

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1423 Session of
1993

INTRODUCED BY ROBERTS, VAN HORNE, NICKOL, BELFANTI, DEMPSEY,
LEE, TRELLO, PISTELLA, ROONEY, DALEY, HASAY, B. SMITH, KING,
BUTKOVITZ, STURLA, TOMLINSON, BELARDI AND BEBKO-JONES,
APRIL 27, 1993

REFERRED TO COMMITTEE ON STATE GOVERNMENT, APRIL 27, 1993

AN ACT

1 Requiring the Commonwealth to maintain certain health insurance
2 coverage for certain Commonwealth annuitants.

3 The General Assembly of the Commonwealth of Pennsylvania
4 hereby enacts as follows:

5 Section 1. Legislative findings and purpose.

6 (a) Findings.--The General Assembly finds and declares as
7 follows:

8 (1) For the last 20 years or longer, the Commonwealth
9 has provided a comprehensive group health insurance program
10 for Commonwealth annuitants.

11 (2) Among the various health insurance packages, the
12 Commonwealth extended an option to annuitants to choose
13 Medicare Part B and Blue Shield 65-Special or remaining in
14 the Blue Shield portion of Basic Health Coverage.

15 (3) Pursuant to the option under paragraph (2),
16 approximately 4,000 Commonwealth annuitants elected to retain
17 the Blue Shield portion of Basic Health Coverage.

1 (4) On or about July 1988, the Commonwealth and the
2 collective bargaining units for Commonwealth employees agreed
3 to the establishment of a jointly administered trust fund for
4 the purpose of providing a comprehensive group health
5 insurance program.

6 (5) On or about late 1991, the board responsible for the
7 administration of the trust fund adopted a proposal which
8 withdrew the option under paragraph (2) and required all
9 annuitants, both current and future, to pick Medicare Part B
10 coverage along with Blue Shield 65-Special.

11 (6) The approximately 4,000 annuitants who exercised
12 their option were or will be required to pick up coverage
13 under Medicare Part B with substantial and continuous
14 penalties.

15 (b) Purpose.--The General Assembly intends to require the
16 Commonwealth to meet its obligations to the current Commonwealth
17 annuitants.

18 Section 2. Commonwealth responsibility.

19 The Commonwealth shall be responsible for and liable for:

20 (1) The provision of the Blue Shield portion of Basic
21 Health Coverage to all current Commonwealth annuitants who
22 elected the option to retain the Blue Shield portion of Basic
23 Health Coverage.

24 (2) If the Commonwealth annuitant enrolled in Medicare
25 Part B coverage as a result of the withdrawal of the option
26 under section 1(a)(2), then the Commonwealth shall be liable
27 for the basic cost of Medicare Part B and any penalty which
28 may be assessed against the annuitant.

29 (3) If the Commonwealth annuitant enrolled in another
30 comprehensive health insurance program as a result of the

1 withdrawal of the option under section 1(a)(2), then the
2 Commonwealth shall be liable for the costs incurred in
3 obtaining this comprehensive health insurance coverage.

4 Section 3. Retroactivity.

5 This act shall be retroactive to July 1, 1991.

6 Section 4. Effective date.

7 This act shall take effect immediately.