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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)(A) 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 (B) For purposes of section 479 of this title and notwithstanding any  
20 provision of law to the contrary, a Medicare Advantage plan or other similar  
21 plan agreed to pursuant to the provisions of this subdivision (10) shall not be

1 considered to be part of the “group medical benefit plan provided by the State  
2 of Vermont for active State employees” but may be offered to retired members  
3 as alternative health coverage subject to the terms of subdivision 479(a)(2) of  
4 this title.

5 \* \* \*

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

7 § 925. MEDIATION; FACT FINDING

8 \* \* \*

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

20 (2)(A) In the case of the State of Vermont or the Department of State’s  
21 Attorneys and Sheriffs, if the dispute remains unresolved 20 days after



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

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

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

12 (I) provide alternative health coverage to retired State  
13 employees that has not been agreed to pursuant to the provisions of subdivision  
14 479(a)(2) of this title; or

15 (II) provide health coverage that includes a Medicare  
16 Advantage plan or similar plan established pursuant to Title XVIII of the  
17 Social Security Act unless the plan has been agreed to pursuant to subdivision  
18 631(a)(10) of this title and its inclusion in the collective bargaining agreement  
19 has been agreed to by both parties prior to the submission of the last best  
20 offers.



