

LEGISLATIVE BILL 303

Approved by the Governor May 22, 1989

Introduced by Barrett, 39, Speaker, for the Governor

AN ACT relating to group life and health insurance; to amend sections 44-1620, 44-1620.01, 44-1622 to 44-1623, and 44-1630, Reissue Revised Statutes of Nebraska, 1943, and section 81-8,239.01, Reissue Revised Statutes of Nebraska, 1943, as amended by section 2, Legislative Bill 326, Ninety-first Legislature, First Session, 1989; to authorize a fee; to change the state's contribution to the state employee health insurance program as prescribed; to change duties of and provide duties for the Department of Personnel and the Risk Manager as prescribed; to harmonize provisions; to repeal the original sections; and to declare an emergency.

Be it enacted by the people of the State of Nebraska,

Section 1. That section 44-1620, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

44-1620. (1) There is hereby established a program of group life and health insurance for all permanent employees of this state who work one-half or more of the regularly scheduled hours during each pay period, excluding employees of the University of Nebraska, the state colleges, and the technical community colleges. Such program shall be known as the Nebraska State Insurance Program and shall replace any current program of such insurance in effect in any agency and funded in whole or in part by state contributions.

(2) For purposes of sections 44-1620 to 44-1632, health insurance may be construed to include coverage for disability and dental health care services.

(3) Any commissioned employee of the Nebraska State Patrol who on or after July 17, 1986, has reached fifty-one years of age or becomes medically disabled and who will not receive benefits from the federal social security program shall be afforded the opportunity to remain enrolled in the state employees' group health insurance program until age sixty-five. Employees electing this option shall be responsible for the entire

premium cost, including the state's share, and the employee's share, and an administrative fee consistent with that allowed by federal guidelines for continuation of health insurance.

Sec. 2. That section 44-1620.01, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

44-1620.01. In order to continue to provide the current health insurance program to state employees who are subject to sections 44-1620 to 44-1632, the state shall contribute the following sums from the various funds toward payment of a health insurance program which may include coverage for dependents, except as provided in section 44-1622.01: (1) For the first contract period beginning on or after July 1, 1987 1989, for single coverage, the monthly sum of ~~forty-six dollars and sixty-four cents~~ seventy-two dollars and thirteen cents, for ~~two-~~ two-party or four-party coverage, the monthly sum of one hundred ~~sixteen dollars and fifty-eight cents~~ eighty dollars and twenty-nine cents, and for family coverage, the monthly sum of one hundred ~~sixty-five dollars and fifty-one cents~~ two hundred fifty-five dollars and ninety-six cents; and (2) for any contract period beginning on or after July 1, 1988 1990, for single coverage, not more than the monthly sum of ~~fifty-two~~ eighty-five dollars, and ~~fifty cents~~, for ~~two-~~ two-party or four-party coverage, not more than the monthly sum of one hundred ~~thirty dollars and five cents~~ two hundred twelve dollars and forty-six cents, and for family coverage, not more than the monthly sum of one hundred ~~eighty-four~~ three hundred one dollars and sixty-three cents.

Sec. 3. That section 44-1622, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

44-1622. The Risk Manager Department of Personnel shall select, with the assistance of the Department of Personnel Risk Manager, one or more carriers or combinations of carriers licensed to do insurance business in Nebraska to serve as administrator of the insurance contract or contracts. Such selection shall be made after open competitive bidding in which any carrier authorized to provide the type or types of insurance coverage involved shall be eligible to participate. The Risk Manager department may develop bid specifications which provide for various forms of plan design and funding methods, including plans of self-insurance or any combination of such methods. The Risk Manager department may utilize such expert

technical assistance provided by the Department of Personnel Risk Manager and other state agencies or outside consultants as may be required to establish and evaluate criteria for selection of carriers. The insurance contract or contracts may be subject to rebidding at any time after the inception of this program at the discretion of the Risk Manager department.

Sec. 4. That section 44-1622.01, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

44-1622.01. The Risk Manager Department of Personnel may elect to offer a group health insurance option to employees subject to sections 44-1620 to 44-1632 in which the total cost of the single, ~~two- or two-party~~, four-party, and family coverages are less than the rates listed in section 44-1620.01. The state shall provide such coverage at no cost to the employee.

Sec. 5. That section 44-1623, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

44-1623. Out of appropriations made for that purpose, the Risk Manager Department of Personnel shall (1) first enter into a contract providing, entirely at state expense, ten thousand dollars of basic life insurance protection and (2) enter into a contract to purchase a contract of group health insurance to be financed by the state to the extent that appropriations made for that purpose are available and, if necessary, by contributions from each employee. Each such contract shall provide insurance coverage for each employee specified in section 44-1620. Participation in the program of group health and life insurance shall be optional with the employee.

Sec. 6. That section 44-1630, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

44-1630. There is hereby established in the state treasury the State Employees Insurance Fund, to be administered by the Risk Manager department, to which shall be credited all funds appropriated to pay the state's share of the cost of the coverages provided by sections 44-1620 to 44-1632 and all payroll deductions made under sections 44-1620 to 44-1632. The Risk Manager department shall make premium payments to the carrier, carriers, or combinations of carriers selected under section 44-1622 from this fund.

Any funds in the State Employees Insurance Fund available for investment shall be invested by the

state investment officer under the provisions of the Nebraska State Funds Investment Act pursuant to sections 72-1237 to 72-1276.

Sec. 7. That section 81-8,239.01, Reissue Revised Statutes of Nebraska, 1943, as amended by section 2, Legislative Bill 326, Ninety-first Legislature, First session, 1989, be amended to read as follows:

81-8,239.01. (1) For purposes of sections 44-1615, 44-1616, and 81-8,239.01 to 81-8,239.04, unless the context otherwise requires, the definition of state agencies found in section 81-8,210 shall apply, except that such term shall not include the Board of Regents of the University of Nebraska.

(2) There is hereby established a Risk Management Program for the State of Nebraska, which shall consist of the systematic identification of exposures to risk of loss as provided in sections 11-201, ~~11-201-01~~, ~~11-202~~, to 11-203, 13-911, 25-2165, 44-1615, 44-1616, 44-1622, 44-1623, 44-1630, 48-194, 48-197, 48-1,103, 48-1,104, 48-1,107, 48-1,109, 81-8,212, 81-8,220, 81-8,225, 81-8,226, 81-8,233, 81-8,239.01 to 81-8,239.06, and 81-8,300 and section 1 of this act and shall include the appropriate methods for dealing with such exposures in relation to the state budget pursuant to such sections. Such program shall be administered by the Risk Manager and shall include the operations of the State Claims Board and other operations provided in such sections.

(3) Under the Risk Management Program, the Risk Manager shall have the authority and responsibility to:

(a) Employ any personnel necessary to administer the Risk Management Program;

(b) Develop and maintain loss and exposure data on all state property and liability risks;

(c) Develop and recommend risk reduction or elimination programs for the state and its agencies and to establish, implement, and monitor a statewide safety program;

(d) Determine which risk exposures shall be insured and which risk exposures shall be self-insured or assumed by the state;

(e) Establish standards for the purchase of necessary insurance coverage or risk management services at the lowest costs, consistent with good underwriting practices and sound risk management techniques;

(f) Be the exclusive negotiating and contracting agency to purchase insurance or risk

management services and, after consultation with the state agency for which the insurance or services are purchased, enter into such contracts on behalf of the state and its agencies, officials, and employees to the extent deemed necessary and in the best interest of the state, and to authorize payment for such purchase out of the appropriate funds created by ~~sections 44-1630 and section 81-8,239.02;~~

(g) Determine whether the state suffered a loss for which self-insured property loss funds have been created and authorize and administer payments for such loss from the State Self-Insured Property Fund for the purpose of replacing or rebuilding state property;

(h) Perform all duties assigned to the Risk Manager under the Nebraska Workers' Compensation Act and sections 11-201 to 11-203; ~~and 44-1622; 44-1623; and 44-1630~~ and section 1 of this act;

(i) Approve the use of risk management pools by any department, agency, board, bureau, commission, or council of the State of Nebraska and the University of Nebraska; and

(j) Recommend to the Legislature such legislation as may be necessary to carry out the purposes of sections 11-201, ~~11-201-01, 11-202, to 11-203, 13-911, 25-2165, 44-1615, 44-1616, 44-1622, 44-1623, 44-1630, 48-194, 48-197, 48-1,103, 48-1,104, 48-1,107, 48-1,109, 81-8,212, 81-8,220, 81-8,225, 81-8,226, 81-8,233, 81-8,239.01 to 81-8,239.06, and 81-8,300~~ and section 1 of this act and to make appropriation requests for the administration of the Risk Management Program and the funding of the separate funds administered by the Risk Manager.

Sec. 8. That original sections 44-1620, 44-1620.01, 44-1622 to 44-1623, and 44-1630, Reissue Revised Statutes of Nebraska, 1943, and section 81-8,239.01, Reissue Revised Statutes of Nebraska, 1943, as amended by section 2, Legislative Bill 326, Ninety-first Legislature, First Session, 1989, are repealed.

Sec. 9. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.