

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 693 Session of  
2003

INTRODUCED BY BOSCOLA, LAVALLE, FERLO, WAGNER, RAFFERTY, ORIE,  
COSTA, KUKOVICH, LOGAN, RHOADES, STOUT, A. WILLIAMS, KITCHEN,  
TARTAGLIONE, O'PAKE, KASUNIC, WOZNIAK AND SCHWARTZ,  
MAY 9, 2003

REFERRED TO BANKING AND INSURANCE, MAY 9, 2003

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  
18 potential loss of our entire steel industry.

1           (2) Since January 1997, a total of 54,000 steelworker  
2 jobs have been lost.

3           (3) Thirty-five companies have filed for bankruptcy,  
4 representing approximately 30% of the country's steelmaking  
5 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 and  
9 despite a slight recovery due to the Federal Government's  
10 section 201 tariff program are still below their 20-year  
11 average.

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

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

18           (8) As of March 31, 2002, over 20,000 retired LTV  
19 Corporation retirees lost their health coverage due to the  
20 Voluntary Employees Beneficiary Association decision to not  
21 ensure claims.

22           (9) Bethlehem Steel has announced plans to terminate  
23 benefits for its retirees, 40,000 of whom are Pennsylvania  
24 residents.

25           (10) The loss of benefits makes for the need for  
26 decisive action at the State level more urgent. Pennsylvania  
27 has a clear and compelling interest to aid this population of  
28 retirees.

29 Section 3. Definitions.

30           The following words and phrases when used in this act shall

1 have the meanings given to them in this section unless the  
2 context clearly indicates otherwise:

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

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

8 "Department." The Department of Labor and Industry of the  
9 Commonwealth.

10 "Eligible retirees." Any resident of this Commonwealth who  
11 is a retiree of a steel company whose company paid health care  
12 benefits administered by the Voluntary Employees Beneficiary  
13 Association, expired as of March 31, 2002. The term shall also  
14 include the surviving spouse or dependents of any eligible  
15 retiree.

16 "Fund." The Steelworker Health Care Assistance Retiree Trust  
17 Fund established under section 7.

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

21 "PACE." The Pharmaceutical Assistance Contract for the  
22 Elderly program provided for in Chapter 5 of the act of August  
23 26, 1971 (P.L.351, No.91), known as the State Lottery Law.

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

28 "Program." The Steelworker Health Care Assistance Retiree  
29 Program established under section 6.

30 Section 4. Steelworker Health Care Assistance Retiree Board.

1 (a) Establishment.--There is hereby established the  
2 Steelworker Health Care Assistance Retiree Board as a  
3 departmental board under the department.

4 (b) Membership.--The board shall consist of the following  
5 members:

6 (1) One member appointed by the Majority Leader of the  
7 Senate.

8 (2) One member appointed by the Minority Leader of the  
9 Senate.

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

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

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

15 (6) The Secretary of Insurance or his designee.

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

18 (8) One member appointed by the Governor.

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

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

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

27 (e) Terms of members.--Members of the board shall serve  
28 terms of four years and until a successor is appointed and  
29 qualified. Members may serve only two consecutive full terms.

30 Any member of the board may be removed by the department or by a

1 majority of the other board members for malfeasance in office,  
2 failure to attend regularly scheduled meetings or any cause that  
3 renders the member incapable of or unfit to discharge his  
4 duties.

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

11 Section 5. Powers and duties of Steelworker Health Care  
12 Assistance Retiree Board.

13 It should be the duty of the board and the board shall have  
14 the power to:

15 (1) Implement a health care benefits program pursuant to  
16 section 6.

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

18 Section 6. Steelworker Health Care Assistance Retiree Program.

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

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

28 (1) Eligible retirees who are eligible to receive  
29 Medicare shall enroll or continue to be enrolled in a  
30 Medicare program. The program shall provide for the

1 enrollment of the eligible retirees who are eligible to  
2 receive Medicare in a commercially available Medicare  
3 supplement plan. Additionally, the program shall provide for  
4 the enrollment of eligible retirees who are eligible to  
5 receive Medicare in a commercially available prescription  
6 drug coverage plan to provide for prescription drugs not  
7 covered under PACE or PACENET. The board shall set the amount  
8 of monthly premiums to be paid by eligible retirees who are  
9 eligible to receive Medicare and the amount of copayment  
10 required for prescription drugs.

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

23 (3) The board shall make every effort to ensure that  
24 administration costs are kept at a minimum. The board shall  
25 require contractors to follow the provisions of section  
26 2311(b)(2) of The Insurance Company Law of 1921.

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

30 (c) Comparable program.--If the Federal Government enacts a

1 program providing benefits comparable to those contained in this  
2 act as determined by the Steelworker Health Care Assistance  
3 Retiree Board, then the program established by this act shall be  
4 discontinued.

5 (d) Modification of program.--If the Federal Government  
6 enacts a program which the Steelworkers Health Care Assistance  
7 Retiree Board determines not to be comparable to the program  
8 established by this act, the board shall have the power to  
9 provide additional group health plan coverage and benefits which  
10 supplement any such program.

11 Section 7. Steelworker Health Care Assistance Retiree Trust  
12 Fund.

13 (a) Establishment.--There is hereby established a separate  
14 account in the State Treasury to be known as the Steelworker  
15 Health Care Assistance Retiree Trust Fund. The fund shall be  
16 administered by the board. All interest earned from the  
17 investment or deposit of moneys accumulated in the fund shall be  
18 deposited in the fund for the same use.

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

23 (c) Source of fund.--The proceeds realized from the sale of  
24 bonds under this act shall be paid into the fund and are hereby  
25 specifically dedicated to the purpose of this act. The moneys  
26 shall be paid periodically by the State Treasurer to the board  
27 at such times and in such amounts as may be necessary to satisfy  
28 the purpose of this act.

29 Section 8. Authority to borrow.

30 The issuing officials are hereby authorized and directed to

1 borrow, on the credit of the Commonwealth, such sum or sums of  
2 money not exceeding in the aggregate the sum of \$225,000,000 as  
3 may be necessary to carry out the purposes of this act.

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

5 (a) Issuance.--As evidence of the indebtedness authorized in  
6 this act, general obligation bonds of the Commonwealth shall be  
7 issued for such total amount, in such forms, in such  
8 denominations and subject to such terms and conditions of issue,  
9 redemption and maturity, rate or rates of interest and time of  
10 payment of interest as the issuing officials shall direct,  
11 except that the latest stated maturity date shall not exceed 25  
12 years from the date of the bond first issued for each such  
13 series.

14 (b) Signatures and seal.--All bonds issued under the  
15 authority of this act shall bear facsimile signatures of the  
16 issuing officials and a facsimile of the Great Seal of the  
17 Commonwealth and shall be countersigned by two duly authorized  
18 officers of the duly authorized loan and transfer agents of the  
19 Commonwealth.

20 (c) Full faith and credit.--All bonds issued in accordance  
21 with the provisions of this act shall be direct obligations of  
22 the Commonwealth, and the full faith and credit of the  
23 Commonwealth are hereby pledged for the payment of the interest  
24 thereon as the same shall become due and for the payment of the  
25 principal thereof at maturity. All bonds issued under the  
26 provisions of this act shall be exempt from taxation for State  
27 and local purposes. The principal of and interest on such bonds  
28 shall be payable in lawful money of the United States of  
29 America.

30 (d) Form.--Bonds issued under this act may be issued as



1 coupon bonds or registered as to both principal and interest as  
2 the issuing officials may determine. If interest coupons are  
3 attached, they shall contain the facsimile signature of the  
4 State Treasurer.

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

8 (f) Preparation.--The issuing officials shall proceed to  
9 have the necessary bonds prepared and printed. The bonds, as  
10 soon as they are prepared and printed, shall be deposited with  
11 the duly authorized loan and transfer agent of the Commonwealth,  
12 there to remain until sold in accordance with the provisions of  
13 this act.

14 Section 10. Sale of bonds.

15 (a) Offering for sale.--When bonds are issued under this  
16 act, they shall be offered for sale and shall be sold by the  
17 issuing officials to the highest and best bidder or bidders  
18 after due public advertisement, on such terms and conditions and  
19 upon such open competitive bidding as the issuing officials  
20 shall direct. The manner and character of advertisement and the  
21 times of advertising shall be prescribed by the issuing  
22 officials.

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

27 (c) Series.--When bonds are issued from time to time, the  
28 bonds of each issue shall constitute a separate series to be  
29 designated by the issuing officials or may be combined for sale  
30 as one series with other general obligation bonds of the

1 Commonwealth.

2 Section 11. Refunding bonds.

3 The issuing officials are hereby authorized to provide by  
4 resolution for the issuance of refunding bonds for the purpose  
5 of refunding any bonds issued under the provisions of this act  
6 and then outstanding, either by voluntary exchange with the  
7 holders of such outstanding bonds with accrued interest and any  
8 premium payable thereon, at maturity or at any call date. The  
9 issuance of refunding bonds, the maturities and other details  
10 thereof, the rights of the holders thereof and the duties of the  
11 issuing officials in respect to refunding bonds shall be  
12 governed by the provisions of this act, insofar as they may be  
13 applicable. Refunding bonds may be issued by the issuing  
14 officials to refund bonds originally issued or to refund bonds  
15 previously issued for refunding purposes.

16 Section 12. Registration of bonds.

17 The Auditor General shall prepare the necessary registry book  
18 to be kept in the office of the duly authorized loan and  
19 transfer agent of the Commonwealth for the registration of any  
20 bonds, at the request of owners thereof, according to the terms  
21 and conditions of issue directed by the issuing officials. All  
22 bonds which are issued under this act without interest coupons  
23 attached shall be registered in the registry books kept by the  
24 duly authorized loan and transfer agent of the Commonwealth.

25 Section 13. Appropriation.

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

30 Section 14. Repeal.

1       The act of June 26, 2001 (P.L.755, No.77), known as the  
2 Tobacco Settlement Act, is repealed insofar as it is  
3 inconsistent with this act.  
4 Section 15.   Effective date.  
5       This act shall take effect immediately.