

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1770 Session of
1997

INTRODUCED BY DEMPSEY, COLAIZZO, L. I. COHEN, OLASZ, HARHART,
TRELLO, GEIST, ITKIN, STABACK, CURRY, HERSHEY, BOSCOLA,
E. Z. TAYLOR, LAUGHLIN, STEELMAN, SATHER, HENNESSEY, RAMOS
AND FLEAGLE, SEPTEMBER 23, 1997

REFERRED TO COMMITTEE ON STATE GOVERNMENT, SEPTEMBER 23, 1997

AN ACT

1 Amending the act of April 9, 1929 (P.L.177, No.175), entitled
2 "An act providing for and reorganizing the conduct of the
3 executive and administrative work of the Commonwealth by the
4 Executive Department thereof and the administrative
5 departments, boards, commissions, and officers thereof,
6 including the boards of trustees of State Normal Schools, or
7 Teachers Colleges; abolishing, creating, reorganizing or
8 authorizing the reorganization of certain administrative
9 departments, boards, and commissions; defining the powers and
10 duties of the Governor and other executive and administrative
11 officers, and of the several administrative departments,
12 boards, commissions, and officers; fixing the salaries of the
13 Governor, Lieutenant Governor, and certain other executive
14 and administrative officers; providing for the appointment of
15 certain administrative officers, and of all deputies and
16 other assistants and employes in certain departments, boards,
17 and commissions; and prescribing the manner in which the
18 number and compensation of the deputies and all other
19 assistants and employes of certain departments, boards and
20 commissions shall be determined," further providing for
21 medical insurance coverage for survivor spouses of
22 annuitants.

23 The General Assembly of the Commonwealth of Pennsylvania
24 hereby enacts as follows:

25 Section 1. Section 529 of the act of April 9, 1929 (P.L.177,
26 No.175), known as The Administrative Code of 1929, amended
27 December 18, 1992 (P.L.1661, No.183), is amended to read:

1 Section 529. Medical Insurance Coverage For Survivor-Spouses
2 of Annuitants.--[(a)] A survivor-spouse of an annuitant under
3 the State Employees' Retirement System who had elected to
4 convert medical, major medical and hospitalization insurance
5 coverage shall have the option to continue such insurance
6 coverage. The State Employees' Retirement System shall notify
7 prospectively the appropriate State agency administering that
8 annuitant's group health insurance program. A previously covered
9 survivor-spouse of an annuitant who died before October 14,
10 1991, must notify the State Employees' Retirement System of
11 potential eligibility. The survivor-spouse must submit
12 satisfactory documentation supporting the claim of eligibility
13 to the appropriate State agency administering that annuitant's
14 group health insurance program. The State agency or fund
15 administering that annuitant's group health insurance program
16 must send an election form to the eligible survivor-spouse
17 within thirty (30) days of notification that the annuitant died.
18 The State Employees' Retirement System, upon receipt of the
19 election by the survivor-spouse of the annuitant to continue
20 such insurance coverage, shall notify the insurance carrier of
21 the election. [and deduct the appropriate charges in equal
22 monthly installments. Such deductions shall be transmitted to
23 the designated fiscal officer of the Commonwealth having
24 jurisdiction over the payment of such group charges on behalf of
25 the annuitant or the survivor-spouse.] This section shall apply
26 to all survivor-spouses of annuitants regardless of when they
27 attain such status. An eligible survivor-spouse who does not
28 return the election form to the State Employees' Retirement
29 System or the appropriate State agency administering the
30 annuitant's group health insurance program within thirty (30)

1 days shall have a coverage effective date of the first day of
2 the month subsequent to the receipt of the election form.

3 [(b) In the event that the monthly annuity of the survivor-
4 spouse of the annuitant is less than the amount needed or such
5 person receives no survivor annuity to cover the applicable
6 monthly installment payments, the Commonwealth's fiscal officer
7 shall identify the total difference between these amounts and
8 shall notify the survivor-spouse of the annuitant of the
9 deficiency. Within thirty (30) days of this notification, the
10 survivor-spouse of the annuitant shall make a payment to the
11 Commonwealth's fiscal officer in an amount sufficient to cover
12 the deficiency for the period mandated by the State agency
13 administering the annuitant's group health insurance program,
14 which period shall not exceed three (3) months. If payment is
15 not received by the Commonwealth's fiscal officer within the
16 specified time period, the eligibility for State insurance
17 coverage for the survivor-spouse of the annuitant shall be
18 forfeited. Upon forfeiture, the Commonwealth's fiscal officer
19 shall notify both the insurance carrier and the State Employees'
20 Retirement Board.

21 (c) If the survivor-spouse of the annuitant elects to
22 continue insurance coverage and makes the installment payment or
23 deficiency payment, or both, insurance coverage will continue in
24 force with the Commonwealth's fiscal officer determining rate
25 adjustments annually and any required deficiency amount. The
26 Commonwealth's fiscal officer shall notify the survivor-spouse
27 of the annuitant of the amount required to assure continued
28 coverage. This notification shall take place at least thirty
29 (30) days prior to the date of the proposed rate change.]

30 Section 2. This act shall take effect in 60 days.