

STATE OF NEW YORK

7872

2011-2012 Regular Sessions

IN ASSEMBLY

May 19, 2011

Introduced by M. of A. ABINANTI -- read once and referred to the Committee on Governmental Employees

AN ACT to amend the general municipal law, in relation to providing notice of health insurance contracts for retired officers, employees, and their families

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Subdivision 2 of section 92-a of the general municipal law,
2 as amended by chapter 805 of the laws of 1984, is amended and a new
3 subdivision 2-a is added to read as follows:
4 2. [A] Consistent with the provisions of subdivision two-a of this
5 section, a public corporation may contract with a non-profit membership
6 corporation, organized under article forty-three of the insurance law
7 and approved by the superintendent of insurance and the state board of
8 social welfare, or with any insurance company authorized to do business
9 in this state for the purpose of furnishing medical and surgical
10 services and hospital service as defined in such article forty-three, or
11 medical and surgical and hospital insurance to persons who contract with
12 such non-profit membership corporation or insurance company, or who
13 subscribe to a plan or plans, as hereinafter provided. Any such contract
14 entered into by a public corporation shall permit any officer or employ-
15 ee or group of officers or employees of an agency or department of the
16 public corporation voluntarily to subscribe to a plan or plans providing
17 for medical and surgical and hospital insurance for, or medical and
18 surgical services and hospital service to, such officers or employees
19 and their families. Any such contract entered into by a public corpo-
20 ration may, if authorized by the governing board or body and subject to
21 such conditions, limitations and eligibility requirements as may be
22 fixed by such board or body, permit any retired officers and employees
23 or group of retired officers and employees of an agency or department of
24 the public corporation voluntarily to subscribe to such a plan or plans

EXPLANATION--Matter in italics (underscored) is new; matter in brackets [] is old law to be omitted.

LBD11726-01-1

**NEW YORK STATE ASSEMBLY
INTRODUCER'S MEMORANDUM IN SUPPORT
Submitted in accordance with Assembly Rule III, Sec. 1(f)**

AN ACT to amend the general municipal law, in relation to providing notice of health insurance contracts for retired officers, employees and their families

PURPOSE OF BILL:

To provide notice to retirees affected by proposed health insurance contracts or plans before such contracts or plans are adopted or amended by a public corporation.

SUMMARY OF PROVISIONS OF BILL:

This bill would add a new subdivision 2-a to Section 92 of the General Municipal Law to require a public corporation, prior to executing a contract or plan to provide health insurance to retired employees and their families, to give 90 days notice of such proposed contract or change in contract or plan. The notice shall state the general terms of the proposed contract or amendment, the location where the full text of the proposed contract or amendment can be obtained and any relevant financial information including, but not limited to, the cost of the proposed contract or amended plan to the public corporation and to the retired employees and their families. The notice of proposed contract or amended plan shall be forwarded to the affected retirees and their families and shall be posted in a public place at the public corporation's offices, on any website it publishes and in any other place within the corporation's jurisdiction where such notices are published generally.

EXISTING LAW:

There are no provisions for advanced disclosure of health insurance contracts or plan amendments for retired employees and their families prior to their adoption by public corporations.

JUSTIFICATION:

With the cost of health insurance rising to astronomical levels, it is essential that those retired employees and their families who are financially affected are given advanced notice before finalization by a governmental unit of proposed health insurance contracts or amended plans. In addition, such disclosure would enable the retirees, themselves, to make sure that the proposed health insurance plan provisions are cost effective. This is especially true for retired public employees who have no collective bargaining rights and are often confronted after-the-fact with higher premium charges or co-pay amounts without concomitant increases in their pensions.

PRIOR LEGISLATIVE HISTORY: None

FISCAL IMPLICATIONS:

There may be some minor costs associated with the distribution of the notice of proposed contracts or plan amendments. However, cost savings could result from retired employees offering cost effective alternatives to the contract before it is finalized.

EFFECTIVE DATE: Immediately upon enactment and shall apply to health insurance contracts or plan entered into, renewed, modified, or amended on or after such effective date.