

1 *Senate* BILL NO. 33
 2 INTRODUCED BY *Sen. Duane Boyla Flynn*
 3 *Devine Jergeson Goodover*

4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING MEDICARE
 5 SUPPLEMENTAL INSURANCE TO FORMER STATE EMPLOYEES ELIGIBLE
 6 FOR MEDICARE; PROVIDING A STATE CONTRIBUTION OF NOT OVER TEN
 7 DOLLARS (\$10) PER MONTH PER FORMER EMPLOYEE INSURED."
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9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 Section 1. Definitions. As used in this act, (1)
 11 "former employee" means a person formerly employed by the
 12 state of Montana who has terminated such employment by
 13 retirement or disability, who is receiving periodic benefits
 14 from the public employees' retirement system, and who is
 15 eligible to receive medicare benefits from the federal
 16 government under Title 18 of the Social Security Act, as
 17 amended. A person participating in the public employees'
 18 retirement system by reason of employment with a political
 19 subdivision of the state only, and not having been employed
 20 by the state, is not a former employee for the purposes of
 21 this act, and (2) "medicare supplemental insurance" means a
 22 policy of health insurance covering medicare deductibles and
 23 medicare coinsurance provisions.

24 Section 2. Group medicare supplemental insurance --
 25 department of administration to contract for -- board of

1 administration to enroll participants. The department of
 2 administration shall negotiate and contract for group health
 3 insurance coverage supplementing medicare coverage for the
 4 former employees of the state who desire such coverage. The
 5 board of administration shall inform each former employee of
 6 his right to obtain such insurance, and shall furnish forms
 7 to each former employee on which he may establish his
 8 eligibility and elect to join the group so insured.

9 Section 3. Payment for medicare supplemental insurance
 10 -- state's and former employee's shares. The board of
 11 administration shall pay for medicare supplemental insurance
 12 ten dollars (\$10) per month for each participating former
 13 employee, if the cost of the insurance equals or exceeds ten
 14 dollars (\$10) per month per former employee, and the former
 15 employee shall pay the balance. If the monthly cost per
 16 former employee is less than ten dollars (\$10), the board of
 17 administration shall pay the entire cost. If a former
 18 employee is required to pay a portion of the cost of his
 19 medicare supplemental insurance, the board of administration
 20 shall deduct that portion from the former employee's public
 21 employees' retirement system benefits. The board of
 22 administration shall make payments out of funds appropriated
 23 by the legislature for the purposes of this act.

-End-

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STATE OF MONTANA

REQUEST NO. 16-75

FISCAL NOTE

Form BI) 15

In compliance with a written request received January 9, , 19 75 , there is hereby submitted a Fiscal Note for Senate Bill 33 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

An act providing Medicare supplemental insurance to former state employees eligible for Medicare and requiring the state to pay not more than \$10 per month per former employee per former employee insured.

ASSUMPTIONS:

1. Approximately 1,638 persons would qualify under the provisions of Senate Bill 33 in FY 76 and 1,769 persons in FY 77.
2. Persons excluded under the non-state service retirees, state service retirees not 65, and all retirees of other systems.
3. The state will pay the maximum \$10 per month per former employee.

FISCAL IMPACT:

	FY 76	FY 77
Additional expenditures under proposed law	\$ 195,560	\$ 212,280


BUDGET DIRECTOR

Office of Budget and Program Planning

Date: January 17, 1975
