

2019 -- S 0276

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2019

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A N A C T

RELATING TO PUBLIC OFFICERS AND EMPLOYEES -- INSURANCE BENEFITS

Introduced By: Senator Gayle L. Goldin

Date Introduced: February 13, 2019

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 36-12-6 of the General Laws in Chapter 36-12 entitled "Insurance
2 Benefits" is hereby amended to read as follows:

3 **36-12-6. Authority to purchase group life, accidental death, long term health care,**
4 **and other insurance benefits.**

5 (a) The director of administration, or any employee of the department of administration
6 designated by the director as his or her agent, is hereby authorized, empowered, and directed to
7 contract with one or more insurance companies duly licensed by this state for the purchase of one
8 or more contracts providing for group life, accidental death, long term health care and other
9 insurance benefits in conformity with the provisions of §§ 36-12-6 -- 36-12-14, to purchase
10 contracts of insurance and to administer all provisions of §§ 36-12-6 -- 36-12-14. [With regard to a](#)
11 [contract for long-term health care providing health services pursuant to § 36-12-2, the insurance](#)
12 [company selected must have its headquarters located in the state.](#) Before entering into any
13 insurance contract under this chapter, the director shall invite proposals from such qualified
14 insurers as in his or her opinion would desire to accept any part of the insurance coverage
15 authorized by §§ 36-12-6 -- 36-12-14 including hospital care and surgical-medical services with
16 the specific condition that the benefits and services provided by the carrier(s) will be substantially
17 equivalent to those set forth in any collective bargaining agreements executed between the state
18 of Rhode Island and authorized representatives of the unions representing state employees or the
19 health care coverage presently being provided.

1 (b) The state will work diligently with leadership of organized labor in order to ensure
2 competitiveness, cost effective health care services for all employees of the state who may be
3 eligible for those benefits.

4 (c) Any new plan must accept pre-existing conditions for those individuals who will be
5 covered by the new policy.

6 (d) The director may arrange with the company or companies from which the policy or
7 policies of insurance authorized herein are purchased to reinsure portions of any contract or
8 contracts of insurance with other insurance companies duly licensed in this state which elect to
9 enter into contracts of reinsurance and are legally competent to do so. The director may annually
10 redetermine the amount or amounts of coverage to be allocated to reinsuring companies in
11 advance of any contract year after the first year.

12 (e) The director may designate one or more of those insurance companies as the
13 administering company or companies.

14 (f) Each employee who is covered under any contract or contracts shall receive a
15 certificate setting forth the benefits to which the employee and his or her dependents are entitled
16 thereunder, to whom benefits shall be payable, to whom claims should be submitted, and
17 summarizing the provisions of the contract principally affecting the employee and his or her
18 dependents.

19 (g) The director may, on June 30, 1961, or at the end of any fiscal year thereafter,
20 discontinue any insurance contract or contracts he or she has purchased from any corporation or
21 corporations and replace it or them with a contract or contracts in any other corporation or
22 corporations meeting the requirements of §§ 36-12-6 -- 36-12-14.

23 SECTION 2. This act shall take effect upon passage and shall apply to any long-term
24 health care policy purchased after the expiration date of the current long-term health policy.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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RELATING TO PUBLIC OFFICERS AND EMPLOYEES -- INSURANCE BENEFITS

1 This act would require the director of administration to purchase a contract for long-term
2 health care benefits covering state employees from a health insurer with its headquarters located
3 in this state.

4 This act would take effect upon passage and would apply to any long-term health care
5 policy purchased after the expiration date of the current long-term health policy.

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