer's or retired employee's share of such premiums or charges and remit the same to the insurer or company issuing such policy or contract. An insurer, health maintenance organization, or company issuing the policy or contract may not require a public employer to contribute any portion of the retired officer's or employee's share as a condition of eligibility for the insurance or protection. An insurer, health maintenance organization, or company issuing the policy or contract may require a retired officer or a retired employee to pay all or any part of the premiums or charges.

Any governmental unit, other than a school district, which pays all or any part of such premiums or charges is authorized to levy and collect a tax, if necessary, in the next annual tax levy for the purpose of providing the necessary funds for the payment of such premiums or charges, and such sums so levied and appropriated shall not, in the event such sum exceeds the maximum sum allowed by any law or the charter of a municipal corporation, be considered part of the cost of government of such governmental unit as defined in any tax levy or per capita expenditure limitation: provided at least 50 percent of the cost of benefits on dependents shall be contributed by the retired officer or retired employee or be paid by levies within existing per capita tax limitations.

The word "dependents" as used herein shall mean spouse and minor unmarried children under the age of 18 years actually dependent upon the retired officer or retired employee.

Subd. 2b. Insurance continuation. A unit of local government must allow a former employee and the employee's dependents to continue to participate indefinitely in the employer-sponsored hospital, medical, and dental insurance group that the employee participated in immediately before retirement, under the following conditions: *

(a) The continuation requirement of this subdivision applies only to a former employee who is receiving a disability benefit or an annuity from a Minnesota public pension plan other than a volunteer firefighter plan, or who has met age and service requirements necessary to receive an annuity from such a plan.

(b) Until the former employee reaches age 65, the former employee and dependents must be pooled in the same group as active employees for purposes of establishing premiums and coverage for hospital, medical, and dental insurance.

(c) A former employee may receive dependent coverage only if the employee received dependent coverage immediately before leaving employment. This subdivision does not require dependent coverage to continue after the death of the former employee. For purposes of this subdivision, "dependent" has the same meaning for former employees as it does for active employees in the unit of local government.

Start Here
U
Minnesota Law
Who is eligible
pooling

MUNICIPAL RIGHTS, POWERS, DUTIES**§ 471.61**

(d) Coverage for a former employee and dependents may not discriminate on the basis of evidence of insurability or preexisting conditions unless identical conditions are imposed on active employees in the group that the employee left.

(e) The former employee must pay the entire premium for continuation coverage, except as otherwise provided in a collective bargaining agreement or personnel policy. A unit of local government may discontinue coverage if a former employee fails to pay the premium within the deadline provided for payment of premiums under federal law governing insurance continuation.

(f) An employer must notify an employee before termination of employment of the options available under this subdivision, and of the deadline for electing to continue to participate.

(g) A former employee must notify the employer of intent to participate within the deadline provided for notice of insurance continuation under federal law. A former employee who does not elect to continue participation does not have a right to reenter the employer's group insurance program.

(h) A former employee who initially selects dependent coverage may later drop dependent coverage while retaining individual coverage. A former employee may not drop individual coverage and retain dependent coverage.

no dep or ind cov.

(i) This subdivision does not limit rights granted to former employees under other state or federal law, or under collective bargaining agreements or personnel plans.

(j) Unless otherwise provided by a collective bargaining agreement, if retired employees were not permitted to remain in the active employee group prior to August 1, 1992, a public employer may assess active employees through payroll deduction for all or part of the additional premium costs from the inclusion of retired employees in the active employee group. This paragraph does not apply to employees covered by section 179A.03, subdivision 7.

(k) Notwithstanding section 179A.20, subdivision 2a, insurance continuation under this subdivision may be provided for in a collective bargaining agreement or personnel policy.

Finish here

Subd. 3. Payroll deductions. A like payroll deduction and remittance shall be made upon the written order of any such officer or employee who are, or become, subscribers under a contract with a nonprofit hospital service plan corporation as defined by law.

Subd. 4. Repealed by Laws 1965, c. 780, § 9.

Amended by Laws 1955, c. 193, §§ 1, 2; Laws 1957, c. 321, § 1; Laws 1959, c. 611, § 1; Laws 1959, Ex.Sess., c. 76, § 1; Laws 1965, c. 296, §§ 1, 2, eff. May 1, 1965; Laws 1971, c. 451, § 1, eff. May 22, 1971; Laws 1971, Ex.Sess., c. 31, art. 20, §§ 13, 14; Laws 1971, Ex.Sess., c. 48, § 16; Laws 1973, c. 385, § 1; Laws 1973, c. 725, §§ 68 to 70; Laws 1978, c. 764, § 127, eff. April 6, 1978; Laws 1979, c. 334, art. 6, § 26; Laws 1982, c. 602, § 1, eff. March 23, 1982; Laws 1984, c. 463, art. 7, §§ 22, 23; Laws 1986, c. 321, § 1; Laws 1986, c. 444; Laws 1988, c. 709, art. 2, § 2; Laws 1992, c. 488, § 3.

EMT's) [895.48 (1)]; **duty to aid crime victim or summon police or report crime to law enforcement if there is a threat to bodily harm to victim** [940.34](83a198)

"good time" mandatory release, parole: mandatory and early release, sentence reduction: significantly amended by 83a528 -- mandatory release date established at two-thirds of sentence if inmate acts properly and performs all required duties (good behavior); (formerly, sentences were diminished by 1 day for each 2 days of good behavior). renumbered from 302.11 to 53.11. Under new rules, inmate who violates any prison regulation or refuses or neglects to perform required or assigned duties is subject to extension of mandatory release date as follows: 10 days for first offense, 20 days for second offense and 40 days for third and each subsequent offense. Extensions of sentence due to bad behavior may extend stay in prison up to maximum original sentence length.

Mandatory release from prison on parole for persons convicted of certain serious felony crimes [973.0135] (93a195)
*parole eligibility: after 25% of sentence or 6 months, whichever is greater [304.06 (1) (b)] *reimbursement fees for parole and probation [304.073, 074; DOC 328] (95a27)

government contracts -- interest on late payments: state [16.528]; local [66.285] "prompt pay"

graffiti penalties [943.017, 973.07] (95a24) "marking property of others without owner's consent"; parents responsible for cost of repair or removal of graffiti, ordinance violations [895.035 (2g)] (95a262)

grandparents visitation rights [767.245; 880.155] (87a355); petition for visitation after adoption [48.925] (91a191); {grandparent included in definition of relative 48.02 (15)}.

grandparent liability for supporting children of minor children [49.90 (1) (a) 2.; 948.22] (85a56; 87a399).

granting visitation rights to grandparents -- petition allowed in cases where the grandparent maintains a relationship with child born out of wedlock and the relationship is in jeopardy of being cut off by the parent who has legal custody. Judge will have authority to decide if visitation is in the child's best interest [767.245 (3), (3c), (3m), (4) & (5)] (95a68)

groundwater management protection act [144.951](83a410); groundwater protection standards [160.001...]; septic tanks, environmental repair [ILHR 83 septic system nitrate rule; 160.19 (7) - (9)]

harassment -- see "stalking"

hate crimes / bigotry crimes -- enhanced penalty [939.645; 943.012; 895.75] (87a348); amended to include perception (91a291); ruled unconstitutional by WI Supreme Court in 1992 [169 Wis 2d 153] but upheld as constitutional by US Supreme Court on appeal {*Wisconsin v. Mitchell*, 113 S.Ct. 2194}; civil actions [939.645 (1)(b), (4)](91a291)

hazardous substances on municipally owned property -- limiting municipal liability [144.4422] (93a453); purchaser liability [144.765] (93a453) "brownfields" and land recycling [234.88, 281.60 and 560.13] (97a27)

health care providers: immunity from civil liability at athletic events [895.48](93a109)

health insurance -- state: group health insurance market reform, coverage requirements of employer-sponsored medical benefit plans, including portability, guaranteed acceptance and renewal -- preexisting conditions [632.745...] (95a289, 97a27, 97a237)

health insurance -- federal: **Health Insurance Portability and Accountability Act of 1996 (HIPAA)**
For new and renewed employer medical plans beginning 1 July 1997 (P.L. 104-191) Features included enhanced access, portability between jobs, renewability - reduces or eliminates limitation periods for preexisting conditions. HIPAA added newborns and newly adopted children to be added to parents' coverage. OCI Health Section 267-1230 or (800) 236-8517. Forerunner was Title I of Employee Retirement Income Security Act of 1974 (ERISA)

HMO managed care protections [Ch. 609] (97a237): continuity of care, sufficient number and variety of primary care providers within reasonable driving distance.

COBRA (consolidated omnibus budget reconciliation act of 1985) post-termination continuation health insurance coverage: for up to 18 months after being fired or leaving employment -- may elect to be covered by former employer's medical plan but person must pay the full nonsubsidized premium. Continuation coverage in Public Health and Welfare Code: 42 USC 300bb-2 for maximum periods; 300bb-2 for qualifying events. Also in Internal Revenue Code 26 USC 4980B

TMJ: coverage required for temporomandibular joint disorders (jaw disease) [632.895 (11), 609.78] (97a27)

health insurers required to provide claims experience information to policyholders [632.797] (93a448); group health insurance plan for small businesses and employers [ch. 635](91a250); notice of loss of primary insurance at age 65 [632.793] (93a108)

HMO's are required to provide a second opinion by a participating plan physician [609.22 (5)] (97a237).

However, these managed-care plans are not required to pay for a 2nd opinion from outside the plan.

MUNICIPAL RIGHTS, POWERS, DUTIES

§ 471.61

(d) Coverage for a former employee and dependents may not discriminate on the basis of evidence of insurability or preexisting conditions unless identical conditions are imposed on active employees in the group that the employee left.

(e) The former employee must pay the entire premium for continuation coverage, except as otherwise provided in a collective bargaining agreement or personnel policy. A unit of local government may discontinue coverage if a former employee fails to pay the premium within the deadline provided for payment of premiums under federal law governing insurance continuation.

(f) An employer must notify an employee before termination of employment of the options available under this subdivision, and of the deadline for electing to continue to participate.

(g) A former employee must notify the employer of intent to participate within the deadline provided for notice of insurance continuation under federal law. A former employee who does not elect to continue participation does not have a right to reenter the employer's group insurance program.

(h) A former employee who initially selects dependent coverage may later drop dependent coverage while retaining individual coverage. A former employee may not drop individual coverage and retain dependent coverage.

Dep or ind cov.

(i) This subdivision does not limit rights granted to former employees under other state or federal law, or under collective bargaining agreements or personnel plans.

(j) Unless otherwise provided by a collective bargaining agreement, if retired employees were not permitted to remain in the active employee group prior to August 1, 1992, a public employer may assess active employees through payroll deduction for all or part of the additional premium costs from the inclusion of retired employees in the active employee group. This paragraph does not apply to employees covered by section 179A.03, subdivision 7.

Finish here

(k) Notwithstanding section 179A.20, subdivision 2a, insurance continuation under this subdivision may be provided for in a collective bargaining agreement or personnel policy.

Subd. 3. Payroll deductions. A like payroll deduction and remittance shall be made upon the written order of any such officer or employee who are, or become, subscribers under a contract with a nonprofit hospital service plan corporation as defined by law.

Subd. 4. Repealed by Laws 1965, c. 780, § 9.

Amended by Laws 1955, c. 193, §§ 1, 2; Laws 1957, c. 321, § 1; Laws 1959, c. 611, § 1; Laws 1959, Ex.Sess., c. 76, § 1; Laws 1965, c. 296, §§ 1, 2, eff. May 1, 1965; Laws 1971, c. 451, § 1, eff. May 22, 1971; Laws 1971, Ex.Sess., c. 31, art. 20, §§ 13, 14; Laws 1971, Ex.Sess., c. 48, § 16; Laws 1973, c. 385, § 1; Laws 1973, c. 725, §§ 68 to 70; Laws 1978, c. 764, § 127, eff. April 6, 1978; Laws 1979, c. 334, art. 6, § 26; Laws 1982, c. 602, § 1, eff. March 23, 1982; Laws 1984, c. 463, art. 7, §§ 22, 23; Laws 1986, c. 321, § 1; Laws 1986, c. 444; Laws 1988, c. 709, art. 2, § 2; Laws 1992, c. 488, § 3.

deadline for paying premium: 42 USC § 3006b-2
(2)(c)
(30 days)

Time for election continuation
coverage - election period: 42 USC § 3006b-5
(1)
(60 days)

SUBCHAPTER XX—REQUIREMENTS FOR CERTAIN GROUP HEALTH PLANS FOR CERTAIN STATE AND LOCAL EMPLOYEES

CROSS REFERENCES

"COBRA continuation provision" defined as in this section for purposes of group health plan portability, see: 26 USCA § 9832; 29 USCA § 1186.

§ 300bb-1. State and local governmental group health plans must provide continuation coverage to certain individuals

LIBRARY REFERENCES

Encyclopedias

Health insurance in general, see C.J.S. Insurance §§ 923 to 930.

Texts and Treatises

2 Benefits Coord, Health Care, Disability ¶ 13,055.

NOTES OF DECISIONS

1. Termination of continuation coverage denied 110 S.Ct. 1814, 494 U.S. 1082, 108 Oakley v. City of Longmont, C.A.10 (Colo.) L.Ed.2d 944. 1989, 890 F.2d 1128, [main volume] certiorari

§ 300bb-2. Continuation coverage

For purposes of section 300bb-1 of this title, the term "continuation coverage" means coverage under the plan which meets the following requirements:

(1) Type of benefit coverage

The coverage must consist of coverage which, as of the time the coverage is being provided, is identical to the coverage provided under the plan to similarly situated beneficiaries under the plan with respect to whom a qualifying event has not occurred. If coverage is modified under the plan for any group of similarly situated beneficiaries, such coverage shall also be modified in the same manner for all individuals who are qualified beneficiaries under the plan pursuant to this part in connection with such group.

(2) Period of coverage

The coverage must extend for at least the period beginning on the date of the qualifying event and ending not earlier than the earliest of the following:

(A) Maximum required period

(i) General rule for terminations and reduced hours

In the case of a qualifying event described in section 300bb-3(2) of this title, except as provided in clause (ii), the date which is 18 months after the date of the qualifying event.

(ii) Special rule for multiple qualifying events

If a qualifying event occurs during the 18 months after the date of a qualifying event described in section 300bb-3(2) of this title, the date which is 36 months after the date of the qualifying event described in section 300bb-3(2) of this title.

(iii) General rule for other qualifying events

In the case of a qualifying event not described in section 300bb-3(2) of this title, the date which is 36 months after the date of the qualifying event.

(iv) Medicare entitlement followed by qualifying event

In the case of a qualifying event described in section 300bb-3(2) of this title that occurs less than 18 months after the date the covered employee became entitled to benefits under title XVIII of the Social Security Act [42 U.S.C.A. § 1395 et seq.], the period of coverage for qualified beneficiaries other than the covered employee shall not terminate under this subpara-

graph before the close of the 36-month period beginning on the date the covered employee became so entitled.

In the case of a qualified beneficiary who is determined, under title II or XVI of the Social Security Act [42 U.S.C.A. § 401 et seq. or 1381 et seq.], to have been disabled at any time during the first 60 days of continuation coverage under this subchapter, any reference in clause (i) or (ii) to 18 months is deemed a reference to 29 months (with respect to all qualified beneficiaries), but only if the qualified beneficiary has provided notice of such determination under section 300bb-6(3) of this title before the end of such 18 months.

(B) End of plan

The date on which the employer ceases to provide any group health plan to any employee.

(C) Failure to pay premium

The date on which coverage ceases under the plan by reason of a failure to make timely payment of any premium required under the plan with respect to the qualified beneficiary. The payment of any premium (other than any payment referred to in the last sentence of paragraph (3)) shall be considered to be timely if made within 30 days after the date due or within such longer period as applies to or under the plan.

(D) Group health plan coverage or medicare entitlement

The date on which the qualified beneficiary first becomes, after the date of the election—

(i) covered under any other group health plan (as an employee or otherwise) which does not contain any exclusion or limitation with respect to any preexisting condition of such beneficiary (other than such an exclusion or limitation which does not apply to (or is satisfied by) such beneficiary by reason of chapter 100 of Title 26, part 7 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 [29 U.S.C.A. § 1181 et seq.], or subchapter XXVII of this chapter), or

(ii) entitled to benefits under Title XVIII of the Social Security Act [42 U.S.C.A. § 1395 et seq.].

(E) Termination of extended coverage for disability

In the case of a qualified beneficiary who is disabled at any time during the first 60 days of continuation coverage under this subchapter, the month that begins more than 30 days after the date of the final determination under title II or XVI of the Social Security Act [42 U.S.C.A. § 401 et seq. or 1381 et seq.] that the qualified beneficiary is no longer disabled.

(3) Premium requirements

The plan may require payment of a premium for any period of continuation coverage, except that such premium—

(A) shall not exceed 102 percent of the applicable premium for such period, and

(B) may, at the election of the payor, be made in monthly installments.

In no event may the plan require the payment of any premium before the day which is 45 days after the day on which the qualified beneficiary made the initial election for continuation coverage. In the case of an individual described in the last sentence of paragraph (2)(A), any reference in subparagraph (A) of this paragraph to "102 percent" is deemed a reference to "150 percent" for any month after the 18th month of continuation coverage described in clause (i) or (ii) of paragraph (2)(A).

(4) No requirement of insurability

The coverage may not be conditioned upon, or discriminate on the basis of lack of, evidence of insurability.

(5) Conversion option

In the case of a qualified beneficiary whose period of continuation coverage expires under paragraph (2)(A), the plan must, during the 180-day period ending on such expiration date, provide to the qualified beneficiary the option of enrollment under a conversion health plan otherwise generally available under the plan.

(July 1, 1944, c. 373, Title XXII, § 2202, as added Apr. 7, 1986, Pub.L. 99-272, Title X, § 10003(a), 100 Stat. 233, and amended Oct. 22, 1986, Pub.L. 99-514, Title XVIII, § 1895(d)(1)(C), (2)(C), (3)(C), (4)(C), 100 Stat. 2937 to 2939; Dec. 19, 1989, Pub.L. 101-239, Title VI, §§ 6702(a), (b), 6801(b)(1)(A), (2)(A), (3)(A), 103 Stat. 2295, 2297; Aug. 20, 1996, Pub.L. 104-188, Title I, § 1704(g)(1)(C), 110 Stat. 1880; Aug. 21, 1996, Pub.L. 104-191, Title IV, § 421(a)(1), 110 Stat. 2087.)

¹ So in original. This subchapter is not divided into parts.

HISTORICAL AND STATUTORY NOTES**Revision Notes and Legislative Reports**

1996 Acts. Senate Report No. 104-281 and House Conference Report No. 104-737, see 1996 U.S. Code Cong. and Adm. News, p. 1474.

House Report No. 104-496 and House Conference Report No. 104-736, see 1996 U.S. Code Cong. and Adm. News, p. 1865.

References in Text

The Employee Retirement Income Security Act of 1974, referred to in par. (2)(D)(i), is Pub.L. 93-406, Sept. 2, 1974, 88 Stat. 829, as amended. Part 7 of subtitle B of title I of the Act is classified generally to part 7 (§ 1181 et seq.) of subtitle B of subchapter I of chapter 18 of Title 29, Labor. For complete classification of this Act to the Code, see Short Title note set out under section 1001 of Title 29 and Tables.

Amendments

1996 Amendments. Par. (2)(A). Pub.L. 104-191, § 421(a)(1)(A), transferred closing par. to follow cl. (iv) rather than cl. (iii), and as so transferred, substituted provision relating to reference to 18 months in case of qualified beneficiary determined to have been disabled at any time during first 60 days of continuation coverage being deemed reference to 29 months with respect to all qualified beneficiaries, for provision relating to reference, in case of individual determined to have been disabled at time of qualifying event described in section 300bb-3(b) of this title, to 18 months with respect to such event being deemed reference to 29 months.

Par. (2)(A)(iii), (iv). Pub.L. 104-191, § 421(a)(1)(A), restructured subpar., and as so restructured, substituted provision relating to reference to 18 months in case of qualified beneficiary determined to have been disabled at any time during first 60 days of continuation coverage being deemed reference to 29 months with respect to all qualified beneficiaries, for provision relating to reference, in case of individual determined to have been disabled at time of

qualifying event described in section 300bb-3(b) of this title, to 18 months with respect to such event being deemed reference to 29 months.

Par. (2)(A)(iv). Pub.L. 104-188, § 1704(g)(1)(C), amended cl. generally, substituting current provisions for provisions which read as follows:

“(iv) Qualifying event involving medicare entitlement

“In the case of an event described in section 300bb-3(4) of this title (without regard to whether such event is a qualifying event), the period of coverage for qualified beneficiaries other than the covered employee for such event or any subsequent qualifying event shall not terminate before the close of the 36-month period beginning on the date the covered employee becomes entitled to benefits under title XVIII of the Social Security Act [42 U.S.C.A. § 1395 et seq.]”

Par. (2)(D)(i). Pub.L. 104-191, § 421(a)(1)(B), added provision excepting certain exclusions or limitations not applying to or satisfied by beneficiary.

Par. (2)(E). Pub.L. 104-191, § 421(a)(1)(C), substituted reference to first 60 days of continuation coverage under this subchapter for reference to time of qualifying event described in section 300bb-3(2) of this title.

Effective Dates

1996 Acts. Amendment by section 421 of Pub.L. 104-191 effective Jan. 1, 1997, regardless of whether the qualifying event occurred before, on, or after such date, see section 421(d) of Pub.L. 104-191, set out as a note under section 4980B of Title 26, Internal Revenue Code.

Amendment by section 1704(g)(1)(C) of Pub.L. 104-188 applicable to plan years beginning after Dec. 31, 1989, see section 1704(g)(2) of Pub.L. 104-188, set out as a note under section 4980B of Title 26, Internal Revenue Code.

LIBRARY REFERENCES**Encyclopedias**

Health insurance in general, see C.J.S. Insurance §§ 923 to 930.

NOTES OF DECISIONS

Covered 3
Period of coverage 2

1. Coverage under other health plan
Oakley v. City of Longmont, D.Colo.1988, 701 F.Supp. 800, [main volume] reversed 890 F.2d

(July 1, 1944, c. 373, Title XXI, § 2134, as added Dec. 22, 1987, Publ. L. 100-203, Title IV, § 4303(f), 101 Stat. 1330-222.)

HISTORICAL AND STATUTORY NOTES

Revision Notes and Legislative Reports see section 323 of Publ. L. 99-660, as amended, set out as an Effective Date 1987 Act, House Report No. 100-391 (Parts I and II) and House Conference Report No. 100-495, see 1987 U.S. Code Cong. and Adm. News, p. 2313-1.

Effective Dates 1986 Act, Section effective Dec. 22, 1987, see section 323(a) of Publ. L. 99-660, as amended, set out as a note under section 300aa-1 of this title.

REFERENCES IN TEXT

For effective date of this subpart referred to in subsecs. (a), (b)(1)(B), (2), see section 300aa-1 of this title.

CROSS REFERENCES

American Digest System

Authority and duties of health officers and agents, see Health and Environment § 7(3).

Contagious and infectious diseases: vaccination, see Health and Environment § 25.

Duties of officers and agents and performance thereof, see United States § 41.

Duties of officers and agents and employees, see C.J.S. United States § 41.

Measures to prevent spread of disease: vaccination, see C.J.S. Health and Environment § 22.

Powers and duties of health boards, departments, and officers, see C.J.S. Health and Environment § 13.

WESTLAW ELECTRONIC RESEARCH

Health and environment cases: 1991[add key number].

United States cases: 393[add key number].

See, also, WESTLAW guide following the Explanation pages of this volume.

SUBCHAPTER XX—REQUIREMENTS FOR CERTAIN GROUP HEALTH PLANS FOR CERTAIN STATE AND LOCAL EMPLOYEES

HISTORICAL AND STATUTORY NOTES

Codifications Sections 300z to 300z-10 of this title, which were formerly classified to this subchapter, were transferred to subchapter XVIII of this chapter.

§ 300bb-1. State and local governmental group health plans must provide continuation coverage to certain individuals

(a) In general

In accordance with regulations which the Secretary shall prescribe, each group health plan that is maintained by any State or

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receives funds under this chapter, by any political subdivision of such a State, or by any agency or instrumentality of such a State or political subdivision, shall provide, in accordance with this subchapter, that each qualified beneficiary who would lose coverage under the plan as a result of a qualifying event is entitled, under the plan, to elect, within the election period, continuation coverage under the plan.

(b) Exception for certain plans

Subsection (a) of this section shall not apply to—

(1) any group health plan for any calendar year if all employees maintaining such plan normally employed fewer than 20 employees on a typical business day during the preceding calendar year, or

(2) any group health plan maintained for employees by the government of the District of Columbia or any territory or possession of the United States or any agency or instrumentality.

(July 1, 1944, c. 373, Title XXII, § 2201, as added Apr. 7, 1986, Publ. L. 99-272, Title X, § 10003(a), 100 Stat. 232, and amended Oct. 22, 1986, Publ. L. 99-514, § 2, 100 Stat. 2095; Dec. 19, 1989, Publ. L. 101-239, Title VI, § 6801(a)(1), 103 Stat. 2297.)

HISTORICAL AND STATUTORY NOTES

Revision Notes and Legislative Reports 1986 Act, Senate Report No. 99-146 House Report No. 99-241 (Parts I, II and III), and a Related Report, see 1986 U.S. Code Cong. and Adm. News, p. 42.

1989 Act, House Report No. 101-247, House Conference Report No. 101-386, and Statement by President, see 1989 U.S. Code Cong. and Adm. News, p. 1906.

Amendments 1989 Amendment. Subsec. (b):

Publ. L. 101-239 struck out “Under regulations, rules similar to the rules of subsections (a) and (b) of section 52 of Title 26 (relating to employers under common control) shall apply for purposes of paragraph (1).”

1986 Amendment. Subsec. (b): Publ. L. 99-514 substituted “Internal Revenue Code of 1986” for “Internal Revenue Code of 1954”, which for purposes of codification was translated as “Title 26” thus requiring no change in text.

Effective Dates

1989 Act, Section 6801(a)(2) of Publ. L. 101-239 provided that: “The amendment 42 U.S.C.A. §§ 300c to 300aa-13-23 607

made by paragraph (1) [amending subsec. (b) of this section] shall apply to years beginning after December 31, 1986.”

1986 Act, Section 10003(b) of Publ. L. 99-272 provided that:

“(1) **General rule.**—The amendments made by this section [enacting this subchapter and enacting a provision set out as a note under section 300bb-7 of this title] shall apply to plan years beginning on or after July 1, 1986.

“(2) **Special rule for collective bargaining agreements.**—In the case of a group health plan maintained pursuant to one or more collective bargaining agreements between employee representatives and one or more employers ratified before the date of the enactment of this Act [Apr. 7, 1986], the amendments made by this section shall not apply to plan years beginning before the later of—

“(A) the date on which the last of the collective bargaining agreements relating to the plan terminates (determined without regard to any extension

thereof agreed to after the date of the enactment of this Act) [Apr. 7, 1986], or
“(B) January 1, 1987:
For purposes of subparagraph (A), any plan amendment made pursuant to a

LIBRARY REFERENCES

- American Digest System**
Authority and powers of officers and agents and exercise thereof, see United States §40.
- Disbursements; aid to state and local agencies in general, see United States §82(2).
- Medical and hospital insurance in general, see Insurance §4674.
- Encyclopedias**
Disbursement of funds, see C.J.S. United States § 122.
- Health insurance in general, see C.J.S. Insurance § 893.
- Power and authority of officers to bind government, see C.J.S. United States § 38.

WESTLAW ELECTRONIC RESEARCH

Insurance cases: 217kladd key number].
United States cases: 393kladd key number].
Sec. also, WESTLAW guide following the Explanation pages of this volume.

NOTES OF DECISIONS

- Termination of continuation coverage**
1 subdivision will end if covered employee becomes covered by another group health policy because he obtains new employment, is reemployed, or remarries. *Oakley v. City of Longmont, CA10 (Colo.) 1989, 890 F.2d 1128, certiorari denied 110 S.Ct. 1814, 108 L.Ed.2d 944.*

§ 300bb-2. Continuation coverage

For purposes of section 300bb-1 of this title, the term “continuation coverage” means coverage under the plan which meets the following requirements:

(1) Type of benefit coverage

The coverage must consist of coverage which, as of the time the coverage is being provided, is identical to the coverage provided under the plan to similarly situated beneficiaries under the plan with respect to whom a qualifying event has not occurred. If coverage is modified under the plan for any group of similarly situated beneficiaries, such coverage shall also be modified in the same manner for all individuals who are qualified beneficiaries under the plan pursuant to this part in connection with such group.

(2) Period of coverage

The coverage must extend for at least the period beginning on the date of the qualifying event and ending not earlier than the earliest of the following:

(A) Maximum required period

(i) General rule for terminations and reduced hours

In the case of a qualifying event described in section 300bb-3(2) of this title, except as provided in clause (ii), the date which is 18 months after the date of the qualifying event.

(ii) Special rule for multiple qualifying events

If a qualifying event occurs during the 18 months after the date of a qualifying event described in section 300bb-3(2) of this title, the date which is 36 months after the date of the qualifying event described in section 300bb-3(2) of this title.

(iii) General rule for other qualifying events

In the case of a qualifying event not described in section 300bb-3(2) of this title, the date which is 36 months after the date of the qualifying event.

In the case of an individual who is determined, under title II or XVI of the Social Security Act [42 U.S.C.A. §§ 401 et seq. or 1381 et seq.], to have been disabled at the time of a qualifying event described in section 300bb-3(2) of this title, any reference in clause (i) or (ii) to 18 months with respect to such event is deemed a reference to 29 months, but only if the qualified beneficiary has provided notice of such determination under section 300bb-6(3) of this title before the end of such 18 months.

(iv) Qualifying event involving medicare entitlement

In the case of an event described in section 300bb-3(4) of this title (without regard to whether such event is a qualifying event), the period of coverage for qualified beneficiaries other than the covered employee for such event or any subsequent qualifying event shall not terminate before the close of the 36-month period beginning on the date the covered employee becomes entitled to benefits under title XVIII of the Social Security Act [42 U.S.C.A. § 1395 et seq.].

(B) End of plan

The date on which the employer ceases to provide any group health plan to any employee.

(C) Failure to pay premium

The date on which coverage ceases under the plan by reason of a failure to make timely payment of any premium required under the plan with respect to the qualified beneficiary. The payment of any premium (other than any payment referred to in the last sentence of paragraph (3)) shall be considered to be timely if made within 30 days after the date due or within such longer period as applies to or under the plan.

(D) Group health plan coverage or medicare entitlement

The date on which the qualified beneficiary first becomes, after the date of the election—

- (i) covered under any other group health plan (as an employee or otherwise) which does not contain any exclusion or limitation with respect to any preexisting condition of such beneficiary, or
- (ii) entitled to benefits under Title XVIII of the Social Security Act [42 U.S.C.A. § 1395 et seq.].

(E) Termination of extended coverage for disability

In the case of a qualified beneficiary who is disabled at the time of a qualifying event described in section 300bb-3(2) of this title, the month that begins more than 30 days after the date of the final determination under title II or XVI of the Social Security Act [42 U.S.C.A. §§ 401 et seq. or 1381 et seq.] that the qualified beneficiary is no longer disabled.

(3) Premium requirements

The plan may require payment of a premium for any period of continuation coverage, except that such premium—

- (A) shall not exceed 102 percent of the applicable premium for such period; and
- (B) may, at the election of the payor, be made in monthly installments.

In no event may the plan require the payment of any premium before the day which is 45 days after the day on which the qualified beneficiary made the initial election for continuation coverage. In the case of an individual described in the last sentence of paragraph (2)(A), any reference in subparagraph

(A) of this paragraph to "102 percent" is deemed a reference to "150 percent" for any month after the 18th month of continuation coverage described in clause (i) or (ii) of paragraph (2)(A).

(4) No requirement of insurability

The coverage may not be conditioned upon, or discriminate on the basis of lack of, evidence of insurability.

(5) Conversion option

In the case of a qualified beneficiary whose period of continuation coverage expires under paragraph (2)(A), the plan must, during the 180-day period ending on such expiration date, provide to the qualified beneficiary the option of enrollment under a conversion health plan otherwise generally available under the plan.

(July 1, 1944, c. 373, Title XXII, § 2202, as added Apr. 7, 1986, Pub.L. 99-272, Title X, § 10003(a), 100 Stat. 233, and amended Oct. 22, 1986, Pub.L. 99-514, Title XVIII, § 1895(d)(1)(C), (2)(C), (3)(C), (4)(C), 100 Stat. 2937-2939; Dec. 19, 1989, Pub.L. 101-239, Title VI, §§ 6702(a), (b), 6801(b)(1)(A), (2)(A), (3)(A), 103 Stat. 2295, 2297.)

¹ So in original. This subchapter is not divided into parts. ² So in original. Clause (iv) probably should immediately follow clause (iii).

HISTORICAL AND STATUTORY NOTES

Revision Notes and Legislative Reports
1986 Acts. Senate Report No. 99-146, House Report No. 99-241 (Parts I, II and III), and a Related Report, see 1986 U.S. Code Cong. and Adm. News, p. 42.
House Conference Report No. 99-841 and Statement by President, see 1986 U.S. Code Cong. and Adm. News, p. 4075.

1989 Act. House Report No. 101-247, House Conference Report No. 101-386, and Statement by President, see 1989 U.S. Code Cong. and Adm. News, p. 1906.

References in Text

The Social Security Act, referred to in par. (2)(A), (D)(ii), and (E) is Act Aug. 14, 1935, c. 531, 49 Stat. 620, as amended. Titles II, XVI and XVIII of the Social Security Act are classified generally to subchapter II (section 401 et seq.), subchapter XVI (section 1381 et seq.), and subchapter XVIII (section 1395 et seq.) of chapter 7 of this title, respectively. For complete classification of this Act to the Code, see section 1305 of this title and Tables.

Codifications

Amendment by section 6702(b) of Pub.L. 101-239 was executed to par. (3)

of this section, as the probable intent of Congress, despite directory language that "(42 U.S.C. 300bb-3)" be amended.

Amendments

1989 Amendment. Par. (2)(A), Pub.L. 101-239, § 6702(a)(1), added material providing that, in the case of an individual determined to be disabled at the time of a qualifying event reference in cl. (i) or (ii) to 18 months deemed a reference to 29 months if qualified beneficiary provided proper notice before end of 18 months.

Par. (2)(A)(iv). Pub.L. 101-239, § 6801(b)(1)(A), added cl. (iv)

Par. (2)(D). Pub.L. 101-239, § 6801(b)(2)(A)(ii), in heading substituted "medicare entitlement" for "medicare eligibility".

Par. (2)(D)(i). Pub.L. 101-239, § 6801(b)(2)(A)(ii), substituted "(as an employee or otherwise) which does not contain any exclusion or limitation with respect to any preexisting condition of such beneficiary," for "(as an employee or otherwise)".

Pub.L. 101-239, § 6702(a)(2), added subpar. (E)

Par. (2)(E). Pub.L. 101-239, § 6702(b), in closing par. inserted "In the case of an individual described in the last sentence of paragraph (2)(A), any reference in subparagraph (A) of this paragraph to 102 percent is deemed a reference to 150 percent for any month after the 18th month of continuation coverage described in clause (i) or (ii) of paragraph (2)(A)."

Pub.L. 101-239 § 6301(b)(3)(A), which directed the general amendment of the concluding provision was executed by amending the first sentence of the concluding provision generally to reflect the probable intent of Congress and amendment of concluding provision by Pub.L. 101-239, § 6702(b). Prior to amendment, first sentence of the concluding provision read as follows: "If an election is made after the qualifying event, the plan shall permit payment for continuation coverage during the period preceding the election to be made within 45 days of the date of the election."

1986 Amendment. Par. (1). Pub.L. 99-514, § 1895(d)(3)(C), inserted at end "If coverage is modified under the plan for any group of similarly situated beneficiaries, such coverage shall also be modified in the same manner for all individuals who are qualified beneficiaries under the plan pursuant to this part in connection with such group." Par. (2)(A). Pub.L. 99-514, § 1895(d)(2)(C), amended subpar. (A) generally. Prior to amendment, subpar. (A) read as follows:

"Maximum period.—In the case of—
(i) a qualifying event described in section 300bb-3(2) of this title (relating to terminations and reduced hours), the date which is 18 months after the date of the qualifying event, and
(ii) any qualifying event not described in clause (i), the date which is 36 months after the date of the qualifying event."

Par. (2)(C). Pub.L. 99-514 § 1895(d)(3)(C), inserted at end "The payment of any premium (other than any payment referred to in the last sentence of paragraph (3)) shall be considered to be timely if made within 30 days after the date due or within such

longer period as applies to or under the plan."

Par. (2)(D). Pub.L. 99-514, § 1895(d)(4)(C)(ii), substituting "Group health plan coverage" for "Reasonable plan" in heading, added cl (i) and struck out former cl. (i) which read as follows: "a covered employee under any other group health plan, or"
Par. (2)(E). Pub.L. 99-514, § 1895(d)(4)(C)(D), struck out subpar. (E), remainder of spouse, which read as follows: "In the case of an individual who is a qualified beneficiary by reason of being the spouse of a covered employee, the date on which the beneficiary remarries and becomes covered under a group health plan."

Effective Dates

1989 Act. Section 6702(d) of Pub.L. 101-239 provided that: "The amendments made by this section (including par. (2)(E) of this section and amending par. (2)(A) and (3) of this section, and section 300bb-6 of this title) shall apply to plan years beginning on or after the date of the enactment of this Act [Dec. 19, 1989], regardless of whether the qualifying event occurred before, on, or after such date."

Section 6801(b)(1)(B) of Pub.L. 101-239 provided that: "The amendments made by subparagraph (A) [amending par. (2)(D) of this section] shall apply to—
(i) qualifying events occurring after December 31, 1989, and
(ii) in the case of qualified beneficiaries who elected continuation coverage after December 31, 1989, the period for which the required premium was paid (or was attempted to be paid, but was rejected as such)."

Section 6801(b)(3)(B) of Pub.L. 101-239 provided that: "The amendment made by subparagraph (A) [amending par. (3) of this section] shall apply to plan years beginning after December 31, 1989."
1986 Act. Amendment by Pub.L. 99-514 effective, unless otherwise provided, as if included in the enactment of

the Consolidated Omnibus Budget Reconciliation Act of 1985, Pub.L. 99-272, which was approved Apr. 7, 1986, see section 1895(e) of Pub.L. 99-514, set out as a note under section 162 of Title 26, Internal Revenue Code.
Plan Amendments Not Required Until January 1, 1989
For provisions directing that if any amendments made by subtitle A or subtitle B, Internal Revenue Code.

LIBRARY REFERENCES

American Digest System
Authority and powers of officers and agents and exercise thereof, see United States §40.
Disbursements: aid to state and local agencies in general, see United States §82(2).
Medical and hospital insurance in general, see Insurance §467.4.
Encyclopedias
Disbursement of funds, see C.J.S. United States § 122.
Health insurance in general, see C.J.S. Insurance § 893.
Power and authority of officers to bind government, see C.J.S. United States § 38.

WESTLAW ELECTRONIC RESEARCH

Insurance cases: 217k[add key number]; United States cases: 393k[add key number].
See, also, WESTLAW guide following the Explanation pages of this volume.

NOTES OF DECISIONS

Coverage under other health plan 1
wife's health plan terminated his right under federal law to continuation coverage under city's health plan. Oakley v. City of Longmont, D.Colo.1988, 701 F.Supp. 800.

§ 300bb-3. Qualifying event

For purposes of this subchapter, the term "qualifying event" means, with respect to any covered employee, any of the following events which, but for the continuation coverage required under this subchapter, would result in the loss of coverage of a qualified beneficiary:

- (1) The death of the covered employee.
- (2) The termination (other than by reason of such employee's gross misconduct), or reduction of hours, of the covered employee's employment.
- (3) The divorce or legal separation of the covered employee from the employee's spouse.
- (4) The covered employee becoming entitled to benefits under title XVIII of the Social Security Act [42 U.S.C.A. § 1395 et seq.].

(5) A dependent child ceasing to be a dependent child under the generally applicable requirements of the plan. (July 1, 1944, c. 373, Title XXII, § 2203, as added Apr. 7, 1986, Pub.L. 99-272, Title X, § 10003(a), 100 Stat. 234.)

HISTORICAL AND STATUTORY NOTES

Revision Notes and Legislative Reports 1986 Act. Senate Report No. 99-146, House Report No. 99-241 (Parts I, II and III), and a Related Report, see 1986 U.S. Code Cong. and Adm. News, p. 42.

References in Text The Social Security Act, referred to in par. (4), is Act Aug. 14, 1935, c. 531, 49

LIBRARY REFERENCES

American Digest System

Authority and powers of officers and agents and exercise thereof, see United States §=40.

Disbursements; aid to state and local agencies in general, see United States §=82(2).

Medical and hospital insurance in general, see Insurance §=467.4.

Encyclopedias Disbursement of funds, see C.J.S. United States § 122.

Health insurance in general, see C.J.S. Insurance § 893. Power and authority of officers to bind government, see C.J.S. United States § 38.

WESTLAW ELECTRONIC RESEARCH

Insurance cases: 217kladd key number; United States cases: 393kladd key number. See, also, WESTLAW guide following the Explanation pages of this volume.

§ 300bb-4. Applicable premium

For purposes of this subchapter—

(1) In general

The term "applicable premium" means, with respect to any period of continuation coverage of qualified beneficiaries, the cost to the plan for such period of the coverage for similarly situated beneficiaries with respect to whom a qualifying event has not occurred (without regard to whether such cost is paid by the employer or employee).

(2) Special rule for self-insured plans

To the extent that a plan is a self-insured plan—

(A) In general

Except as provided in subparagraph (B), the applicable premium for any period of continuation coverage of qual-

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fied beneficiaries shall be equal to a reasonable estimate of the cost of providing coverage for such period for similarly situated beneficiaries which—

- (i) is determined on an actuarial basis; and
- (ii) takes into account such factors as the Secretary may prescribe in regulations.

(B) Determination of basis of past cost

If a plan administrator elects to have this subparagraph apply, the applicable premium for any period of continuation coverage of qualified beneficiaries shall be equal to—

- (i) the cost to the plan for similarly situated beneficiaries for the same period occurring during the preceding determination period under paragraph (3), adjusted by
- (ii) the percentage increase or decrease in the implicit price deflator of the gross national product (calculated by the Department of Commerce and published in the Survey of Current Business) for the 12-month period ending on the last day of the sixth month of such preceding determination period.

(C) Subparagraph (B) not to apply where significant change

A plan administrator may not elect to have subparagraph (B) apply in any case in which there is any significant difference, between the determination period and the preceding determination period, in coverage under, or in employees covered by, the plan. The determination under the preceding sentence for any determination period shall be made at the same time as the determination under paragraph (3).

(3) Determination period

The determination of any applicable premium shall be made for a period of 12 months and shall be made before the beginning of such period.

(July 1, 1944, c. 373, Title XXII, § 2204, as added Apr. 7, 1986, Pub.L. 99-272, Title X, § 10003(a), 100 Stat. 234.)

HISTORICAL AND STATUTORY NOTES

Revision Notes and Legislative Reports 1986 Act. Senate Report No. 99-146, House Report No. 99-241 (Parts I, II and

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LIBRARY REFERENCES

American Digest System
 Authority and powers of officers and agents and exercise thereof, see United States §§40.
 Disbursements: aid to state and local agencies in general, see United States §§82(2).
 Medical and hospital insurance in general, see Insurance §§467.4.
 Disbursement of funds, see C.J.S. United States § 122.
 Health insurance in general, see C.J.S. Insurance § 893.
 Power and authority of officers to bind government see C.J.S. United States § 38.

WESTLAW ELECTRONIC RESEARCH

Insurance cases: 217kladd key number].
 United States cases: 393kladd key number].
 See, also, WESTLAW guide following the Explanation pages of this volume.

§ 300bb-5. Election

For purposes of this subchapter—

(1) Election period

The term "election period" means the period which—

- (A) begins not later than the date on which coverage terminates under the plan by reason of a qualifying event,
- (B) is of at least 60 days' duration and
- (C) ends not earlier than 60 days after the later of—
 - (i) the date described in subparagraph (A), or
 - (ii) in the case of any qualified beneficiary who receives notice under section 300bb-6(4) of this title, the date of such notice.

(2) Effect of election on other beneficiaries

Except as otherwise specified in an election, any election of continuation coverage by a qualified beneficiary described in subparagraph (A)(i) or (B) of section 300bb-8(3) of this title shall be deemed to include an election of continuation coverage on behalf of any other qualified beneficiary who would lose coverage under the plan by reason of the qualifying event. If there is a choice among types of coverage under the plan, each qualified beneficiary is entitled to make a separate selection among such types of coverage.

(July 1, 1944, c. 373, Title XXII, § 2205, as added Apr. 7, 1986, Pub.L. 99-272, Title X, § 10003(a), 100 Stat. 235, and amended Oct. 22, 1986, Pub.L. 99-514, Title XVIII, § 1895(d)(5)(C), 100 Stat. 2939.)

HISTORICAL AND STATUTORY NOTES

Revision Notes and Legislative Reports
 1986 Acts. Senate Report No. 99-146, House Report No. 99-241 (Parts I, II and III) and a Related Report, see 1986 U.S. Code Cong. and Adm. News, p. 42.
 House Conference Report No. 99-841 and Statement by President, see 1986 U.S. Code Cong. and Adm. News, p. 4075.

Amendments

1986 Amendment. Par. (2). Pub.L. 99-514 inserted "of continuation coverage" after "any election" and inserted at end "If there is a choice among types of coverage under the plan, each qualified beneficiary is entitled to make a separate selection among such types of coverage."

Effective Dates

1986 Act. Amendment by Pub.L. 99-514 effective, unless otherwise provided.

LIBRARY REFERENCES

American Digest System
 Authority and powers of officers and agents and exercise thereof, see United States §§40.
 Disbursements: aid to state and local agencies in general, see United States §§82(2).
 Medical and hospital insurance in general, see Insurance §§467.4.
 Disbursement of funds, see C.J.S. United States § 122.
 Health insurance in general, see C.J.S. Insurance § 893.
 Power and authority of officers to bind government, see C.J.S. United States § 38.

WESTLAW ELECTRONIC RESEARCH

Insurance cases: 217kladd key number].
 United States cases: 393kladd key number].
 See, also, WESTLAW guide following the Explanation pages of this volume.

§ 300bb-6. Notice requirements

In accordance with regulations prescribed by the Secretary—

- (1) the group health plan shall provide, at the time of commencement of coverage under the plan, written notice to each covered employee and spouse of the employee (if any) of the rights provided under this subsection,¹
- (2) the employer of an employee under a plan must notify the plan administrator of a qualifying event described in paragraph (1), (2), or (4) of section 300bb-3 of this title within 30 days of the date of the qualifying event,

(3) each covered employee or qualified beneficiary is responsible for notifying the plan administrator of the occurrence of any qualifying event described in paragraph (3) or (5) of section 300b-3 of this title within 60 days after the date of the qualifying event and each qualified beneficiary who is determined under title II or XVI of the Social Security Act [42 U.S.C.A. §§ 401 et seq. or 1381 et seq.] to have been disabled at the time of a qualifying event described in section 300b-3(2) of this title is responsible for notifying the plan administrator of such determination within 60 days after the date of the determination and for notifying the plan administrator within 30 days after the date of any final determination under such title or titles that the qualified beneficiary is no longer disabled and

(4) the plan administrator shall notify—

(A) in the case of a qualifying event described in paragraph (1), (2), or (4) of section 300b-3 of this title, any qualified beneficiary with respect to such event, and

(B) in the case of a qualifying event described in paragraph (3) or (5) of section 300b-3 of this title where the covered employee notifies the plan administrator under paragraph (3), any qualified beneficiary with respect to such event,

of such beneficiary's rights under this subsection.¹

For purposes of paragraph (4), any notification shall be made within 14 days of the date on which the plan administrator is notified under paragraph (2) or (3), whichever is applicable, and any such notification to an individual who is a qualified beneficiary as the spouse of the covered employee shall be treated as notification to all other qualified beneficiaries residing with such spouse at the time such notification is made.

(July 1, 1944, c. 373, Title XXII, § 2206, as added Apr. 7, 1986, Pub.L. 99-272, Title X, § 10003(a), 100 Stat. 235, and amended Oct. 22, 1986, Pub.L. 99-514, Title XVIII, § 1895(d)(6)(C), 100 Stat. 2939; Dec. 22, 1987, Pub.L. 100-203, Title IV, § 4009(j)(8), 101 Stat. 1330-59; Dec. 19, 1989, Pub.L. 101-239, Title VI, § 6702(c), 103 Stat. 2295.)

¹ So in original. Probably should be "this subchapter".

HISTORICAL AND STATUTORY NOTES

Revision Notes and Legislative Reports
1986 Acts. Senate Report No. 99-146, House Report No. 99-241 (Parts I, II and III), and a Related Report, see 1986 U.S. Code Cong. and Adm. News, p. 42.

House Conference Report No. 99-841 and Statement by President, see 1986 U.S. Code Cong. and Adm. News, p. 407.
1987 Act. House Report No. 100-392 (Parts I and II) and House Conference Report No. 100-495, see 1987 U.S. Code Cong. and Adm. News, p. 2313-1.

Ch. 6A GOVERNMENT GROUP HEALTH PLANS 42 § 300b-6

1989 Act. House Report No. 101-247, House Conference Report No. 101-386, and Statement by President, see 1989 U.S. Code Cong. and Adm. News, p. 1906.

References in Text

The Social Security Act, referred to in par. (3), is Act Aug. 14, 1935, c. 531, 49 Stat. 620, as amended. Titles II and XVI of the Social Security Act are classified generally to subchapters II (section 401 et seq.) and XVI (section 1381 et seq.), respectively, of chapter 7 of this title. For complete classification of this Act to the Code, see section 1305 of this title and Tables.

Amendments

1989 Amendment. Par. (3). Pub.L. 101-239 added material providing that qualified beneficiary determined to have been disabled at the time of a qualifying event is responsible for notifying plan administrator within 60 days after date of determination and within 30 days after date of final determination that the qualified beneficiary is no longer disabled.

1987 Amendment. Par. (3). Pub.L. 100-203 amended directory language of Pub.L. 99-514 thus requiring no change to text.

1986 Amendments. Pub.L. 99-514 as amended by Pub.L. 100-203 inserted "within sixty days after the date of the qualifying event" following "section 300b-3 of this title".

Effective Dates

1989 Act. Amendment by section 6702(c) of Pub.L. 101-239 applicable to plan years beginning on or after Dec. 19, 1989, regardless of whether the qualifying event occurred before, on, or after

such date; see section 6702(d) of Pub.L. 101-239, set out as a note under section 300b-2 of this title.

1987 Act. Section 4009(j)(8) of Pub.L. 100-203 provided in part that amendment by section 4009(j)(8) is effective as if included in Pub.L. 99-514.

1986 Act. Amendment to this section by section 1895 of Pub.L. 99-514 effective, unless otherwise provided, as if included in the enactment of the Consolidated Omnibus Budget Reconciliation Act of 1985, Pub.L. 99-272, which was approved Apr. 7, 1986, see section 1895(e) of Pub.L. 99-514, set out as a note under section 162 of Title 26, Internal Revenue Code.

Amendment to this section by section 1895(d)(6) of Pub.L. 99-514 applicable only with respect to qualifying events occurring after Oct. 22, 1986, see section 1895(d)(6)(D) of Pub.L. 99-514, set out as a note under section 162 of Title 26, Internal Revenue Code.

Notification to Covered Employees

Section 0003(c) of Pub.L. 99-272 provided that: "At the time that the amendments made by this section [enacting this subchapter] apply to a group health plan (covered under section 2201 of the Public Health Service Act) [section 300b-1 of this title], the plan shall notify each covered employee, and spouse of the employee (if any), who is covered under the plan at that time of the continuation coverage required under title XXII of such Act [this subchapter]. The notice furnished under this subsection is in lieu of notice that may otherwise be required under section 2206(1) of such Act [par. (1) of this section] with respect to such individuals."

LIBRARY REFERENCES

American Digest System

Authority and powers of officers and agents and exercise thereof, see United States (≈40).

Disbursements; aid to state and local agencies in general, see United States (≈82)(2).

Medical and hospital insurance in general, see Insurance (≈467.4).

Encyclopedias

Disbursement of funds, see C.J.S. United States § 122.

Health insurance in general, see C.J.S. Insurance § 893.

Power and authority of officers to bind government, see C.J.S. United States § 38.

WESTLAW ELECTRONIC RESEARCH

Insurance cases: 217kladd key number].
 United States cases: 393kladd key number].
 See, also, WESTLAW guide following the Explanation pages of this volume.

§ 300bb-7. Enforcement

Any individual who is aggrieved by the failure of a State, political subdivision, or agency or instrumentality thereof, to comply with the requirements of this subchapter may bring an action for appropriate equitable relief.

(July 1, 1944, c. 373, Title XXII, § 2207, as added Apr. 7, 1986, Pub.L. 99-272, Title X, § 10003(a); 100 Stat. 236.)

HISTORICAL AND STATUTORY NOTES

Revision Notes and Legislative Reports III, and a Related Report, see 1986 US 1986 Act. Senate Report No. 99-146, Code Cong. and Adm. News, p. 42. House Report No. 99-241 (Parts I, II and

LIBRARY REFERENCES

American Digest System Authority and powers of officers and agents and exercise thereof, see United States §40.

Disbursements: aid to state and local agencies in general, see United States §82(2).

Medical and hospital insurance in general, see Insurance §467.4.

Encyclopedias Disbursement of funds, see C.J.S. United States § 122. Health insurance in general, see C.J.S. Insurance § 893. Power and authority of officers to bind government, see C.J.S. United States § 38.

WESTLAW ELECTRONIC RESEARCH

Insurance cases: 217kladd key number].
 United States cases: 393kladd key number].
 See, also, WESTLAW guide following the Explanation pages of this volume.

§ 300bb-8. Definitions

For purposes of this subchapter—

(1) Group health plan

The term "group health plan" has the meaning given such term in section 162(i)(2) of Title 26.

(2) Covered employee

The term "covered employee" means an individual who is (as determined by the performance of services by the individual for 1 or more

persons maintaining the plan (including as an employee defined in section 401(c)(1) of Title 26).

(3) Qualified beneficiary

(A) In general

The term "qualified beneficiary" means, with respect to a covered employee under a group health plan, any other individual who, on the day before the qualifying event for that employee, is a beneficiary under the plan—

- (i) as the spouse of the covered employee, or
- (ii) as the dependent child of the employee.

(B) Special rule for terminations and reduced employment

In the case of a qualifying event described in section 300bb-3(2) of this title, the term "qualified beneficiary" includes the covered employee.

(4) Plan administrator

The term "plan administrator" has the meaning given the term "administrator" by section 1002(16)(A) of Title 29.

(July 1, 1944, c. 373, Title XXII, § 2208, as added Apr. 7, 1986, Pub.L. 99-272, Title X, § 10003(a), 100 Stat. 236, and amended Nov. 10, 1988, Pub.L. 100-647, Title III, § 3011(b)(7), 102 Stat. 3625; Dec. 19, 1989, Pub.L. 101-239, Title VI, § 6801(c)(1), 103 Stat. 2297.)

HISTORICAL AND STATUTORY NOTES

Revision Notes and Legislative Reports 1986 Act. Senate Report No. 99-146, Code Cong. and Adm. News, p. 42. House Report No. 99-241 (Parts I, II and III), and a Related Report, see 1986 U.S. Code Cong. and Adm. News, p. 42.

1988 Act. Senate Report No. 100-445 and House Conference Report No. 100-1104, see 1988 U.S. Code Cong. and Adm. News, p. 4515.

1989 Act. House Report No. 101-247, House Conference Report No. 101-386, and Statement by President, see 1989 U.S. Code Cong. and Adm. News, p. 1906.

References in Text

Section 162(i)(2) of Title 26, referred to in par. (1), was repealed by Pub.L. 101-239, Title VI, § 6202(b)(3)(A), Dec. 19, 1989, 103 Stat. 2233. For definition of "group health plan", see section 5000 of Title 26, Internal Revenue Code.

Amendments

1989 Amendment. Par. (2). Pub.L. 101-239 substituted "the performance of services by the individual for 1 or more

persons maintaining the plan (including as an employee defined in section 401(c)(1) of Title 26)" for "the individual's employment or previous employment with an employer".

1988 Amendment. Par. (1). Pub.L. 100-647 substituted "section 162(i)(2)" for "section 162(i)(3)".

Effective Dates

1989 Act. Section 6801(c)(2) of Pub.L. 101-239 provided that: "The amendment made by paragraph (1) [amending par. (2) of this section] shall apply to plan years beginning after December 31, 1989."

1988 Act. Amendment by Pub.L. 100-647 applicable to taxable years beginning after Dec. 31, 1988, but not applicable to any plan for any plan year to which section 162(k) of Title 26, Internal Revenue Code (as in effect on the day before Nov. 10, 1988), did not apply by reason of section 10001(e)(2) of Pub.L. 99-272, see section 3011(d) of Pub.L.

d of continuation coverage
ie 180-day period ending on
y the option of enrollment
available under the plan.

L. 99-272, Title X, § 10003(a),
§ 1895(d)(1)(C), (2)(C), (3)(C),
§§ 6702(a), (b), 6801(b)(1)(A),
title 1, § 1704(g)(1)(C), 110 Stat.
87.)

ES

described in section 300bb-3(b)
§ months with respect to such
ned reference to 29 months.

iv). Pub.L. 104-188,
mended cl. generally, substi-
ovisions for provisions which

g event involving medicare

an event described in section
title (without regard to wheth-
qualifying event), the period of
fied beneficiaries other than
oyee for such event or any
ing event shall not terminate
the 36-month period begin-
ie covered employee becomes
s under title XVIII of the
ct [42 U.S.C.A. § 1395 et

ub.L. 104-191, § 421(a)(1)(B),
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o.L. 104-191, § 421(a)(1)(C),
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er this subchapter for refer-
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f this title.

idment by section 421 of
tive Jan. 1, 1997, regardless
ying event occurred before,
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ternal Revenue Code.

ction 1704(g)(1)(C) of Pub.L.
) plan years beginning after
section 1704(g)(2) of Pub.L.
a note under section 4980B
Revenue Code.

other health plan
ongmont, D.Colo.1988, 701
olume] reversed 890 F.2d

1128, certiorari denied 110 S.Ct. 1814, 494 U.S.
1082, 108 L.Ed.2d 944.

2. Period of coverage

Order terminating requirement that husband
provide medical insurance for wife at end of
three years was proper as being in accord with
provisions of federal law permitting maintenance
of spouse's coverage for up to three years. Rich
v. Rich, Mo.App. E.D.1994, 871 S.W.2d 618.

§ 300bb-3. Qualifying event

LIBRARY REFERENCES

Encyclopedias

Health insurance in general, see C.J.S. Insur-
ance §§ 923 to 930.

§ 300bb-4. Applicable premium

LIBRARY REFERENCES

Encyclopedias

Health insurance in general, see C.J.S. Insur-
ance §§ 923 to 930.

§ 300bb-5. Election

LIBRARY REFERENCES

Encyclopedias

Health insurance in general, see C.J.S. Insur-
ance §§ 923 to 930.

§ 300bb-6. Notice requirements

In accordance with regulations prescribed by the Secretary—

(1) the group health plan shall provide, at the time of commencement of coverage
under the plan, written notice to each covered employee and spouse of the employee
(if any) of the rights provided under this subsection.¹

(2) the employer of an employee under a plan must notify the plan administrator
of a qualifying event described in paragraph (1), (2), or (4) of section 300bb-3 of this
title within 30 days of the date of the qualifying event,

(3) each covered employee or qualified beneficiary is responsible for notifying the
plan administrator of the occurrence of any qualifying event described in paragraph
(3) or (5) of section 300bb-3 of this title within 60 days after the date of the
qualifying event and each qualified beneficiary who is determined, under title II or
XVI of the Social Security Act [42 U.S.C.A. § 401 et seq. or 1381 et seq.], to have
been disabled at any time during the first 60 days of continuation coverage under
this subchapter is responsible for notifying the plan administrator of such determi-
nation within 60 days after the date of the determination and for notifying the plan
administrator within 30 days after the date of any final determination under such
title or titles that the qualified beneficiary is no longer disabled, and

(4) the plan administrator shall notify—

(A) in the case of a qualifying event described in paragraph (1), (2), or (4) of
section 300bb-3 of this title, any qualified beneficiary with respect to such
event, and

(B) in the case of a qualifying event described in paragraph (3) or (5) of
section 300bb-3 of this title where the covered employee notifies the plan
administrator under paragraph (3), any qualified beneficiary with respect to
such event,

of such beneficiary's rights under this subsection.¹

For purposes of paragraph (4), any notification shall be made within 14 days of the date
on which the plan administrator is notified under paragraph (2) or (3), whichever is
applicable, and any such notification to an individual who is a qualified beneficiary as the

spouse of the covered employee shall be treated as notification to all other qualified beneficiaries residing with such spouse at the time such notification is made.

(July 1, 1944, c. 373, Title XXII, § 2206, as added Apr. 7, 1986, Pub.L. 99-272, Title X, § 10003(a), 100 Stat. 235, and amended Oct. 22, 1986, Pub.L. 99-514, Title XVIII, § 1895(d)(6)(C), 100 Stat. 2939; Dec. 22, 1987, Pub.L. 100-203, Title IV, § 4009(j)(8), 101 Stat. 1330-59; Dec. 19, 1989, Pub.L. 101-239, Title VI, § 6702(c), 103 Stat. 2295; Aug. 21, 1996, Pub.L. 104-191, Title IV, § 421(a)(2), 110 Stat. 2088.)

¹ So in original. Probably should be "this subchapter".

HISTORICAL AND STATUTORY NOTES

Revision Notes and Legislative Reports

1996 Acts. House Report No. 104-496 and House Conference Report No. 104-736, see 1996 U.S. Code Cong. and Adm. News, p. 1865.

Amendments

1996 Amendments. Par. (3). Pub.L. 104-191, § 421(a)(2), substituted reference to first 60 days of continuation coverage under this sub-

chapter for reference to time of qualifying event described in section 300bb-3(2) of this title.

Effective Dates

1996 Acts. Amendment by section 421 of Pub.L. 104-191 effective Jan. 1, 1997, regardless of whether the qualifying event occurred before, on, or after such date, see section 421(d) of Pub.L. 104-191, set out as a note under section 4980B of Title 26, Internal Revenue Code.

LIBRARY REFERENCES

Encyclopedias

Health insurance in general, see C.J.S. Insurance §§ 923 to 930.

NOTES OF DECISIONS

Generally 1
Covered employee 4
Qualifying event 3
Retirement 2

field v. Chicago Park Dist. Group Plan, N.D.Ill. 1998, 997 F.Supp. 1053.

3. Qualifying event

If retiring employee is required by employer's health plan to take affirmative steps to continue his or her coverage after retirement, retirement constitutes a "qualifying event" triggering requirement under Consolidated Omnibus Budget Reconciliation Act (COBRA) amendments to the Public Health Service Act (PHSA) that employee receive notice of right to continuation of benefits. *Mansfield v. Chicago Park Dist. Group Plan*, N.D.Ill.1998, 997 F.Supp. 1053.

4. Covered employee

Fact that employer's health plan would not have provided coverage to retired employee who suffered a heart attack in a foreign country did not relieve employer of liability for failing to provide employee notice of his right to continue medical benefits under Consolidated Omnibus Budget Reconciliation Act (COBRA) amendments to the Public Health Service Act (PHSA); employer could not prove that employee would have traveled to foreign country if he had continued his health insurance coverage. *Mansfield v. Chicago Park Dist. Group Plan*, N.D.Ill.1998, 997 F.Supp. 1053.

§ 300bb-7. Enforcement

HISTORICAL AND STATUTORY NOTES

Continued Coverage of Costs of a Pediatric Vaccine under Certain Group Health Plans
Pub.L. 103-66, Title XIII, § 13631(d), Aug. 10, 1993, 107 Stat. 643, provided that:

"(1) Requirement.—The requirement of this paragraph, with respect to a group health plan for plan years beginning after the date of the enactment of this Act [Aug. 10, 1993], is that the

group health plan not reduce its coverage of the costs of pediatric vaccines (as defined under section 1928(h)(6) of the Social Security Act [section 1396s(h)(6) of this title]) below the coverage it provided as of May 1, 1993.

"(2) Enforcement.—For purposes of section 2207 of the Public Health Service Act [this section], the requirement of paragraph (1) is

deemed a require-
[this subchapter]

Encyclopedias

Health insuranc
e §§ 923 to 930

Attorney fees

1. Attorney fee

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§ 300bb-8.

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1996 Acts

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. 99-272, Title X, § 10003(a),
1895(d)(6)(C), 100 Stat. 2939;
1-59; Dec. 19, 1989, Pub.L.
191, Title IV, § 421(a)(2), 110

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300bb-3(2) of this title.

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1998, 997 F.Supp. 1053.

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st. Group Plan, N.D.Ill.1998,

st reduce its coverage of the
vaccines (as defined under
of the Social Security Act
of this title) below the cov-
of May 1, 1993.

t.—For purposes of section
Health Service Act [this
ement of paragraph (1) is

deemed a requirement of title XXII of such Act
[this subchapter]."

LIBRARY REFERENCES

Encyclopedias

Health insurance in general, see C.J.S. Insur-
ance §§ 923 to 930.

Texts and Treatises

2 Benefits Coord, Health Care; Disability
¶ 13,055.

NOTES OF DECISIONS

Attorney fees 1

1. Attorney fees

"Appropriate equitable relief," as used in Con-
solidated Omnibus Budget Reconciliation Act
(COBRA) provisions of Public Health Services

Act (PHSA) that permit individual who is ag-
grieved by government's failure to comply with
requirements of PHSA to bring action for ap-
propriate equitable relief, does not include
award of fines and attorney fees. *Brett v. Jef-
erson County, Ga., C.A.11 (Ga.) 1997, 123 F.3d
1429.*

§ 300bb-8. Definitions

For purposes of this subchapter—

(1) Group health plan

The term "group health plan" has the meaning given such term in 5000(b)¹ of
Title 26. Such term shall not include any plan substantially all of the coverage
under which is for qualified long-term care services (as defined in section 7702B(c)
of Title 26).

(2) Covered employee

The term "covered employee" means an individual who is (or was) provided
coverage under a group health plan by virtue of the performance of services by the
individual for 1 or more persons maintaining the plan (including as an employee
defined in section 401(c)(1) of Title 26).

(3) Qualified beneficiary

(A) In general

The term "qualified beneficiary" means, with respect to a covered employee
under a group health plan, any other individual who, on the day before the
qualifying event for that employee, is a beneficiary under the plan—

- (i) as the spouse of the covered employee, or
- (ii) as the dependent child of the employee.

Such term shall also include a child who is born to or placed for adoption with
the covered employee during the period of continuation coverage under this
subchapter.

(B) Special rule for terminations and reduced employment

In the case of a qualifying event described in section 300bb-3(2) of this title,
the term "qualified beneficiary" includes the covered employee.

(4) Plan administrator

The term "plan administrator" has the meaning given the term "administrator"
by section 1002(16)(A) of Title 29.

(July 1, 1944, c. 373, Title XXII, § 2208, as added Apr. 7, 1936, Pub.L. 99-272, Title X, § 10003(a),
100 Stat. 236, and amended Nov. 10, 1983, Pub.L. 100-647, Title III, § 3011(b)(7), 102 Stat. 3625;
Dec. 19, 1989, Pub.L. 101-239, Title VI, § 6801(c)(1), 103 Stat. 2297; Aug. 21, 1996, Pub.L. 104-191,
Title I, § 102(d), Title III, § 321(d)(3), Title IV, § 421(a)(3), 110 Stat. 1978, 2059, 2088.)

¹ So in original. Probably should be preceded by "section".

HISTORICAL AND STATUTORY NOTES

1996 Acts

House Report No. 104-496 and House Confer-
ence Report No. 104-736, see 1996 U.S. Code
Cong. and Adm. News, p. 1865.

Amendments

1996 Amendments. Par. (1). Pub.L. 104-191,
§ 102(d), substituted "5000(b)" for "section
162(i)(2)".

LRB Number: 2980 1/1

WANTED This week of

9/28

Nonsubmittal Form

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State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-2980/P1
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P2
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PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

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SOON

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1 AN ACT *to renumber and amend* 40.51 (7); *to amend* 20.515 (1) (s), 40.51 (2),
2 40.52 (4), 59.52 (11) (c), 66.184 and 66.186; and *to create* 40.02 (25) (b) 9m.,
3 40.05 (4) (ae), 40.51 (2) (d), 40.51 (7) (c) and 66.183 of the statutes; **relating to:**
4 providing health insurance coverage for certain local government employes and
5 officers who have terminated local government employment.

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided in a subsequent draft.
For further information see the ***state and local*** fiscal estimate, which will be
printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

6 SECTION 1. 20.515 (1) (s) of the statutes is amended to read:
7 20.515 (1) (s) *Benefit and coverage payments; employers other than the state;*
8 *retired employes.* All moneys received for health care coverage by the public employe
9 trust fund from eligible employes, as defined in s. 40.02 (25) (b) 9m. and 11., and from

1 employers, as defined in s. 40.02 (28), other than the state, and their employes
2 electing to be included in health care coverage plans through a program offered by
3 the group insurance board for payment of benefits and the costs of administering
4 benefits under s. 40.51 (7) and (10). Estimated disbursements under this paragraph
5 shall not be included in the schedule under s. 20.005.

6 **SECTION 2.** 40.02 (25) (b) 9m. of the statutes is created to read:

7 40.02 (25) (b) 9m. ^{Ann} participant who terminated covered employment with an
8 employer that had acted under s. 40.51 (7) to make health care coverage available
9 to its employes, who has not attained the age of 65 years and who is an annuitant or
10 is eligible for an immediate annuity but defers application(;) ←

11 **SECTION 3.** 40.05 (4) (ae) of the statutes is created to read:

12 40.05 (4) (ae) For health insurance, each eligible employe, as defined in s. 40.02
13 (25) (b) 9m., who receives coverage under s. 40.51 (7) shall pay all required premiums
14 that are not otherwise paid by the employe's former employer.

15 **SECTION 4.** 40.51 (2) of the statutes is amended to read:

16 40.51 (2) (a) Except as provided in subs. (10), (10m), (11) and (16), any eligible
17 employe may become covered by group health insurance by electing coverage within
18 30 days of being hired, to be effective as of the first day of the month which begins
19 on or after the date the application is received by the employer, or by electing
20 coverage prior to becoming eligible for employer contribution towards the premium
21 cost as provided in s. 40.05 (4) (a) to be effective upon becoming eligible for employer
22 contributions.

23 (b) An eligible employe who is not insured, but who is eligible for an employer
24 contribution under s. 40.05 (4) (ag) 1., may elect coverage prior to becoming eligible

1 for an employer contribution under s. 40.05 (4) (ag) 2., with the coverage to be
2 effective upon becoming eligible for the increase in the employer contribution.

3 (c) Any employe who does not ~~so elect at one of these times~~ make an election
4 at one of the times specified in par. (a) or (b), or who subsequently cancels the
5 insurance, shall not thereafter become insured unless the employe furnishes
6 evidence of insurability satisfactory to the insurer, at the employe's own expense or
7 obtains coverage subject to contractual waiting periods. The method to be used shall
8 be specified in the health insurance contract.

9 **SECTION 5.** 40.51 (2) (d) of the statutes is created to read:

10 40.51 (2) (d) This subsection does not apply to an eligible employe, as defined
11 in s. 40.02 (25) (b) 9m., who is covered under sub. (7).

12 **SECTION 6.** 40.51 (7) of the statutes is renumbered 40.51 (7) (a) and amended
13 to read:

14 40.51 (7) (a) Any employer, other than the state, may offer to all of its employes
15 and to eligible employes, as defined in s. 40.02 (25) (b) 9m., a health care coverage
16 plan through a program offered by the group insurance board.

17 (b) Notwithstanding sub. (2) and ss. 40.05 (4) and 40.52 (1), but subject to par.
18 (c), the department may by rule establish different eligibility standards or
19 contribution requirements for such employes and employers and may by rule limit
20 the categories of employers, other than the state, which may be included as
21 participating employers under this subchapter.

22 **SECTION 7.** 40.51 (7) (c) of the statutes is created to read:

23 40.51 (7) (c) In establishing ~~the~~ health care coverage plan under this
24 subsection, the department:
a

1 1. May not impose different requirements relating to evidence of insurability
2 or preexisting conditions on eligible employes, as defined in s. 40.02 (25) (b) 9m., from
3 those which it imposes on employes.

4 2. May not segregate employes and eligible employes, as defined in s. 40.02 (25)
5 (b) 9m., into different groups for insurance coverage purposes.

6 3. Shall provide that any eligible employe, as defined in s. 40.02 (25) (b) 9m.,
7 may not receive dependent coverage unless the employe received dependent
8 coverage immediately before terminating employment with the employer.

9 4. Shall provide that any eligible employe, as defined in s. 40.02 (25) (b) 9m.,
10 who receives dependent coverage may convert to individual coverage, but that any
11 eligible employe, as defined in s. 40.02 (25) (b) 9m., who receives individual coverage
12 may not convert to dependent coverage.

13 [^]
SECTION 8. 40.52 (4) of the statutes is amended to read:

14 40.52 (4) The group insurance board shall establish the terms of health
15 insurance plans for eligible employes, as defined under s. 40.02 (25) (b) 9., 9m. and
16 11., who elect coverage under s. 40.51 (7) or (10).

17 [^]
SECTION 9. 59.52 (11) (c) of the statutes is amended to read:

18 59.52 (11) (c) *Employe insurance.* Provide for individual or group hospital,
19 surgical and life insurance for county officers and employes and for payment of
20 premiums for such officers and employes. In addition, a county with at least 100
21 employes may elect to provide health care benefits on a self-insured basis to its
22 officers and employes, and any 2 or more counties which together have at least 100
23 employes may jointly provide health care benefits on a self-insured basis to officers
24 and employes of the counties. Counties which elect to provide health care benefits
25 on a self-insured basis to their officers and employes shall be subject to the

hospital or surgical

self-insured

1 requirements set forth under s. 120.13 (2) (c) to (e) and (g). Any insurance or health
2 care benefits that are provided under this paragraph shall be subject to the
3 requirements under s. 66.183.

4 SECTION 10. 66.183 of the statutes is created to read:

5 **66.183 Health insurance for retired governmental employees. (1)**

6 DEFINITIONS. In this section:

7 (a) "Dependent" has the meaning given by a political subdivision for a
8 dependent of a current employe of the political subdivision for insurance purposes.

9 (b) "Eligible person" means an individual who, at the time of his or her
10 retirement from employment by, or as an officer of, a political subdivision, is eligible
11 to become an annuitant of the Wisconsin retirement system under ch. 40 or is eligible
12 to receive disability payments from the Wisconsin retirement system under ch. 40.

13 (c) "Political subdivision" means a city, village, town or county.

14 (2) CONTINUATION OF COVERAGE. (a) 1. Upon his or her retirement or disability,
15 and subject to subs. 2. and 3., a political subdivision shall allow an eligible person
16 to continue to be covered indefinitely by any employer-sponsored hospital, medical
17 or dental group insurance policy under which the eligible person was covered
18 immediately before his or her retirement or disability.

19 2. To maintain ^{any} coverage under subd. 1., the eligible person must pay the entire
20 premium for ~~any~~ ^{specified} coverage, except as otherwise provided in an applicable
21 collective bargaining agreement or a policy or ordinance of the political subdivision.

22 3. A political subdivision may discontinue ^{any} the coverage ~~that is required~~ ^{specified} under
23 subd. 1. if the eligible person is responsible for paying the premium ~~and policy~~ and
24 he or she does not do so within the time period specified for payment of premiums
25 under ~~FEDERAL LAW CITING~~

42 USC 300bb-2(2)(c)

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Notwithstanding A. 632.897, insert 5-8

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Notwithstanding s. 632.897 (2)(b) 3.,

he or she may elect to have the coverage required under this paragraph sustained

1 4. The coverage required under this paragraph shall extend to the eligible
2 person's spouse ~~and~~ ^{of} the eligible person had dependent coverage at the time of his
3 or her retirement or disability, to his or her dependents. This ~~paragraph~~ ^{subdivision} does not
4 require a political subdivision to continue to offer coverage to a dependent of an
5 eligible person after the eligible person's death.

6 5. If an eligible person ~~with dependent coverage~~ ^{elects} dependent coverage under subd. 4, the
7 eligible person may ^{subsequently} drop the dependent coverage and maintain coverage ^{only} for the
8 eligible person or the eligible person and his or her spouse. An eligible person may
9 not maintain dependent coverage without maintaining individual coverage for the
10 eligible person or the eligible person and his or her spouse.

11 (b) For purposes of establishing premiums and coverage ^{under} hospital,
12 medical or dental group insurance policy ^{under this section} a political subdivision may not segregate
13 ~~current employees~~ and ~~eligible persons~~ ^{may not be segregated} into different groups ^{under the eligible}
14 ~~person reaches the age of 65 years~~

15 (c) Notwithstanding s. 632.897, the coverage required under par. (a) may not
16 discriminate on the basis of evidence of insurability or preexisting conditions, unless
17 identical conditions apply to current employees of the group to which the eligible
18 person belonged when he or she was an employe of the political subdivision

19 ~~A~~ ^{he or she} political subdivision shall notify an eligible person, while he or she is an
20 employe or an officer of the political subdivision, that he or she may be eligible to
21 continue ~~to be covered by~~ ^{coverage under} his or her hospital, medical or dental group insurance
22 policy, as provided under this section, upon his or her retirement or if he or she
23 becomes disabled. The political subdivision shall also notify the eligible person ~~that~~
24 ~~any death by which the eligible person~~ ^{that he or she} must notify the political subdivision that
25 he or she wishes to continue ~~to be covered by~~ ^{coverage under} his or her hospital, medical or dental

or an employe or officer of the political subdivision who is likely to become an eligible person,

shortly, a spouse, group (for most purposes), accept that eligible persons who are 65 years of age or older may be segregated into a separate group

42 USC 30066-5 (1)

1 group insurance policy as provided under this section. If the eligible person notifies
 2 the political subdivision that he or she wishes to continue to be covered, the
 3 notification must occur within the time period ~~for such notification~~ that is specified
 4 under ~~FEDERAL LAW~~ ^{§ 2.} If the eligible person notifies the political
 5 subdivision that he or she does not wish to continue ~~to be covered~~ ^{coverage} or does not notify
 6 the political subdivision of his or her wishes by the deadline described in ~~this~~
 7 ~~paragraph~~ ^{may not} the eligible person ~~may not~~ reenter the political subdivision's
 8 hospital, medical or dental group insurance program.

sub. 1.

9 SECTION 11. 66.184 of the statutes is amended to read:

10 **66.184 Self-insured health plans.** If a city, including a 1st class city, or a
 11 village provides health care benefits under its home rule power, or if a town provides
 12 health care benefits, to its officers and employees on a self-insured basis, the
 13 self-insured plan shall comply with ss. 49.493 (3) (d), 66.183, 631.89, 631.90, 631.93
 14 (2), 632.746 (10) (a) 2. and (b) 2., 632.747 (3), 632.85, 632.853, 632.855, 632.87 (4) and
 15 (5), 632.895 (9) to (13), 632.896, 767.25 (4m) (d), 767.51 (3m) (d) and 767.62 (4) (b) 4.

16 SECTION 12. 66.186 of the statutes is amended to read:

17 **66.186 Health insurance; first class cities.** The Subject to s. 66.183, the
 18 common council of any 1st ^{class} city may, by ordinance or resolution, provide for
 19 general hospital, surgical and group insurance for both active and retired city officers
 20 and city employees and their respective dependents and for payment of premiums
 21 therefor in private companies, or may, by ordinance or resolution, elect to offer to all
 22 of its employees a health care coverage plan through a program offered by the group
 23 insurance board under ch. 40. Municipalities which elect to participate under s.
 24 40.51 (7) shall be subject to the applicable sections of ch. 40 instead of this section.
 25 Contracts for such insurance may be entered into for active officers and employees

1 separately from such contracts for retired officers and employees, but shall be subject
2 to s. 66.183. Appropriations may be made for the purpose of financing such
3 insurance. Moneys accruing to such fund, by investment or otherwise, shall not be
4 diverted for any other purpose than those for which such fund was set up or to defray
5 management expenses of such fund or to partially pay premiums so as to reduce costs
6 to the city or to persons covered by such insurance, or both.

7 **SECTION 13. Initial applicability.**

8 (1) The treatment of section 66.183 of the statutes, to the extent that it affects
9 an eligible person, as defined in section 66.183 (1) (b) of the statutes, who is affected
10 by a collective bargaining agreement, first applies to such a person on the day on
11 which the collective bargaining agreement expires or is extended, modified or
12 renewed, whichever occurs first.

13

(END)

that contains provisions inconsistent with that treatment

D-note

**1999-2000 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-2980/P1ins
MES/RAC/PJK:cjs&jlg:jf

INSERT 5-8

(a) "Dependent", with respect to an eligible person, has the same meaning as the term is given by a political subdivision, for insurance purposes, with respect to a current employe of the political subdivision.

(END OF INSERT 5-8)

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-2980/Pfdn
MES/RAC/PJK:cjs&jlgjf

CJS
Cmt

letter "l"

1

ago 1. Do you want the coverage requirement under this bill to apply only to employes and officers who retire or become disabled on or after the effective date of the bill? Alternatively, do you want employes and officers who are already retired or disabled to be able to get this continued coverage? If you want the coverage to apply to already retired or disabled employes or officers, do you want to place any limits on how long ago they retired or became disabled? I assume political subdivisions would have to notify all of the already retired or disabled employes and officers, but how far back would they have to go? And how long would the notified persons have to notify the political subdivisions that they wanted the continued coverage?

2. Section 632.897 already allows persons who lose coverage for various reasons under an employer's group health insurance policy to continue coverage under the group policy for up to 18 months. At that time, the insurer may require the person to convert to an individual policy. I assume s. 632.897 applies to retired or disabled government employes and officers. I see nothing that excludes them. Section 632.897 is based on federal law (COBRA). I'm not sure how far outside the parameters of the federal law we can go.

In addition, because the continued coverage under this bill may apply to persons who are eligible for medicare, I assume this coverage would be considered a supplement to, or a replacement for, medicare. Federal law has some strict requirements related to medicare supplement and replacement policies.

Because of these concerns, I suggest that you share this bill draft with OCI early on, or permit us to contact OCI to find out if the bill conflicts with federal law and would be preempted by it.

Pamela J. Kahler
Senior Legislative Attorney
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E-mail: Pam.Kahler@legis.state.wi.us



1/23

rmk

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

SOON

regen

1 AN ACT to renumber and amend 40.51 (7); to amend 20.515 (1) (s), 40.51 (2),
2 40.52 (4), 59.52 (11) (c), 66.184 and 66.186; and to create 40.02 (25) (b) 9m.,
3 40.05 (4) (ae), 40.51 (2) (d), 40.51 (7) (c) and 66.183 of the statutes; relating to:
4 providing health insurance coverage for certain local government employes and
5 officers who have terminated local government employment.

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided in a subsequent draft.
For further information see the *state and local* fiscal estimate, which will be
printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

6 SECTION 1. 20.515 (1) (s) of the statutes is amended to read:
7 20.515 (1) (s) *Benefit and coverage payments; employers other than the state;*
8 *retired employes.* All moneys received for health care coverage by the public employe
9 trust fund from eligible employes, as defined in s. 40.02 (25) (b) 9m. and 11., and from

1 employers, as defined in s. 40.02 (28), other than the state, and their employes
2 electing to be included in health care coverage plans through a program offered by
3 the group insurance board for payment of benefits and the costs of administering
4 benefits under s. 40.51 (7) and (10). Estimated disbursements under this paragraph
5 shall not be included in the schedule under s. 20.005.

6 **SECTION 2.** 40.02 (25) (b) 9m. of the statutes is created to read:

7 40.02 (25) (b) 9m. Any participant who terminated covered employment with
8 an employer that had acted under s. 40.51 (7) to make health care coverage available
9 to its employes, who has not attained the age of 65 years and who is an annuitant or
10 is eligible for an immediate annuity but defers application;

11 **SECTION 3.** 40.05 (4) (ae) of the statutes is created to read:

12 40.05 (4) (ae) For health insurance, each eligible employe, as defined in s. 40.02
13 (25) (b) 9m., who receives coverage under s. 40.51 (7) shall pay all required premiums
14 that are not otherwise paid by the employe's former employer.

15 **SECTION 4.** 40.51 (2) of the statutes is amended to read:

16 40.51 (2) (a) Except as provided in subs. (10), (10m), (11) and (16), any eligible
17 employe may become covered by group health insurance by electing coverage within
18 30 days of being hired, to be effective as of the first day of the month which begins
19 on or after the date the application is received by the employer, or by electing
20 coverage prior to becoming eligible for employer contribution towards the premium
21 cost as provided in s. 40.05 (4) (a) to be effective upon becoming eligible for employer
22 contributions.

23 (b) An eligible employe who is not insured, but who is eligible for an employer
24 contribution under s. 40.05 (4) (ag) 1., may elect coverage prior to becoming eligible

1 for an employer contribution under s. 40.05 (4) (ag) 2., with the coverage to be
2 effective upon becoming eligible for the increase in the employer contribution.

3 (c) Any employe who does not ~~so elect at one of these times~~ make an election
4 at one of the times specified in par. (a) or (b), or who subsequently cancels the
5 insurance, shall not thereafter become insured unless the employe furnishes
6 evidence of insurability satisfactory to the insurer, at the employe's own expense or
7 obtains coverage subject to contractual waiting periods. The method to be used shall
8 be specified in the health insurance contract.

9 **SECTION 5.** 40.51 (2) (d) of the statutes is created to read:

10 40.51 (2) (d) This subsection does not apply to an eligible employe, as defined
11 in s. 40.02 (25) (b) 9m., who is covered under sub. (7).

12 **SECTION 6.** 40.51 (7) of the statutes is renumbered 40.51 (7) (a) and amended
13 to read:

14 40.51 (7) (a) Any employer, other than the state, may offer to all of its employes
15 and to eligible employes, as defined in s. 40.02 (25) (b) 9m., a health care coverage
16 plan through a program offered by the group insurance board.

17 (b) Notwithstanding sub. (2) and ss. 40.05 (4) and 40.52 (1), but subject to par.
18 (c), the department may by rule establish different eligibility standards or
19 contribution requirements for such employes and employers and may by rule limit
20 the categories of employers, other than the state, which may be included as
21 participating employers under this subchapter.

22 **SECTION 7.** 40.51 (7) (c) of the statutes is created to read:

23 40.51 (7) (c) In establishing a health care coverage plan under this subsection,
24 the department:

1 1. May not impose different requirements relating to evidence of insurability
2 or preexisting conditions on eligible employees, as defined in s. 40.02 (25) (b) 9m., from
3 those which it imposes on employees.

4 2. May not segregate employees and eligible employees, as defined in s. 40.02 (25)
5 (b) 9m., into different groups for insurance coverage purposes.

6 3. Shall provide that any eligible employee, as defined in s. 40.02 (25) (b) 9m.,
7 may not receive dependent coverage unless the employee received dependent
8 coverage immediately before terminating employment with the employer.

9 4. Shall provide that any eligible employee, as defined in s. 40.02 (25) (b) 9m.,
10 who receives dependent coverage may convert to individual coverage, but that any
11 eligible employee, as defined in s. 40.02 (25) (b) 9m., who receives individual coverage
12 may not convert to dependent coverage.

13 **SECTION 8.** 40.52 (4) of the statutes is amended to read:

14 40.52 (4) The group insurance board shall establish the terms of health
15 insurance plans for eligible employees, as defined under s. 40.02 (25) (b) 9m. and
16 11., who elect coverage under s. 40.51 (7) or (10).

17 **SECTION 9.** 59.52 (11) (c) of the statutes is amended to read:

18 59.52 (11) (c) *Employee insurance.* Provide for individual or group hospital,
19 surgical and life insurance for county officers and employees and for payment of
20 premiums for such officers and employees. In addition, a county with at least 100
21 employees may elect to provide health care benefits on a self-insured basis to its
22 officers and employees, and any 2 or more counties which together have at least 100
23 employees may jointly provide health care benefits on a self-insured basis to officers
24 and employees of the counties. Counties which elect to provide health care benefits
25 on a self-insured basis to their officers and employees shall be subject to the

1 requirements set forth under s. 120.13 (2) (c) to (e) and (g). Any hospital or surgical
2 insurance or self-insured health care benefits that are provided under this
3 paragraph shall be subject to the requirements under s. 66.183.

4 SECTION 10. 66.183 of the statutes is created to read:

5 **66.183 Health insurance for retired governmental employes. (1)**

6 DEFINITIONS. In this section:

7 (a) "Dependent", with respect to an eligible person, has the same meaning as
8 the term is given by a political subdivision, for insurance purposes, with respect to
9 a current employe of the political subdivision.

10 (a) "Eligible person" means an individual who, at the time of his or her
11 retirement from employment by, or as an officer of, a political subdivision, is eligible
12 to become an annuitant of the Wisconsin retirement system under ch. 40 or to receive
13 disability payments from the Wisconsin retirement system under ch. 40.

14 (b) "Political subdivision" means a city, village, town or county.

15 (2) CONTINUATION OF COVERAGE. (a) ^{par. (b) and to} Notwithstanding s. 632.897, and subject
16 to subds. 2. and 3., a political subdivision ^{may} ~~shall~~ allow an eligible person, upon his or
17 her retirement or disability, to continue to be covered indefinitely by any
18 employer-sponsored hospital, medical or dental group insurance policy under which
19 the eligible person was covered immediately before his or her retirement or
20 disability.

21 2. To obtain and maintain any coverage specified under subd. 1., the eligible
22 person must pay the entire premium for the coverage, except as otherwise provided
23 in an applicable collective bargaining agreement or a policy or ordinance of the
24 political subdivision.

1 3. A political subdivision may discontinue any coverage specified under subd.
2 1. if the eligible person is responsible for paying the premium for the coverage and
3 he or she does not do so within the time period specified for payment of premiums
4 under 42 USC 300bb-2 (2) (c).

5 4. The coverage required under this paragraph shall extend to the eligible
6 person's spouse. If the eligible person had dependent coverage at the time of his or
7 her retirement or disability, he or she may elect to have the coverage required under
8 this paragraph extended to his or her dependents. Notwithstanding s. 632.897 (2)
9 (b) 3., this subdivision does not require a political subdivision to continue to offer
10 coverage to a dependent, other than a spouse, of an eligible person after the eligible
11 person's death.

12 5. If an eligible person elects dependent coverage under subd. 4., the eligible
13 person may subsequently drop the dependent coverage and maintain coverage only
14 for the eligible person or the eligible person and his or her spouse. An eligible person
15 may not maintain dependent coverage without maintaining individual coverage for
16 the eligible person or the eligible person and his or her spouse.

17 (b) For purposes of establishing premiums and coverage under a hospital,
18 medical or dental group insurance policy under this section, current employes and
19 eligible persons may not be segregated into different groups, except that eligible
20 persons who are 65 years of age or older may be segregated into a separate group for
21 those purposes.

22 (c) 1. A political subdivision shall notify an eligible person, while he or she is
23 an employe or an officer of the political subdivision, or an employe or officer of the
24 political subdivision who is likely to become an eligible person, that he or she may
25 be eligible to continue coverage under his or her hospital, medical or dental group

1 insurance policy, as provided under this section, upon his or her retirement or if he
2 or she becomes disabled. The political subdivision shall also notify the eligible
3 person that he or she must notify the political subdivision that he or she wishes to
4 continue coverage under his or her hospital, medical or dental group insurance policy
5 within the time period that is specified under 42 USC 300 bb-5 (1).

6 2. If the eligible person notifies the political subdivision that he or she does not
7 wish to continue coverage, or does not notify the political subdivision of his or her
8 wishes by the deadline described in subd. 1., the eligible person may not reenter the
9 political subdivision's hospital, medical or dental group insurance program.

10 SECTION 11. 66.184 of the statutes is amended to read:

11 **66.184 Self-insured health plans.** If a city, including a 1st class city, or a
12 village provides health care benefits under its home rule power, or if a town provides
13 health care benefits, to its officers and employes on a self-insured basis, the
14 self-insured plan shall comply with ss. 49.493 (3) (d), ~~66.183~~, 631.89, 631.90, 631.93
15 (2), 632.746 (10) (a) 2. and (b) 2., 632.747 (3), 632.85, 632.853, 632.855, 632.87 (4) and
16 (5), 632.895 (9) to (13), 632.896, 767.25 (4m) (d), 767.51 (3m) (d) and 767.62 (4) (b) 4.

17 SECTION 12. 66.186 of the statutes is amended to read:

18 **66.186 Health insurance; first class cities.** ~~The Subject to s. 66.183, the~~
19 common council of any 1st class city may, by ordinance or resolution, provide for
20 general hospital, surgical and group insurance for both active and retired city officers
21 and city employes and their respective dependents and for payment of premiums
22 therefor in private companies, or may, by ordinance or resolution, elect to offer to all
23 of its employes a health care coverage plan through a program offered by the group
24 insurance board under ch. 40. Municipalities which elect to participate under s.
25 40.51 (7) shall be subject to the applicable sections of ch. 40 instead of this section.

1 Contracts for such insurance may be entered into for active officers and employees
2 separately from such contracts for retired officers and employees, but shall be subject
3 to s. 66.183. Appropriations may be made for the purpose of financing such
4 insurance. Moneys accruing to such fund, by investment or otherwise, shall not be
5 diverted for any other purpose than those for which such fund was set up or to defray
6 management expenses of such fund or to partially pay premiums so as to reduce costs
7 to the city or to persons covered by such insurance, or both.

8 **SECTION 13. Initial applicability.**

9 (1) The treatment of section 66.183 of the statutes, to the extent that it affects
10 an eligible person, as defined in section 66.183 (1) ^(a) ~~of~~ of the statutes, who is affected
11 by a collective bargaining agreement that contains provisions inconsistent with that
12 treatment, first applies to such a person on the day on which the collective bargaining
13 agreement expires or is extended, modified or renewed, whichever occurs first.

14 (END)

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2980/P2dn
PJK:cjs&cmh:mrc

November 10, 1999

1. Do you want the coverage requirement under this bill to apply only to employes and officers who retire or become disabled on or after the effective date of the bill? Alternatively, do you want employes and officers who are already retired or disabled to be able to get this continued coverage? If you want the coverage to apply to already retired or disabled employes or officers, do you want to place any limits on how long ago they retired or became disabled? I assume political subdivisions would have to notify all of the already retired or disabled employes and officers, but how far back would they have to go? And how long would the notified persons have to notify the political subdivisions that they wanted the continued coverage?

2. Section 632.897 already allows persons who lose coverage for various reasons under an employer's group health insurance policy to continue coverage under the group policy for up to 18 months. At that time, the insurer may require the person to convert to an individual policy. I assume s. 632.897 applies to retired or disabled government employes and officers. I see nothing that excludes them. Section 632.897 is based on federal law (COBRA). I'm not sure how far outside the parameters of the federal law we can go.

In addition, because the continued coverage under this bill may apply to persons who are eligible for medicare, I assume this coverage would be considered a supplement to, or a replacement for, medicare. Federal law has some strict requirements related to medicare supplement and replacement policies.

Because of these concerns, I suggest that you share this bill draft with OCI early on, or permit us to contact OCI to find out if the bill conflicts with federal law and would be preempted by it.

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: Pam.Kahler@legis.state.wi.us

-2980

Joe Strohl
251-9605

Munis ~~can~~^{may} let their retired EEs
receive their same health ins
upon retirement if the retirees pay
the whole premium.

Now, Sheboygan froze costs for
current

restrict the muni -- if muni ER
does allow retirees to cost w/muni

health ins, muni can't charge retirees
more than muni pays for current EEs

* see p. 6, ll. 17-21 -- this is close
to what they want



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-2980/ES

MES/RAC/PJK:cjs&cmh:461

RMF

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

SOON

RMF

1 AN ACT to renumber and amend 40.51 (7); to amend 20.515 (1) (s), 40.51 (2),
2 40.52 (4), 59.52 (11) (c), 66.184 and 66.186; and to create 40.02 (25) (b) 9m.,
3 40.05 (4) (ae), 40.51 (2) (d), 40.51 (7) (c) and 66.183 of the statutes; relating to:
4 providing health insurance coverage for certain local government employes and
5 officers who have terminated local government employment.

INS
ANL

Analysis by the Legislative Reference Bureau

~~This is a preliminary draft. An analysis will be provided in a subsequent draft.~~
For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

6 SECTION 1. 20.515 (1) (s) of the statutes is amended to read:
7 20.515 (1) (s) *Benefit and coverage payments; employers other than the state;*
8 *retired employes.* All moneys received for health care coverage by the public employe
9 trust fund from eligible employes, as defined in s. 40.02 (25) (b) 9m. and 11., and from

SECTION 1

1 employers, as defined in s. 40.02 (28), other than the state, and their employes
2 electing to be included in health care coverage plans through a program offered by
3 the group insurance board for payment of benefits and the costs of administering
4 benefits under s. 40.51 (7) and (10). Estimated disbursements under this paragraph
5 shall not be included in the schedule under s. 20.005.

6 **SECTION 2.** 40.02 (25) (b) 9m. of the statutes is created to read:

7 40.02 (25) (b) 9m. Any participant who terminated covered employment with
8 an employer that had acted under s. 40.51 (7) to make health care coverage available
9 to its employes, who has not attained the age of 65 years and who is an annuitant or
10 is eligible for an immediate annuity but defers application;

11 **SECTION 3.** 40.05 (4) (ae) of the statutes is created to read:

12 40.05 (4) (ae) For health insurance, each eligible employe, as defined in s. 40.02
13 (25) (b) 9m., who receives coverage under s. 40.51 (7) shall pay all required premiums
14 that are not otherwise paid by the employe's former employer.

15 **SECTION 4.** 40.51 (2) of the statutes is amended to read:

16 40.51 (2) (a) Except as provided in subs. (10), (10m), (11) and (16), any eligible
17 employe may become covered by group health insurance by electing coverage within
18 30 days of being hired, to be effective as of the first day of the month which begins
19 on or after the date the application is received by the employer, or by electing
20 coverage prior to becoming eligible for employer contribution towards the premium
21 cost as provided in s. 40.05 (4) (a) to be effective upon becoming eligible for employer
22 contributions.

23 (b) An eligible employe who is not insured, but who is eligible for an employer
24 contribution under s. 40.05 (4) (ag) 1., may elect coverage prior to becoming eligible

1 for an employer contribution under s. 40.05 (4) (ag) 2., with the coverage to be
2 effective upon becoming eligible for the increase in the employer contribution.

3 ~~(c) Any employe who does not so elect at one of these times make an election~~
4 ~~at one of the times specified in par. (a) or (b),~~ or who subsequently cancels the
5 insurance, shall not thereafter become insured unless the employe furnishes
6 evidence of insurability satisfactory to the insurer, at the employe's own expense or
7 obtains coverage subject to contractual waiting periods. The method to be used shall
8 be specified in the health insurance contract.

9 SECTION 5. 40.51 (2) (d) of the statutes is created to read:

10 40.51 (2) (d) This subsection does not apply to an eligible employe, as defined
11 in s. 40.02 (25) (b) 9m., who is covered under sub. (7).

12 SECTION 6. 40.51 (7) of the statutes is renumbered 40.51 (7) (a) and amended
13 to read:

14 40.51 (7) (a) Any employer, other than the state, may offer to all of its employes
15 and to eligible employes, as defined in s. 40.02 (25) (b) 9m., a health care coverage
16 plan through a program offered by the group insurance board.

17 (b) Notwithstanding sub. (2) and ss. 40.05 (4) and 40.52 (1), but subject to par.
18 (c), the department may by rule establish different eligibility standards or
19 contribution requirements for such employes and employers and may by rule limit
20 the categories of employers, other than the state, which may be included as
21 participating employers under this subchapter.

22 SECTION 7. 40.51 (7) (c) of the statutes is created to read:

23 40.51 (7) (c) In establishing a health care coverage plan under this subsection,
24 the department:

1 1. May not impose different requirements relating to evidence of insurability
2 or preexisting conditions on eligible employees, as defined in s. 40.02 (25) (b) 9m., from
3 those which it imposes on employees.

4 2. May not segregate employees and eligible employees, as defined in s. 40.02 (25)
5 (b) 9m., into different groups for insurance coverage purposes.

6 3. Shall provide that any eligible employee, as defined in s. 40.02 (25) (b) 9m.,
7 may not receive dependent coverage unless the employee received dependent
8 coverage immediately before terminating employment with the employer.

9 4. Shall provide that any eligible employee, as defined in s. 40.02 (25) (b) 9m.,
10 who receives dependent coverage may convert to individual coverage, but that any
11 eligible employee, as defined in s. 40.02 (25) (b) 9m., who receives individual coverage
12 may not convert to dependent coverage.

13 SECTION 8. 40.52 (4) of the statutes is amended to read:

14 40.52 (4) The group insurance board shall establish the terms of health
15 insurance plans for eligible employees, as defined under s. 40.02 (25) (b) 9., 9m. and
16 11., who elect coverage under s. 40.51 (7) or (10).

17 SECTION 9. 59.52 (11) (c) of the statutes is amended to read:

18 59.52 (11) (c) *Employee insurance.* Provide for individual or group hospital,
19 surgical and life insurance for county officers and employees and for payment of
20 premiums for such officers and employees. In addition, a county with at least 100
21 employees may elect to provide health care benefits on a self-insured basis to its
22 officers and employees, and any 2 or more counties which together have at least 100
23 employees may jointly provide health care benefits on a self-insured basis to officers
24 and employees of the counties. Counties which elect to provide health care benefits
25 on a self-insured basis to their officers and employees shall be subject to the

1 requirements set forth under s. 120.13 (2) (c) to (e) and (g). Any hospital or surgical
2 insurance or self-insured health care benefits that are provided under this
3 paragraph shall be subject to the requirements under s. 66.183.

4 SECTION 10. 66.183 of the statutes is created to read:

5 **66.183 Health insurance for retired governmental employes. (1)**

6 DEFINITIONS. In this section:

7 (a) "Eligible person" means an individual who, at the time of his or her
8 retirement from employment by, or as an officer of, a political subdivision, is eligible
9 to become an annuitant of the Wisconsin retirement system under ch. 40 or to receive
10 disability payments from the Wisconsin retirement system under ch. 40.

11 (c) "Political subdivision" means a city, village, town or county.

12 (2) CONTINUATION OF COVERAGE. (a) 1. Notwithstanding s. 632.897, and subject
13 to par. (b) and to subs. 2. and 3., a political subdivision may allow an eligible person,
14 upon his or her retirement or disability, to continue to be covered indefinitely by any
15 employer-sponsored hospital, medical or dental group insurance policy under which
16 the eligible person was covered immediately before his or her retirement or
17 disability.

18 2. To obtain and maintain any coverage specified under subd. 1., the eligible
19 person must pay the entire premium for the coverage, except as otherwise provided
20 in an applicable collective bargaining agreement or a policy or ordinance of the
21 political subdivision.

22 3. A political subdivision may discontinue any coverage specified under subd.
23 1. if the eligible person is responsible for paying the premium for the coverage and
24 he or she does not do so within the time period specified for payment of premiums
25 under 42 USC 300bb-2 (2) (c).

SECTION 10

1 (b) For purposes of establishing premiums and coverage under a hospital,
2 medical or dental group insurance policy under this section, current employees and
3 eligible persons may not be segregated into different groups, except that eligible
4 persons who are 65 years of age or older, ^{and are enrolled in} ~~and are eligible for Medicare~~ may be segregated into a separate group for
5 those purposes. ✓

6 SECTION 11. 66.184 of the statutes is amended to read:

7 **66.184 Self-insured health plans.** If a city, including a 1st class city, or a
8 village provides health care benefits under its home rule power, or if a town provides
9 health care benefits, to its officers and employees on a self-insured basis, the
10 self-insured plan shall comply with ss. 49.493 (3) (d), ~~66.183~~, 631.89, 631.90, 631.93
11 (2), 632.746 (10) (a) 2. and (b) 2., 632.747 (3), 632.85, 632.853, 632.855, 632.87 (4) and
12 (5), 632.895 (9) to (13), 632.896, 767.25 (4m) (d), 767.51 (3m) (d) and 767.62 (4) (b) 4.

13 SECTION 12. 66.186[^] of the statutes is amended to read:

14 **66.186 Health insurance; first class cities.** The Subject to s. 66.183, the
15 common council of any 1st class city may, by ordinance or resolution, provide for
16 general hospital, surgical and group insurance for both active and retired city officers
17 and city employees and their respective dependents and for payment of premiums
18 therefor in private companies, or may, by ordinance or resolution, elect to offer to all
19 of its employees a health care coverage plan through a program offered by the group
20 insurance board under ch. 40. Municipalities which elect to participate under s.
21 40.51 (7) shall be subject to the applicable sections of ch. 40 instead of this section.
22 Contracts for such insurance may be entered into for active officers and employees
23 separately from such contracts for retired officers and employees, but shall be subject
24 to s. 66.183. Appropriations may be made for the purpose of financing such
25 insurance. Moneys accruing to such fund, by investment or otherwise, shall not be

1 diverted for any other purpose than those for which such fund was set up or to defray
2 management expenses of such fund or to partially pay premiums so as to reduce costs
3 to the city or to persons covered by such insurance, or both.

4 **SECTION 13. Initial applicability.**

5 (1) The treatment of section 66.183 of the statutes, to the extent that it affects
6 an eligible person, as defined in section 66.183 (1) (a) of the statutes, who is affected
7 by a collective bargaining agreement that contains provisions inconsistent with that
8 treatment, first applies to such a person on the day on which the collective bargaining
9 agreement expires or is extended, modified or renewed, whichever occurs first.

10

(END)

INSERT 5-10

#(b) "Medicare" means coverage under both part A and

part B of Title XVIII of the federal social security act,

42 USC 1395 to 1395ggg.

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FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2980/lins
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INS ANL

Under current law, a political subdivision (city, village, town or county) may provide health insurance coverage for its officers and employes. Cities and villages, under their home rule authority, may also provide such insurance to their retired employes or officers if the employes or officers pay the insurance premium.

Under this bill and subject to a number of conditions, a political subdivision may allow an eligible person, upon his or her retirement or disability, to continue to be covered indefinitely by an employer-sponsored hospital, medical or dental group insurance policy (health insurance) under which the person was covered immediately before his or her retirement. An "eligible person" is defined as an individual who, at the time of his or her retirement from employment by, or as an officer of, a political subdivision, is eligible to become an annuitant of the Wisconsin Retirement System (WRS) or to receive a disability from WRS.

Under the bill, the eligible person must pay the entire premium for the coverage, unless a collective bargaining agreement or a political subdivision's policy provides otherwise. A political subdivision may discontinue an eligible person's health insurance if he or she does not pay the required premiums within the time period specified for such payments under federal law, generally within 30 days of the premium's due date.

The bill prohibits a political subdivision from segregating current employes and eligible persons into different groups for purposes of establishing premiums and coverage for health insurance, except that such segregation may occur with regard to eligible persons who are at least 65 years old and who are eligible for ~~Medicaid~~.

~~For further information see the state and local fiscal estimate, which will be printed as an appendix to this bill.~~

INS

Medicare
↑
lower case "m"

**SUBMITTAL
FORM**

**LEGISLATIVE REFERENCE BUREAU
Legal Section Telephone: 266-3561
5th Floor, 100 N. Hamilton Street**

The attached draft is submitted for your inspection. Please check each part carefully, proofread each word, and sign on the appropriate line(s) below.

Date: 02/07/2000

To: Senator Baumgart

Relating to LRB drafting number: LRB-2980

Topic

Health insurance continuation for certain municipal employees

Subject(s)

Employ Pub - employe benefits, Munis - miscellaneous

1. **JACKET** the draft for introduction

James A. Baumgart

in the Senate or the Assembly _____ (check only one). Only the requester under whose name the drafting request is entered in the LRB's drafting records may authorize the draft to be submitted. Please allow one day for the preparation of the required copies.

2. **REDRAFT.** See the changes indicated or attached _____.

A revised draft will be submitted for your approval with changes incorporated.

3. Obtain **FISCAL ESTIMATE NOW**, prior to introduction _____.

If the analysis indicates that a fiscal estimate is required because the proposal makes an appropriation or increases or decreases existing appropriations or state or general local government fiscal liability or revenues, you have the option to request the fiscal estimate prior to introduction. If you choose to introduce the proposal without the fiscal estimate, the fiscal estimate will be requested automatically upon introduction. It takes about 10 days to obtain a fiscal estimate. Requesting the fiscal estimate prior to introduction retains your flexibility for possible redrafting of the proposal.

If you have any questions regarding the above procedures, please call 266-3561. If you have any questions relating to the attached draft, please feel free to call me.

Marc E. Shovers, Senior Legislative Attorney
Telephone: (608) 266-0129