

March 9, 2023 (See proposed change in 479b(a) in red)

**PROPOSAL IN RESPONSE TO SCOTT ADMINISTRATION INTENT
TO IMPOSE MEDICARE ADVANTAGE ON RETIRED STATE EMPLOYEES**

Sec. XX

3 V. S. A. §479b is added to read:

**§479b. SECONDARY AND SUPPLEMENTAL MEDICAL AND HOSPITAL SERVICES
AND PHARMACY BENEFITS**

- (a) Notwithstanding any provision of law to the contrary, an employee who is retired and is otherwise eligible for health insurance in retirement shall be in the same health plan as active state employees who are not Medicare eligible, except that a retiree who is eligible for Medicare (both Part A and Part B) shall have Medicare as primary coverage and the **same** state's health insurance plan shall be secondary coverage.
- (b) The secretary of administration shall not subscribe or enroll, or attempt to subscribe or enroll, any Medicare eligible retired state employee in any private health insurance plan that purports to be a substitute, replacement or alternative for Medicare, such as the medical plans now referred to as Medicare Advantage Plans.

Sec. YY

3 V.S.A. § 479 is amended to read:

• **§ 479. Group insurance**

(a) 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 **such** group insurance as follows:

(1)(A) coverage in the **same** group medical benefit plan provided by the State of Vermont for active State employees **who are not Medicare eligible**; or

(B) 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 **same** group medical benefit plan ~~offered~~ **provided** by the State of Vermont for active State employees **who are not Medicare eligible** and pursuant to the following, provided:

(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) 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;

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

(iv) a member who has completed 20 years or more of creditable service at his or her retirement shall pay 20 percent of the cost of the premium; and

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

(b) As of July 1, 2007, members of the Group C plan who separate from service prior to being eligible for retirement benefits under this chapter, who have at least 20 years of creditable service, and who participated in the group medical benefit plan at the time of separation from service shall have a one-time option at the time retirement benefits commence to participate in the same group medical benefit plan provided by the State of Vermont for active State employees who are not Medicare eligible. Premiums for the plan shall be prorated between the retired member and the Retirement System pursuant to section 631 of this title.

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

(d) After January 1, 2007, the State Treasurer may offer and administer a dental benefit plan for retired members, beneficiaries, eligible dependents, and eligible retirees of special affiliated groups and the dependents of members of those groups who are eligible for coverage in the State Employee Group Medical Benefit Plan. The Plan shall be separate and apart from any dental benefit plan offered to Vermont State employees. The original plan of benefits, and any changes thereto, shall be determined by the State Treasurer with due consideration of recommendations from the Retired Employees' Committee on Insurance established in section 636 of this title.
