

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 173

BY STATE AFFAIRS COMMITTEE

AN ACT

1 RELATING TO THE DEPARTMENT OF ADMINISTRATION AND GROUP INSURANCE;
2 AMENDING SECTION 67-5333, IDAHO CODE, TO REVISE PROVISIONS
3 RELATING TO THE USE OF UNUSED SICK LEAVE BY THE IDAHO PUBLIC
4 EMPLOYEE RETIREMENT BOARD TO PAY CERTAIN INSURANCE PREMIUMS;
5 AMENDING SECTION 67-5761, IDAHO CODE, TO REVISE POWERS AND DUTIES
6 OF THE DIRECTOR OF THE DEPARTMENT OF ADMINISTRATION REGARDING
7 GROUP INSURANCE AND TO REVISE PROVISIONS RELATING TO GROUP
8 INSURANCE COVERAGE FOR CERTAIN RETIREES; AND DECLARING AN
9 EMERGENCY.
10

11 Be It Enacted by the Legislature of the State of Idaho:

12 SECTION 1. That Section 67-5333, Idaho Code, be, and the same is hereby amended to
13 read as follows:

14 67-5333. SICK LEAVE. (1) Sick leave shall be computed as follows:

15 (a) The rate per hour at which sick leave shall accrue to classified officers and employees
16 earning credited state service shall be at the rate represented by the proportion 96/2080.
17 Sick leave shall accrue without limit, and shall be transferable from department to
18 department.

19 (b) Sick leave shall not accrue to any officer or employee on any kind of leave of
20 absence without pay, suspension without pay or layoff. Sick leave shall accrue while
21 an officer or employee is on approved leave with pay, on approved vacation leave, on
22 approved military leave with pay, and on approved sick leave, but not when compensatory
23 time is taken.

24 (c) All accrued sick leave shall be forfeited at the time of separation from state service
25 and no officer or employee shall be reimbursed for accrued sick leave at the time of
26 separation, except as provided in subsection (2) of this section. If such officer or
27 employee returns to credited state service within three (3) years of such separation, all
28 sick leave credits accrued at the time of separation shall be reinstated, except to the extent
29 that unused sick leave was utilized for the purposes specified in subsection (2) of this
30 section.

31 (d) Sick leave shall be taken on a workday basis. Regularly scheduled days off and
32 officially designated holidays falling within a period of sick leave shall not be counted
33 against sick leave. Sick leave shall not be taken in advance of being earned and shall
34 only be taken in pay periods subsequent to being earned.

35 (e) In cases where absences for sick leave exceed three (3) consecutive working days,
36 the appointing authority may require verification by a physician or other authorized
37 practitioner.

1 (f) If an absence for illness or injury extends beyond the sick leave accrued to the credit
2 of the officer or employee, the officer or employee may be granted leave without pay.

3 (g) The administrator shall prescribe additional requirements for sick leave for classified
4 officers and employees on a part-time or irregular schedule, for maintaining sick leave
5 records, for funeral leave, and such other applicable purposes as necessary.

6 (2) Unused sick leave may be used as follows:

7 (a) Upon separation from state employment by retirement in accordance with chapter
8 13, title 59 or chapter 1, title 33, Idaho Code, an employee's unused sick leave shall
9 be determined based on accumulated sick leave earned subsequent to July 1, 1976, and
10 shall be reported by the employer to the public employee retirement system. Upon
11 separation from state employment by retirement in accordance with chapter 20, title 1,
12 Idaho Code, an employee's unused sick leave shall be determined based on accumulated
13 sick leave earned subsequent to July 1, 2000, and shall be reported by the employer to
14 the public employee retirement system. A sum equal to one-half (1/2), or the maximum
15 amount allowed by paragraph (b) of this subsection (2), whichever is the lesser, of the
16 monetary value of such unused sick leave, calculated at the rate of pay for such employee
17 at the time of retirement, as determined by the retirement board, shall be transferred
18 from the sick leave account provided by paragraph (c) of this subsection (2) and shall
19 be credited to such employee's retirement account. Such sums shall be used by the
20 Idaho public employee retirement board to pay premiums, as permitted by and subject
21 to applicable federal tax laws and limits, for such ~~group~~ health, dental, vision, long-term
22 care, prescription drug and life insurance programs as may be maintained by the state, to
23 the extent of the funds credited to the employee's account pursuant to this section. Upon
24 an employee's death, any unexpended sums remaining in the account shall revert to the
25 sick leave account.

26 (b) For the purposes of determining the monetary value of unused sick leave, the
27 maximum unused sick leave which may be considered, shall be:

28 (i) During the first ten thousand four hundred (10,400) hours of credited state
29 service, the maximum unused sick leave which may be considered shall be four
30 hundred twenty (420) hours;

31 (ii) During the second ten thousand four hundred (10,400) hours of credited state
32 service, the maximum unused sick leave which may be considered shall be four
33 hundred eighty (480) hours;

34 (iii) During the third ten thousand four hundred (10,400) hours of credited state
35 service, the maximum unused sick leave which may be considered shall be five
36 hundred forty (540) hours; and

37 (iv) Thereafter, the maximum unused sick leave which may be considered shall be
38 six hundred (600) hours.

39 (c) Each employer in state government shall contribute to a sick leave account
40 maintained by the public employee retirement system in trust exclusively for the purpose
41 of the provisions of this section. The retirement board shall serve as trustee of the
42 trust and shall be indemnified to the same extent as provided in section 59-1305, Idaho
43 Code. Assets in the trust shall not be assignable or subject to execution, garnishment
44 or attachment or to the operation of any bankruptcy or insolvency law. The rate of
45 such contribution each pay period shall consist of a percentage of employees' salaries as
46 determined by the board, and such rate shall remain in effect until next determined by the

1 board. Any excess balance in the sick leave account shall be invested, and the earnings
 2 therefrom shall accrue to the sick leave account except the amount required by the board
 3 to defray administrative expenses. Assets of the trust may be commingled for investment
 4 purposes with other assets managed by the retirement board. All moneys payable to the
 5 sick leave account are hereby perpetually appropriated to the board, and shall not be
 6 included in its departmental budget. The state insurance fund and public health districts
 7 shall be considered employers in state government for purposes of participation under this
 8 section.

9 SECTION 2. That Section 67-5761, Idaho Code, be, and the same is hereby amended to
 10 read as follows:

11 67-5761. POWERS AND DUTIES – GROUP INSURANCE. (1) The director of the
 12 department of administration shall ~~have the authority to:~~

13 (a) Establish an advisory committee to be comprised of program participants from the
 14 executive, legislative and judicial branches of state government. The advisory committee
 15 ~~may~~ shall include one (1) active and one (1) retired employee representatives. The
 16 director shall consult with the advisory committee in the performance of those duties as
 17 enumerated in subsection (2) of this section.

18 (b) ~~Fix and p~~Promulgate rules for determining eligibility of active personnel, retired
 19 personnel and dependents of such active and retired personnel for participation in any
 20 group plans.

21 (c) Determine the nature and extent of needs for group life insurance, group annuities,
 22 group disability insurance, and group health care service coverages with respect
 23 to personnel, including elected or appointed officers and employees, of all offices,
 24 departments, divisions, boards, commissions, institutions, agencies and operations of the
 25 government of the state of Idaho and retired personnel, the premiums or prepayments for
 26 which are payable in whole or in part from funds of the state. "Disability" insurance
 27 includes all personal accident, health, hospital, surgical, and medical coverages, and
 28 "health care service" includes all services rendered for maintenance of good health and
 29 diagnosis, relief, or treatment of any injury, ailment, or bodily condition.

30 (d) Determine the types, terms, conditions, and amounts of group insurance, group
 31 annuities, or group coverage by health care service organizations, as the case may be,
 32 required by such needs.

33 (e) Negotiate and contract for, and have placed or continued in effect all such insurance
 34 and coverages as may reasonably be obtainable from insurers and health care service
 35 organizations, as the case may be, duly authorized to transact such business in this state.
 36 The director may negotiate deductibles to any group plan or coverage. Alternatively, the
 37 director may self-insure any insurance or coverage and may contract with any insurance
 38 company or third party administrator duly authorized to transact business in this state or
 39 administer such plan.

40 (f) Prepare or otherwise obtain and make available to all personnel affected thereby,
 41 printed information concerning all such group plans currently in effect, together with the
 42 rules governing eligibility, payment of premium or prepayment where applicable, claims
 43 procedures, and other matters designed to facilitate utilization and administration of such
 44 plans.

45 (g) Administer all such group plans on behalf of the insured, including but not limited to:

- 1 (i) Enrollment and reporting to the insurer or health care service organization of
 2 individuals eligible for coverage and covered under particular policies or contracts,
 3 and termination of such enrollment upon termination of eligibility;
 4 (ii) Collection or payment of premiums or prepayments for such coverage,
 5 policies and contracts and accounting for the same;
 6 (iii) Establishment of reasonable procedures for handling claims arising under such
 7 coverage, policies and contracts, and rendering assistance to claimants, as may be
 8 required in the presentation and consideration of claims;
 9 (iv) Effectuation of changes in such coverage, policies and contracts and renewal
 10 or termination thereof;
 11 (v) Making and settlement of claims.

12 ~~(2) Nothing herein shall be deemed to prohibit any such coverage, policy or contract~~
 13 ~~providing coverage also for dependents of personnel under terms and conditions formulated~~
 14 ~~and negotiated by the director. The director shall formulate and negotiate a plan or plans of~~
 15 ~~health care service coverage which includes eligible active personnel and their dependents in~~
 16 ~~consultation with the advisory committee.~~

17 (3) The director shall formulate and negotiate a plan or plans of health care service
 18 coverage which includes eligible retired personnel and dependents, eligible for a retirement
 19 benefit through the Idaho public employee retirement system which benefit equals or exceeds
 20 the retiree medical insurance premium in effect for that retiree at the date of retirement.
 21 Coverage for retired personnel shall parallel the coverage provided to active state employees
 22 to the extent necessary, and shall include a medicare credit for retirees who are covered by
 23 medicare. Any increased cost on the health care plan for active employees as a result of such
 24 coverage costs shall be paid for by the state and by active state employees in equal shares.
 25 Retired personnel shall be responsible for paying their own premiums for any plan of health
 26 care service insurance coverage provided pursuant to this section. Such plan or plans will be
 27 pooled for rating purposes with the plan or plans provided for in subsection (2) of this section.

28 (a) Beginning July 1, 2009, the state shall pay one hundred fifty-five dollars (\$155) per
 29 eligible retired personnel per month toward such health care service coverage, subject to
 30 the conditions of subsection (3)(b) of this section. Retired personnel shall be responsible
 31 for paying the balance of the monthly premium for any plan of health care service
 32 coverage provided pursuant to this section.

33 (b) Beginning January 1, 2010, retired personnel health care service coverage shall not be
 34 available to any retired personnel or dependent who is or becomes eligible for medicare.
 35 Dependent spouses of such medicare eligible retired personnel who are not themselves
 36 medicare eligible may remain on health care service coverage until they become eligible
 37 for medicare.

38 (c) Any person who is eligible for health care service coverage as a retired person prior
 39 to June 30, 2009, remains eligible for coverage subject to the conditions of subsections
 40 (3)(a) and (b) of this section.

41 (d) No personnel, including elected or appointed officers and employees, of all offices,
 42 departments, divisions, boards, commissions, agencies and operations of the government
 43 of the state of Idaho, who begin service or employment after June 30, 2009, shall be
 44 provided or be eligible for any retired personnel health care service coverage, unless such
 45 personnel have credited state service of at least twenty thousand eight hundred (20,800)
 46 hours before June 30, 2009, and subsequent to reemployment, election or reappointment

1 on or after July 1, 2009, accumulate an additional six thousand two hundred forty (6,240)
 2 continuous hours of credited state service, and who are otherwise eligible for coverage.

3 (e) Nothing in this subsection prohibits an active employee who retires from state service
 4 on or after July 1, 2009, from being eligible for health care service coverage provided that
 5 he or she is drawing a state retirement benefit and meets eligibility requirements of the
 6 health care service coverage.

7 (f) The Idaho department of administration shall assist medicare eligible retirees in
 8 transitioning to a medicare supplement plan in accordance with procedures established by
 9 the advisory committee.

10 (4) Nothing contained herein and n~~No coverage, policy or contract which provides~~
 11 ~~coverage or benefits for active personnel, dependents of personnel, or retired personnel shall~~
 12 ~~create any vested right or benefit for the retired personnel~~ any such individual ~~in retiree~~ group
 13 insurance coverages.

14 SECTION 3. An emergency existing therefor, which emergency is hereby declared to
 15 exist, this act shall be in full force and effect on and after its passage and approval.