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H.494

Conference Committee Medicare Advantage Language

Sec. E.108 3 V.S.A. § 479 is amended to read:

§ 479. GROUP INSURANCE

(a)(1) As provided under section 631 of this title, a member who is insured by the respective group insurance plans immediately preceding the member's effective date of retirement shall be entitled to continuation of group insurance as follows:

~~(A)~~(i) coverage in the group medical benefit plan provided by the State of Vermont for active State employees; or

~~(B)~~(ii) for a Group F and Group G plan member first included in the membership of the system on or after July 1, 2008, coverage in the group medical benefit plan offered by the State of Vermont for active State employees and pursuant to the following, provided:

~~(i)~~(I) a member who has completed five years and less than 10 years of creditable service at the member's retirement shall pay the full cost of the premium;

~~(ii)~~(II) a member who has completed 10 years and less than 15 years of creditable service at the member's retirement shall pay 60 percent of the cost of the premium;

1 ~~(iii)~~(III) a member who has completed 15 years and less than 20
2 years of creditable service at ~~his or her~~ the member's retirement shall pay 40
3 percent of the cost of the premium;

4 ~~(iv)~~(IV) a member who has completed 20 years or more of
5 creditable service at ~~his or her~~ the member's retirement shall pay 20 percent of
6 the cost of the premium; and

7 ~~(2)~~(B) members who have completed 20 years of creditable service at
8 their effective date of retirement shall be entitled to the continuation of life
9 insurance in the amount of \$10,000.00.

10 (2) Notwithstanding any provision of subdivision (1)(A)(i) or (ii) of this
11 subsection to the contrary, a member may be offered health coverage other
12 than coverage in the group medical benefit plan provided by the State of
13 Vermont for active State employees if the following conditions are met:

14 (A) the alternative health coverage is substantially equivalent to the
15 coverage offered through the group medical benefit plan provided by the State
16 of Vermont for active State employees; and

17 (B) the alternative health coverage is mutually agreeable to:

18 (i) the State;

19 (ii) each employee organization that has been certified to represent
20 one or more bargaining units pursuant to chapters 27 and 28 of this title; and

21 (iii) the Vermont Retired State Employees' Association.

1 (b) As of July 1, 2007, members of the Group C plan who separate from
2 service prior to being eligible for retirement benefits under this chapter, who
3 have at least 20 years of creditable service, and who participated in the group
4 medical benefit plan at the time of separation from service shall have a one-
5 time option at the time retirement benefits commence to participate in the
6 group medical benefit plan provided by the State of Vermont for **active State**
7 **employees** or any alternative health coverage provided pursuant to subdivision
8 (a)(2) of this section. Premiums for the plan shall be prorated between the
9 retired member and the Retirement System pursuant to section 631 of this title.

10 (c) Premiums for coverage of retired members of the Group C plan and
11 their dependents in the group medical benefit plan or any alternative health
12 coverage provided pursuant to subdivision (a)(2) of this section shall be
13 prorated on the same basis as is provided for active employees by the current
14 collective bargaining agreement for the nonmanagement unit. The amounts
15 designated as the State's share of premium for the medical benefit plan and the
16 total premium for group life insurance provided under subdivision (a)(2) of this
17 section shall be paid by the Fund as an operating expense in accordance with
18 subsection 473(d) of this title.

19 (d) After January 1, 2007, the State Treasurer may offer and administer a
20 dental benefit plan for retired members, beneficiaries, eligible dependents, and
21 eligible retirees of special affiliated groups and the dependents of members of

1 those groups who are eligible for coverage in the State Employee Group
2 Medical Benefit Plan or any alternative health coverage provided pursuant to
3 subdivision (a)(2) of this section. The Plan shall be separate and apart from
4 any dental benefit plan offered to Vermont State employees. The original plan
5 of benefits, and any changes thereto, shall be determined by the State Treasurer
6 with due consideration of recommendations from the Retired Employees'
7 Committee on Insurance established in section 636 of this title.

8 * * *

9 (3) Dependent eligibility shall be determined in the manner applied to
10 determinations for coverage in the State Employee Medical Benefit Plan or any
11 alternative health coverage provided pursuant to subdivision (a)(2) of this
12 section.

13 (4) [Repealed.]

14 (e) As of January 1, 2007, and thereafter, upon retirement, members
15 entitled to prorated group medical benefit plan premium payments from the
16 Retirement System under the terms of this section shall have a one-time option
17 to reduce the percentage of premium payments from the Retirement System
18 during the member's life, with the provision that the Fund shall continue
19 making an equal percentage of premium payments after the member's death
20 for the life of the dependent beneficiary nominated by the member under
21 section 468 of this title, should such dependent beneficiary survive the

1 member. The Retirement Board, after consultation with its actuary, shall
2 establish reduced premium payment percentages that are as cost neutral to the
3 Fund as possible.

4 (f) [Repealed.]

5 (g) A member of the Group F or Group G plan who is first included in the
6 membership of the System on or after July 1, 2008, who separates from service
7 prior to being eligible for retirement benefits under this chapter, who has at
8 least 20 years of creditable service, and who participated in the group medical
9 benefit plan at the time of separation from service shall have a one-time option
10 at the time retirement benefits commence to reinstate the same level of
11 coverage, in the group medical benefit plan provided by the State of Vermont
12 for **active State employees** or any alternative health coverage provided
13 pursuant to subdivision (a)(2) of this section, that existed at the date of
14 separation from service. Premiums for the plan shall be prorated between the
15 retired member and the Retirement System pursuant to subsection 479(a) of
16 this title.

17 * * *

18 **Sec. E.108.1 3 V.S.A. § 631 is amended to read:**

19 **§ 631. GROUP INSURANCE FOR STATE EMPLOYEES; SALARY**

20 **DEDUCTIONS FOR INSURANCE, SAVINGS PLANS, AND**

21 **CREDIT UNIONS**

1 (a)(1) The Secretary of Administration may contract on behalf of the State
2 with any insurance company or nonprofit association doing business in this
3 State to secure the benefits of franchise or group insurance. ~~Beginning July 1,~~
4 ~~1978, the~~ The terms of coverage under the policy shall be determined under
5 section 904 of this title, but it may include:

6 (A) life, disability, health, and accident insurance and benefits for
7 any class or classes of State employees; and

8 (B) hospital, surgical, and medical benefits for any class or classes of
9 State employees or for those employees and any class or classes of their
10 dependents.

11 (2)(A)(i) As used in this section, the term “employees” includes any
12 class or classes of elected or appointed officials, State’s Attorneys, sheriffs,
13 employees of State’s Attorneys’ offices whose compensation is administered
14 through the State of Vermont payroll system, except contractual and temporary
15 employees, and deputy sheriffs paid by the State of Vermont pursuant to 24
16 V.S.A. § 290(b). The term “employees” shall not include members of the
17 General Assembly as such, any person rendering service on a retainer or fee
18 basis, members of boards or commissions, or persons other than employees of
19 the Vermont Historical Society, the Vermont Film Corporation, the Vermont
20 State Employees’ Credit Union, Vermont State Employees’ Association, and
21 the Vermont Council on the Arts, whose compensation for service is not paid

1 from the State Treasury, or any elected or appointed official unless the official
2 is actively engaged in and devoting substantially full-time to the conduct of the
3 business of ~~his or her~~ the official's public office.

4 (ii) For purposes of group hospital-surgical-medical expense
5 insurance, the term “employees” shall include employees as defined in
6 subdivision (i) of this subdivision (2)(A) and former employees as defined in
7 this subdivision who are retired and are receiving a retirement allowance from
8 the Vermont State Retirement System or the State Teachers’ Retirement
9 System of Vermont and, for the purposes of group life insurance only, are
10 retired on or after July 1, 1961, and have completed 20 creditable years of
11 service with the State before their retirement dates and are insured for group
12 life insurance on their retirement dates.

13 * * *

14 (10) The Secretary of Administration shall not contract for any group
15 hospital-surgical-medical expense insurance that provides a Medicare
16 Advantage plan or similar plan established pursuant to Title XVIII of the
17 Social Security Act without the explicit agreement of all employee
18 organizations certified pursuant to chapters 27 and 28 of this title.

19 * * *

1 **Sec. E.108.2** 3 V.S.A. § 925 is amended to read:

2 § 925. MEDIATION; FACT FINDING

3 * * *

4 (i)(1) In the case of the Vermont State Colleges or the University of
5 Vermont, if the dispute remains unresolved 20 days after transmittal of
6 findings and recommendations to the parties or within a time frame mutually
7 agreed upon by the parties that may be not more than an additional 30 days,
8 each party shall submit as a single package its last best offer on all disputed
9 issues to the Board. Each party's last best offer shall be filed with the Board
10 under seal and shall be unsealed and placed in the public record only when
11 both parties' last best offers are filed with the Board. The Board shall hold one
12 or more hearings. Within 30 days of the certifications, the Board shall select
13 between the last best offers of the parties, considered in their entirety without
14 amendment.

15 (2)(A) In the case of the State of Vermont or the Department of State's
16 Attorneys and Sheriffs, if the dispute remains unresolved 20 days after
17 transmittal of findings and recommendations to the parties or within a time
18 frame mutually agreed upon by the parties that may be not more than an
19 additional 30 days, each party shall submit as a single package its last best
20 offer on all disputed issues to the Board, or upon the request of either party, to
21 an arbitrator mutually agreed upon by the parties. If the parties cannot agree

1 on an arbitrator, the American Arbitration Association shall appoint a neutral
2 third party to act as arbitrator.

3 (B)(i) Each party's last best offer shall be filed with the Board or the
4 arbitrator under seal and shall be unsealed and placed in the public record only
5 when both parties' last best offers are filed with the Board or the arbitrator.

6 (ii) A party's last best offer shall not include a proposal to:

7 (I) provide alternative health coverage to retired State
8 employees that has not been agreed to pursuant to the provisions of subdivision
9 479(a)(2) of this title; or

10 (II) provide health coverage that includes a Medicare
11 Advantage plan or similar plan established pursuant to Title XVIII of the
12 Social Security Act unless the inclusion of the plan has been agreed to by both
13 parties.

14 (iii) The Board or the arbitrator shall hold one or more hearings.
15 Within 30 days of the certifications, the Board or the arbitrator shall select
16 between the last best offers of the parties, considered in their entirety without
17 amendment.

18 * * *

19 Sec. E.108.3 3 V.S.A. § 1018 is amended to read:

20 § 1018. MEDIATION; FACT-FINDING; LAST BEST OFFER

21 * * *

1 (i)(1) If the dispute remains unresolved 20 days after transmittal of findings
2 and recommendations or within a period of time mutually agreed upon by the
3 parties that may be not more than an additional 30 days, each party shall
4 submit to the Board or, upon the request of either party, to an arbitrator
5 mutually agreed upon by the parties its last best offer on all disputed issues as a
6 single package. If the parties cannot agree on an arbitrator, the American
7 Arbitration Association shall appoint a neutral third party to act as arbitrator.

8 (2) Each party's last best offer shall be:

9 (A) filed with the Board or the arbitrator under seal;

10 (B) certified to the Board or the arbitrator by the fact finder; and

11 (C) unsealed and placed in the public record only when both parties'

12 last best offers are filed with the Board or the arbitrator.

13 (3)(A) A party's last best offer shall not include a proposal to:

14 (i) provide alternative health coverage to retired State employees

15 that has not been agreed to pursuant to the provisions of subdivision 479(a)(2)

16 of this title; or

17 (ii) provide health coverage that includes a Medicare Advantage

18 plan or similar plan established pursuant to Title XVIII of the Social Security

19 Act unless the inclusion of the plan has been agreed to by both parties.

20 (4) The Board or the arbitrator shall hold one or more hearings and

21 consider the recommendations of the fact finder.

