

## 1 SENATE BILL NO. 255

2 INTRODUCED BY D. MCGEE

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4 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THAT GROUP INSURANCE FOR PUBLIC  
5 EMPLOYEES AND OFFICERS MAY PROVIDE COVERAGE ONLY FOR EMPLOYEES, OFFICERS, SPOUSES,  
6 AND DEPENDENTS; AMENDING SECTIONS 2-18-702 AND 2-18-811, MCA; AND PROVIDING AN EFFECTIVE  
7 DATE AND AN APPLICABILITY DATE."

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9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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11 **Section 1.** Section 2-18-702, MCA, is amended to read:  
12 **"2-18-702. Group insurance for public employees and officers.** (1) (a) Except as provided in  
13 subsection (1)(c), all counties, cities, towns, and school districts; and the board of regents shall upon approval  
14 by two-thirds vote of their respective officers and employees enter into group hospitalization, medical, health,  
15 including long-term disability, accident, or group life insurance contracts or plans for the benefit of their officers  
16 and employees and their dependents. The laws prohibiting discrimination on the basis of marital status in Title  
17 49 do not prohibit bona fide group insurance plans from providing greater or additional contributions for insurance  
18 benefits to employees with dependents than to employees without dependents or with fewer dependents.  
19 However, group insurance plans may provide coverage only for employees, spouses as determined under  
20 15-30-134, and dependents as defined in 15-30-113.

21 (b) The governing body of a county, city, or town may, at its discretion, consider the employees of  
22 private, nonprofit economic development organizations to be employees of the county, city, or town solely for the  
23 purpose of participation in group hospitalization, medical, health, including long-term disability, accident, or group  
24 life insurance contracts or plans as provided in subsection (1)(a). The governing body of the county, city, or town  
25 may require an employee or organization to pay the actual cost of coverage required for participation or may, at  
26 its discretion and subject to any restriction on who may be a member of a group, pay all or part of the cost of  
27 coverage of the employee of the organization.

28 (c) The governing body of a third, fourth, fifth, sixth, or seventh class county or the board of trustees of  
29 a hospital district may, at its discretion, exempt employees of a county hospital, county rest home, or hospital  
30 district from participation in group hospitalization, medical, health, including long-term disability, accident, or group

1 life insurance contracts or plans provided pursuant to subsection (1)(a) or (1)(b).

2 (2) State employees and elected officials, as defined in 2-18-701, may participate in state employee  
3 group benefit plans ~~as are~~ provided for under part 8 of this chapter.

4 (3) For state officers and employees, the premiums required from time to time to maintain the insurance  
5 in force must be paid by the insured officers and employees, and the state treasurer shall deduct the premiums  
6 from the salary or wages of each officer or employee who elects to become insured, on the officer's or employee's  
7 written order, and issue a warrant for the premiums to the insurer.

8 (4) For the purpose of this section, the plans of health service corporations for defraying or assuming  
9 the cost of professional services of licentiates in the field of health or the services of hospitals, clinics, or  
10 sanitariums or both professional and hospital services must be construed as group insurance and the dues  
11 payable under the plans must be construed as premiums for group insurance.

12 (5) If the board of trustees of a school district implements a self-insured group health plan or if the board  
13 of regents implements an alternative to conventional insurance to provide group benefits to its employees, the  
14 board shall maintain the alternative plan on an actuarially sound basis."  
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16 **Section 2.** Section 2-18-811, MCA, is amended to read:

17 **"2-18-811. General duties of the department. (1)** The department shall:

18 ~~(1)(a)~~ adopt rules for the conduct of its business under this part and to carry out the purposes of this part;

19 ~~(2)(b)~~ negotiate and administer contracts for state employee group benefit plans;

20 ~~(3)(c)~~ subject to subsection (2), design state employee group benefit plans, establish specifications for  
21 bids, and make recommendations for acceptance or rejection of bids;

22 ~~(4)(d)~~ prepare an annual report ~~which~~ that describes the state employee group benefit plans being  
23 administered, details the historical and projected program costs and the status of reserve funds, and makes  
24 recommendations, if any, for change in existing state employee group benefit plans;

25 ~~(5)(e)~~ prior to each legislative session, perform or obtain an analysis of rate adequacy of all state  
26 employee group benefit plans administered under this part; and

27 ~~(6)(f)~~ submit the report required in this section to the office of budget and program planning as a part of  
28 the information required by 17-7-111.

29 (2) The state employee group benefit plans may provide coverage only for state employees, spouses  
30 as determined under 15-30-134, and dependents as defined in 15-30-113."

