

---

THE GENERAL ASSEMBLY OF PENNSYLVANIA

---

HOUSE BILL

No. 2537 Session of  
2002

---

INTRODUCED BY VEON, LAUGHLIN, DeWEESE, BELFANTI, GEORGE, WALKO,  
PETRARCA, WOJNAROSKI, SAINATO, CURRY, McCALL, STABACK, MANN,  
BELARDI, DeLUCA, CAPPELLI, MARKOSEK, SCRIMENTI, G. WRIGHT,  
SURRA, MELIO, CRUZ, CORRIGAN, PIPPY, GRUITZA, BLAUM, COSTA,  
STEELMAN, JAMES, PISTELLA, TRAVAGLIO, LESCOVITZ, DALEY,  
COLAFELLA, SOLOBAY, HORSEY AND GRUCELA, APRIL 9, 2002

---

REFERRED TO COMMITTEE ON LABOR RELATIONS, APRIL 9, 2002

---

AN ACT

1 Providing for health care assistance for certain steelworkers;  
2 establishing the Steelworker Health Care Assistance Retiree  
3 Board and the Steelworker Health Care Assistance Retiree  
4 Trust Fund; providing for issuance of bonds; making an  
5 appropriation; and making a repeal.

6 The General Assembly of the Commonwealth of Pennsylvania  
7 hereby enacts as follows:

8 Section 1. Short title.

9 This act shall be known and may be cited as the Steelworker  
10 Health Care Assistance Retiree Exemption Act (SHARE).

11 Section 2. Declaration of policy.

12 The General Assembly finds and declares as follows:

13 (1) That there exists a crisis in the steel industry  
14 caused by the collapse of the Russian and Asian domestic  
15 steel markets and the subsequent dumping of their steel in  
16 the United States, much of it in violation of Federal trade  
17 laws. The results are significant and are a link to the

1 potential loss of our entire steel industry.

2 (2) Since January 1998, a total of 46,700 steelworker  
3 jobs have been lost.

4 (3) Thirty-one companies have filed for bankruptcy,  
5 representing 29% of the country's steelmaking capacity.

6 (4) Companies posted operating losses of \$1.3 billion  
7 during the first nine months of 2001.

8 (5) Steel prices have fallen to unprecedented levels.

9 (6) Approximately 600,000 retirees and dependents rely  
10 on the domestic steel industry for health care benefits.

11 (7) Pennsylvania steelworkers helped to build this  
12 country's economy, and the production of steel added greatly  
13 to our national defense and forged a strong sense of security  
14 in this Commonwealth.

15 (8) It has been announced that the Voluntary Employees  
16 Beneficiary Association that paid part of retirees' health  
17 care and insurance will not ensure claims past March 31,  
18 2002. This announcement makes the need for decisive action at  
19 the State level more urgent. Pennsylvania has a clear and  
20 compelling interest to aid this population of retirees.

### 21 Section 3. Definitions.

22 The following words and phrases when used in this act shall  
23 have the meanings given to them in this section unless the  
24 context clearly indicates otherwise:

25 "Board." The Steelworker Health Care Assistance Retiree  
26 Board established under section 4.

27 "Contractor." The term as it is defined under section 2303  
28 of the act of May 17, 1921 (P.L.682, No.284), known as The  
29 Insurance Company Law of 1921.

30 "Department." The Department of Labor and Industry of the

1 Commonwealth.

2 "Eligible retirees." Any resident of the Commonwealth who is  
3 a retiree of a steel company whose company paid health care  
4 benefits administered by the Voluntary Employees Beneficiary  
5 Association, which benefits expire as of March 31, 2002. The  
6 term shall also include the surviving spouse or dependents of  
7 any eligible retiree.

8 "Fund." The Steelworker Health Care Assistance Retiree Trust  
9 Fund established under section 7.

10 "Medicare." The Federal program established under Title  
11 XVIII of the Social Security Act (49 Stat. 620, 42 U.S.C. § 1395  
12 et seq.).

13 "PACE." The Pharmaceutical Assistance Contract for the  
14 Elderly program provided for in Chapter 5 of the act of August  
15 26, 1971 (P.L.351, No.91), known as the State Lottery Law.

16 "PACENET." The Pharmaceutical Assistance Contract for the  
17 Elderly Needs Enhancement Tier program provided for in Chapter 5  
18 of the act of August 26, 1971 (P.L.351, No.91), known as the  
19 State Lottery Law.

20 "Program." The Steelworker Health Care Assistance Retiree  
21 Program established under section 6.

22 Section 4. Steelworker Health Care Assistance Retiree Board.

23 (a) Establishment.--There is hereby established the  
24 Steelworker Health Care Assistance Retiree Board as a  
25 departmental board under the department.

26 (b) Membership.--The board shall consist of the following  
27 members:

28 (1) One member appointed by the Majority Leader of the  
29 Senate.

30 (2) One member appointed by the Minority Leader of the

Senate.

(3) One member appointed by the Majority Leader of the House of Representatives.

(4) One member appointed by the Minority Leader of the House of Representatives.

(5) The Secretary of Labor and Industry or his designee.

(6) The Secretary of Insurance or his designee.

(7) One member from the International United Steelworkers of America Union appointed by the Governor.

(8) One member appointed by the Governor.

(9) One member from the Steelworkers Organization of Active Retirees appointed by the Governor.

(c) Compensation.--Members of the board shall receive no compensation for their services but shall be reimbursed for their necessary expenses incurred while serving as board members.

(d) Vacancies.--A vacancy on the board shall be filled by the appointing authority for the balance of the term.

(e) Terms of members.--Members of the board shall serve terms of four years and until a successor is appointed and qualified. Members may serve only two consecutive full terms. Any member of the board may be removed by the department or by a majority of the other board members for malfeasance in office, failure to attend regularly scheduled meetings or any cause that renders the member incapable of or unfit to discharge his duties.

(f) Meetings.--Meetings of the board shall be subject to 65 Pa.C.S. Ch. 7 (relating to open meetings) and the act of June 21, 1957 (P.L.390, No.212), referred to as the Right-to-Know Law. A quorum for a meeting shall be a majority of the total

1 membership of the board. Any action of the board requires the  
2 affirmative vote of a majority of a quorum.

3 Section 5. Powers and duties of Steelworker Health Care  
4 Assistance Retiree Board.

5 It should be the duty of the board and the board shall have  
6 the power to:

7 (1) Implement a health care benefits program pursuant to  
8 section 6.

9 (2) Administer the fund established under section 7.

10 Section 6. Steelworker Health Care Assistance Retiree Program.

11 (a) Implementation.--The board shall implement the  
12 Steelworker Health Care Assistance Retiree Program to provide  
13 group health plans for eligible retirees.

14 (b) Structure.--The board shall model the structure of the  
15 program on the structure of the children's health insurance  
16 program under Article XXIII of the act of May 17, 1921 (P.L.682,  
17 No.284), known as The Insurance Company Law of 1921. The board  
18 shall structure the program so that it includes the following  
19 provisions:

20 (1) Eligible retirees who are eligible to receive  
21 Medicare shall enroll or continue to be enrolled in a  
22 Medicare program. The program shall provide for the  
23 enrollment of the eligible retirees who are eligible to  
24 receive Medicare in a commercially available Medicare  
25 supplement plan. Additionally, the program shall provide for  
26 the enrollment of eligible retirees who are eligible to  
27 receive Medicare in a commercially available prescription  
28 drug coverage plan to provide for prescription drugs not  
29 covered under PACE or PACENET. The board shall set the amount  
30 of monthly premiums to be paid by eligible retirees who are

1 eligible to receive Medicare and the amount of copayment  
2 required for prescription drugs.

3 (2) Eligible retirees who are not eligible for Medicare  
4 shall be provided enrollment in a commercially available  
5 health care plan that offers a comprehensive benefit package  
6 and a commercially available prescription drug coverage plan  
7 with coverages and benefits similar to those they had or did  
8 receive from their prior employer. The board shall set the  
9 amount of monthly premiums to be paid by eligible retirees  
10 who are not eligible for Medicare and the amount of copayment  
11 required for prescription drugs. Any eligible retiree under  
12 this paragraph who subsequently becomes eligible for Medicare  
13 shall be required to meet the requirements of paragraph (1)  
14 and any other requirements set by the board.

15 (3) The board shall make every effort to ensure that  
16 administration costs are kept at a minimum. The board shall  
17 require contractors to follow the provisions of section  
18 2311(b)(2) of The Insurance Company Law of 1921.

19 (4) The board shall make every effort to ensure that as  
20 many types of the various entities listed under the  
21 definition of contractor participate in the program.

22 (c) Comparable program.--If the Federal Government enacts a  
23 program providing benefits comparable to those contained in this  
24 act as determined by the Steelworker Health Care Assistance  
25 Retiree Board, then the program established by this act shall be  
26 discontinued.

27 (d) Modification of program.--If the Federal Government  
28 enacts a program which the Steelworkers Health Care Assistance  
29 Retiree Board determines not to be comparable to the program  
30 established by this act, the board shall have the power to

1 provide additional group health plan coverage and benefits which  
2 supplement any such program.

3 Section 7. Steelworker Health Care Assistance Retiree Trust  
4 Fund.

5 (a) Establishment.--There is hereby established a separate  
6 account in the State Treasury to be known as the Steelworker  
7 Health Care Assistance Retiree Trust Fund. The fund shall be  
8 administered by the board. All interest earned from the  
9 investment or deposit of moneys accumulated in the fund shall be  
10 deposited in the fund for the same use.

11 (b) Funds.--All moneys deposited into the fund shall be held  
12 in trust and shall not be considered general revenue of the  
13 Commonwealth but shall be used only to effectuate the purposes  
14 of this act as determined by the board.

15 (c) Source of fund.--The proceeds realized from the sale of  
16 bonds under this act shall be paid into the fund and are hereby  
17 specifically dedicated to the purpose of this act. The moneys  
18 shall be paid periodically by the State Treasurer to the board  
19 at such times and in such amounts as may be necessary to satisfy  
20 the purpose of this act.

21 Section 8. Authority to borrow.

22 The issuing officials are hereby authorized and directed to  
23 borrow, on the credit of the Commonwealth, such sum or sums of  
24 money not exceeding in the aggregate the sum of \$225,000,000 as  
25 may be necessary to carry out the purposes of this act.

26 Section 9. Bonds, issue, maturity, interest, etc.

27 (a) Issuance.--As evidence of the indebtedness authorized in  
28 this act, general obligation bonds of the Commonwealth shall be  
29 issued for such total amount, in such forms, in such  
30 denominations and subject to such terms and conditions of issue,

1 redemption and maturity, rate or rates of interest and time of  
2 payment of interest as the issuing officials shall direct,  
3 except that the latest stated maturity date shall not exceed 25  
4 years from the date of the bond first issued for each such  
5 series.

6 (b) Signatures and seal.--All bonds issued under the  
7 authority of this act shall bear facsimile signatures of the  
8 issuing officials and a facsimile of the Great Seal of the  
9 Commonwealth and shall be countersigned by two duly authorized  
10 officers of the duly authorized loan and transfer agents of the  
11 Commonwealth.

12 (c) Full faith and credit.--All bonds issued in accordance  
13 with the provisions of this act shall be direct obligations of  
14 the Commonwealth, and the full faith and credit of the  
15 Commonwealth are hereby pledged for the payment of the interest  
16 thereon as the same shall become due and for the payment of the  
17 principal thereof at maturity. All bonds issued under the  
18 provisions of this act shall be exempt from taxation for State  
19 and local purposes. The principal of and interest on such bonds  
20 shall be payable in lawful money of the United States of  
21 America.

22 (d) Form.--Bonds issued under this act may be issued as  
23 coupon bonds or registered as to both principal and interest as  
24 the issuing officials may determine. If interest coupons are  
25 attached, they shall contain the facsimile signature of the  
26 State Treasurer.

27 (e) Amount.--The issuing officials shall provide for the  
28 amortization of the bonds issued under this act in substantial  
29 and regular amounts over the term of the debt.

30 (f) Preparation.--The issuing officials shall proceed to



1 have the necessary bonds prepared and printed. The bonds, as  
2 soon as they are prepared and printed, shall be deposited with  
3 the duly authorized loan and transfer agent of the Commonwealth,  
4 there to remain until sold in accordance with the provisions of  
5 this act.

6 Section 10. Sale of bonds.

7 (a) Offering for sale.--When bonds are issued under this  
8 act, they shall be offered for sale and shall be sold by the  
9 issuing officials to the highest and best bidder or bidders  
10 after due public advertisement, on such terms and conditions and  
11 upon such open competitive bidding as the issuing officials  
12 shall direct. The manner and character of advertisement and the  
13 times of advertising shall be prescribed by the issuing  
14 officials.

15 (b) Private sale.--Any portion of any bond issue offered  
16 under subsection (a) and not sold or subscribed for may be  
17 disposed of by private sale by the issuing officials, in such  
18 manner and at such prices as the Governor shall direct.

19 (c) Series.--When bonds are issued from time to time, the  
20 bonds of each issue shall constitute a separate series to be  
21 designated by the issuing officials or may be combined for sale  
22 as one series with other general obligation bonds of the  
23 Commonwealth.

24 Section 11. Refunding bonds.

25 The issuing officials are hereby authorized to provide by  
26 resolution for the issuance of refunding bonds for the purpose  
27 of refunding any bonds issued under the provisions of this act  
28 and then outstanding, either by voluntary exchange with the  
29 holders of such outstanding bonds with accrued interest and any  
30 premium payable thereon, at maturity or at any call date. The

1 issuance of refunding bonds, the maturities and other details  
2 thereof, the rights of the holders thereof and the duties of the  
3 issuing officials in respect to refunding bonds shall be  
4 governed by the provisions of this act, insofar as they may be  
5 applicable. Refunding bonds may be issued by the issuing  
6 officials to refund bonds originally issued or to refund bonds  
7 previously issued for refunding purposes.

8 Section 12. Registration of bonds.

9 The Auditor General shall prepare the necessary registry book  
10 to be kept in the office of the duly authorized loan and  
11 transfer agent of the Commonwealth for the registration of any  
12 bonds, at the request of owners thereof, according to the terms  
13 and conditions of issue directed by the issuing officials. All  
14 bonds which are issued under this act without interest coupons  
15 attached shall be registered in the registry books kept by the  
16 duly authorized loan and transfer agent of the Commonwealth.

17 Section 13. Appropriation.

18 The sum of \$15,000,000 is hereby appropriated annually from  
19 the Health Endowment Account for Long-Term Hope established in  
20 section 303(b) of the act of June 26, 2001 (P.L.755, No.77),  
21 known as the Tobacco Settlement Act.

22 Section 14. Repeal.

23 The act of June 26, 2001 (P.L.755, No.77), known as the  
24 Tobacco Settlement Act, is repealed insofar as it is  
25 inconsistent with this act.

26 Section 15. Effective date.

27 This act shall take effect immediately.