

SENATE BILL NO. 455

INTRODUCED BY NORMAN

BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

IN THE SENATE

February 16, 1983	Introduced and referred to Committee on State Administration.
February 17, 1983	Fiscal Note requested.
February 18, 1983	Committee recommend bill do pass. Report adopted.
February 19, 1983	Bill printed and placed on members' desks.
February 20, 1983	Fiscal Note returned.
February 22, 1983	Second reading, do pass. Correctly engrossed.
February 23, 1983	Third reading, passed. Ayes, 49; Noes, 0. Transmitted to House.

IN THE HOUSE

February 28, 1983	Introduced and referred to Committee on State Administration.
March 10, 1983	Committee recommend bill be concurred in. Report adopted.
March 11, 1983	Second reading, concurred in.
March 14, 1983	Third reading, concurred in.

IN THE SENATE

March 15, 1983

Returned to Senate. Sent  
to enrolling.

Reported correctly  
enrolled.

1 *Senate* BILL NO. 55  
2 INTRODUCED BY Norman  
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4

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO AUTHORIZE THE STATE  
6 TO PAY FOR STATE EMPLOYEES' PARTICIPATION IN PART B OF  
7 MEDICARE, IN CERTAIN CASES, FROM THE STATE CONTRIBUTION FOR  
8 GROUP BENEFITS; INCORPORATING THE RELEVANT PROVISIONS OF THE  
9 FEDERAL TAX EQUITY AND FISCAL RESPONSIBILITY ACT OF 1982;  
10 AMENDING SECTION 2-18-703, MCA."  
11

12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 Section 1. Section 2-18-703, MCA, is amended to read:  
14 "2-18-703. Contributions. (1) Each agency as defined  
15 in 2-18-601 shall contribute the amount specified in this  
16 section towards the group benefits cost.

17 (2) For employees defined in 2-18-701 other than  
18 members of collective bargaining units, and for members of  
19 the legislature, the employer contribution for group  
20 benefits shall be \$70 per month for the fiscal year ending  
21 June 30, 1982, and \$80 per month for each fiscal year  
22 thereafter. Permanent part-time employees who are regularly  
23 scheduled to work less than 20 hours a week are not eligible  
24 for the group benefit contribution. An employee who elects  
25 not to be covered by a state-sponsored group benefit plan

1 may not receive the state contribution as wages. A portion  
2 of the employer contribution for group benefits may be  
3 applied to an employee's costs for participation in Part B  
4 of medicare under Title XVIII of the Social Security Act of  
5 1965, as amended, if the state group benefit plan is the  
6 secondary payer and medicare the primary payer.

7 (3) For employees of elementary and high school  
8 districts and of local government units, the employer's  
9 premium contributions may exceed but may not be less than  
10 \$10 per month.

11 (4) Unused employer contributions for any state  
12 employee shall be transferred to an account established for  
13 this purpose by the department and upon such transfer may be  
14 used to offset losses occurring to the group of which the  
15 employee is eligible to be a member."

-End-

STATE OF MONTANA

REQUEST NO. 456-83

FISCAL NOTE

Form BD-15

n compliance with a written request received February 17, 19 83, there is hereby submitted a Fiscal Note  
or Senate Bill 455 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

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:

Senate Bill 455 authorizes the state to pay for state employees' participation in Part B of Medicare, in certain cases, from the state contribution for Group Benefits; and incorporates the relevant provisions of the Federal Tax Equity and Fiscal Responsibility Act of 1982.

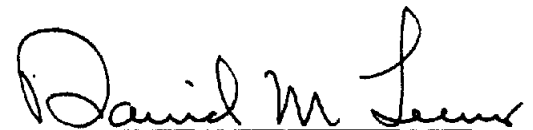
FISCAL IMPACT:

None

COMMENTS:

The state presently contributes \$80.00 per month for each eligible employee to be used for group insurance. This \$80.00, along with the employee portion of his/her group insurance premium, go into a group insurance account used to pay group insurance claims, premiums and administrative costs. This legislation will not affect the state's cost of \$80.00/month per eligible employee. The legislation simply allows a portion of this money to be used to pay an eligible employee's (aged 65-69) "Part B" Medicare premium if Medicare becomes the primary payer. In other words, instead of the state group insurance paying the employees medical bills, Medicare will pay the bills and the state group insurance account will pay the Medicare "Part B" premium. If anything, this will save the group insurance account money because Medicare would be the primary payer in these instances. Any saving, however, will be negligible because the maximum number of employers affected (between ages 65-69) will be less than 150.

FISCAL NOTE 16: S/1



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-20-83

Approved by Committee  
on State Administration

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