

2004 First Special Session - Final Report

The First Special Session of 2004 adjourned sine die on November 16, 2004. Governor Riley called the special session to change the health insurance programs for state workers and education employees in an effort to save money for the state's general fund.

The new laws mandate higher premiums for users of tobacco products and permit higher charges for employees who engage in risky behavior. Public employees who fall below 200% of the federal poverty line will receive a price reduction on health insurance to make sure their children receive the same benefits as low-income Alabamians who qualify for the Children's Health Insurance Program.

The laws give a new option to a public employee whose spouse works for an employer other than the state and has health insurance coverage for the family. The public employee can skip the state's normal health insurance plan and have a supplemental policy that would pay costs not covered by the spouse's health plan, such as co pays. This would save the state about 60% in costs.

Employees who retire after September 30, 2005, will be required to pay more for their health insurance if they leave before getting 25 years of service. Employees who work beyond 25 years before retiring would pay less. Further, if the retired employee takes another job, he or she will be required to use their new employer's health insurance plan as their primary coverage if the employer pays at least 50 % of the coverage cost.

The laws make sure that all public employees can participate in flexible benefits accounts to pay for medical and childcare expenses with money set aside before taxes are deducted. This benefit is already available to state employees, but not to all education employees. The law also provides that the State Employees Insurance Board and the Public Education Employees Health Insurance Board will be allowed to change premium rates for participants by a two-thirds vote.

General Bills Passed

Cost Sharing of Health Insurance Premiums – Public Education Employees Health Insurance Program (HB1, Act 2004-646). To amend Sections 16-25A-1 to add further definitions, 16-25A-4, 16-25A-5, 16-25A-7, 16-25A-8, 16-25A-9 and adds new Sections 16-25A-2.1, 16-25A-5.1, 16-25A-17.1, 16-25A-19, 16-25A-20, 16-25A-21, and 16-25A-22 to provide for cost sharing of health insurance premiums by employees and retirees covered by the Public Education Employees Health Insurance Program, offer supplemental secondary coverage in lieu of coverage in the basic medical plan, provide premium contribution assistance to low

income employees, to provide for detailed records to be maintained by the Board, to allow participation under the Public Education Flexible Employees Benefits Program..

Cost Sharing of Health Insurance Premiums – State Employees’ Health Insurance Plan (HB2, Act 2004-647). To amend Sections 36-29-1, 36-29-3, 36-29-4, 36-29-6, 36-29-7, 36-29-8, 36-29-10, 36-29-12 and 36-29-13, Code of Alabama 1975, and add Sections 36-29-19.1 through 36-29-19.6 to provide for the sharing of the cost of health insurance premiums by state employees who are covered by the State Employees' Health Insurance Plan, offer supplemental coverage in lieu of coverage in the basic medical plan of the State Employees' Health Insurance Plan and provide assistance to low income employees and retirees.

Retiree Cost Sharing of Health Insurance Premiums – State Employees’ Health Insurance Plan (HB3, Act 2004-648). To add Section 36-29-19.7 and 36-29-19.8 to the Code of Alabama 1975, to provide for the sharing of the cost of health insurance premiums based on years of service by state retirees who are covered by the State Employees' Health Insurance Plan and to offer supplemental coverage in lieu of coverage in the basic medical plan of the State Employees' Health Insurance Plan.

Retiree Cost Sharing of Health Insurance Premiums – Public Education Employees Health Insurance Program (HB4, Act 2004-649). To add a new Section 16-25A-8.1 to provide for the sharing of the cost of health insurance premiums based on years of service by retirees who are covered by the Public Education Employees' Health Insurance Plan; to add a new Section 16-25A-5.2 to provide for supplemental insurance policy for secondary coverage.

Public Education Flexible Employees Benefits Board (HB5, Act 2004-650). To allow public education employees to participate in a flexible employee benefits program and creates the Public Education Flexible Employees Benefits Board for such program's administration.

Local Bills

HB10, Act 2004-688 – Mobile County – Unpaved roads

HB12, Act 2004-689 – Autauga County – authorize Coroner to appoint Deputy Coroners

HB14, Act 2004-691 – Autauga County – Revenue Commissioner Expense allowance

HB15, Act 2004-692 – Autauga County – compensation for chief poll officials

HB17, Act 2004-693 – Dale County – provides additional expense allowance and salary for Judge of Probate, Revenue Commissioner and Sheriff

HB18, Act 2004-694 – Lee County – Reimbursement for monetary losses for errors or mistakes made in good faith

HB19, Act 2004-695 – Lee County – Pistol permit fees

HB20, Act 2004-696 – Cullman County – Allows Sheriff to provide a retiring officer his or her badge and pistol

HB22, Act 2004-697 – Conecuh County – Lodgings Tax

Annexation Bills

HB24, Act 2004-700 – Pike Road