

# SENATE BILL No. 475

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 5-10-8-7.

**Synopsis:** Public employee health plan eligibility. Specifies that coverage under state employee and state educational institution health plans is available to certain individuals.

**Effective:** July 1, 2011.

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**Schneider, Yoder**

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January 13, 2011, read first time and referred to Committee on Insurance and Financial Institutions.

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Introduced

First Regular Session 117th General Assembly (2011)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2010 Regular Session of the General Assembly.

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## SENATE BILL No. 475



A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 5-10-8-7, AS AMENDED BY P.L.2-2007,  
 2 SECTION 82, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 3 JULY 1, 2011]: Sec. 7. (a) The state, excluding state educational  
 4 institutions, may not purchase or maintain a policy of group insurance,  
 5 except:  
 6 (1) life insurance for the state's employees;  
 7 (2) long term care insurance under a long term care insurance  
 8 policy (as defined in IC 27-8-12-5), for the state's employees;  
 9 (3) an accident and sickness insurance policy (as defined in  
 10 IC 27-8-5.6-1) that covers individuals to whom coverage is  
 11 provided by a local unit under section 6.6 of this chapter; or  
 12 (4) an insurance policy that provides coverage that supplements  
 13 coverage provided under a United States military health care plan.  
 14 (b) With the consent of the governor, the state personnel department  
 15 may establish self-insurance programs to provide group insurance other  
 16 than life or long term care insurance for state employees and retired  
 17 state employees. The state personnel department may contract with a



1 private agency, business firm, limited liability company, or corporation  
2 for administrative services. A commission may not be paid for the  
3 placement of the contract. The department may require, as part of a  
4 contract for administrative services, that the provider of the  
5 administrative services offer to an employee terminating state  
6 employment the option to purchase, without evidence of insurability,  
7 an individual policy of insurance.

8 (c) Notwithstanding subsection (a), with the consent of the  
9 governor, the state personnel department may contract for health  
10 services for state employees and individuals to whom coverage is  
11 provided by a local unit under section 6.6 of this chapter through one  
12 (1) or more prepaid health care delivery plans.

13 (d) The state personnel department shall adopt rules under IC 4-22-2  
14 to establish long term and short term disability plans for state  
15 employees (except employees who hold elected offices (as defined by  
16 IC 3-5-2-17)). The plans adopted under this subsection may include  
17 any provisions the department considers necessary and proper and  
18 must:

- 19 (1) require participation in the plan by employees with six (6)
- 20 months of continuous, full-time service;
- 21 (2) require an employee to make a contribution to the plan in the
- 22 form of a payroll deduction;
- 23 (3) require that an employee's benefits under the short term
- 24 disability plan be subject to a thirty (30) day elimination period
- 25 and that benefits under the long term plan be subject to a six (6)
- 26 month elimination period;
- 27 (4) prohibit the termination of an employee who is eligible for
- 28 benefits under the plan;
- 29 (5) provide, after a seven (7) day elimination period, eighty
- 30 percent (80%) of base biweekly wages for an employee disabled
- 31 by injuries resulting from tortious acts, as distinguished from
- 32 passive negligence, that occur within the employee's scope of
- 33 state employment;
- 34 (6) provide that an employee's benefits under the plan may be
- 35 reduced, dollar for dollar, if the employee derives income from:
  - 36 (A) Social Security;
  - 37 (B) the public employees' retirement fund;
  - 38 (C) the Indiana state teachers' retirement fund;
  - 39 (D) pension disability;
  - 40 (E) worker's compensation;
  - 41 (F) benefits provided from another employer's group plan; or
  - 42 (G) remuneration for employment entered into after the

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1           disability was incurred.  
2           (The department of state revenue and the department of workforce  
3           development shall cooperate with the state personnel department  
4           to confirm that an employee has disclosed complete and accurate  
5           information necessary to administer subdivision (6).)  
6           (7) provide that an employee will not receive benefits under the  
7           plan for a disability resulting from causes specified in the rules;  
8           and  
9           (8) provide that, if an employee refuses to:  
10           (A) accept work assignments appropriate to the employee's  
11           medical condition;  
12           (B) submit information necessary for claim administration; or  
13           (C) submit to examinations by designated physicians;  
14           the employee forfeits benefits under the plan.  
15           (e) This section does not affect insurance for retirees under  
16           IC 5-10.3 or IC 5-10.4.  
17           (f) The state may pay part of the cost of self-insurance or prepaid  
18           health care delivery plans for its employees.  
19           (g) A state agency may not provide any insurance benefits to its  
20           employees that are not generally available to other state employees,  
21           unless specifically authorized by law.  
22           (h) The state may pay a part of the cost of group medical and life  
23           coverage for its employees.  
24           **(i) Coverage under any of the following is not available to an**  
25           **individual other than an employee who is covered under the**  
26           **program or contract and the spouse and children of the employee:**  
27           **(1) A self-insurance program established under subsection (b)**  
28           **to provide group health coverage.**  
29           **(2) A contract with a prepaid health care delivery plan**  
30           **entered into by the state personnel department under**  
31           **subsection (c).**  
32           **(3) A health benefit program through which a state**  
33           **educational institution provides coverage for health care**  
34           **services rendered to employees of the state educational**  
35           **institution.**

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