

A bill for an act
relating to insurance; requiring local government employees to approve
participation in or withdrawal from the public employees insurance program;
amending Minnesota Statutes 2008, sections 43A.316, by adding a subdivision;
471.61, subdivision 2b; 471.611, subdivision 2.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2008, section 43A.316, is amended by adding a
subdivision to read:

Subd. 5a. **Political subdivisions.** Notwithstanding subdivision 5, if the exclusive
representative of a group of employees in a political subdivision gives notice to the
employer that the employees it represents desire to participate in the program, that
determination shall not become final for any insurance eligible employees until (1) it
is approved by a secret ballot of all employees of the political subdivision and (2) the
exclusive representative negotiates entrance into the public employees insurance program
with the management of the political subdivision. Except as provided by section 471.611,
subdivision 2, either all or none of the insurance eligible employees who obtain coverage
through the political subdivision must participate in the program if participation is
approved by the vote of a majority of the employees in the district. Each employee shall
have one vote. No more than one vote on whether to participate may be conducted in any
fiscal year. A withdrawal from the program shall require a similar vote of approval by all
employees and negotiation with the political subdivision.

Sec. 2. Minnesota Statutes 2008, section 471.61, subdivision 2b, is amended to read:

Subd. 2b. **Insurance continuation.** A unit of local government must allow a former
employee and the employee's dependents to continue to participate indefinitely in the

employer-sponsored hospital, medical, and dental insurance group that the employee participated in immediately before retirement, under the following conditions:

(a) The continuation requirement of this subdivision applies only to a former employee who is receiving a disability benefit or an annuity from a Minnesota public pension plan other than a volunteer firefighter plan, or who has met age and service requirements necessary to receive an annuity from such a plan.

~~(b) Until the former employee reaches age 65, the former employee and dependents must be pooled in the same group as active employees for purposes of establishing premiums and coverage for hospital, medical, and dental insurance.~~

~~(c)~~ (b) A former employee may receive dependent coverage only if the employee received dependent coverage immediately before leaving employment. This subdivision does not require dependent coverage to continue after the death of the former employee. For purposes of this subdivision, "dependent" has the same meaning for former employees as it does for active employees in the unit of local government.

~~(d)~~ (c) Coverage for a former employee and dependents may not discriminate on the basis of evidence of insurability or preexisting conditions unless identical conditions are imposed on active employees in the group that the employee left.

~~(e)~~ (d) The former employee must pay the entire premium for continuation coverage, except as otherwise provided in a collective bargaining agreement or personnel policy. A unit of local government may discontinue coverage if a former employee fails to pay the premium within the deadline provided for payment of premiums under federal law governing insurance continuation.

~~(f)~~ (e) An employer must notify an employee before termination of employment of the options available under this subdivision, and of the deadline for electing to continue to participate.

~~(g)~~ (f) A former employee must notify the employer of intent to participate within the deadline provided for notice of insurance continuation under federal law. A former employee who does not elect to continue participation does not have a right to reenter the employer's group insurance program.

~~(h)~~ (g) A former employee who initially selects dependent coverage may later drop dependent coverage while retaining individual coverage. A former employee may not drop individual coverage and retain dependent coverage.

~~(i)~~ (h) This subdivision does not limit rights granted to former employees under other state or federal law, or under collective bargaining agreements or personnel plans.

~~(j)~~ (i) Unless otherwise provided by a collective bargaining agreement, if retired employees were not permitted to remain in the active employee group prior to August

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1, 1992, a public employer may assess active employees through payroll deduction for all or part of the additional premium costs from the inclusion of retired employees in the active employee group. This paragraph does not apply to employees covered by section 179A.03, subdivision 7.

~~(k)~~ (j) Notwithstanding section 179A.20, subdivision 2a, insurance continuation under this subdivision may be provided for in a collective bargaining agreement or personnel policy.

Sec. 3. Minnesota Statutes 2008, section 471.611, subdivision 2, is amended to read:

Subd. 2. **Coordination.** (a) A unit of local government that funds all or part of the cost of health care benefits for a retired employee must provide for coverage to be coordinated with applicable benefits provided through the federally sponsored Medicare program.

(b) A unit of local government that allows retired employees to continue health insurance coverage through the unit of local government must provide for coverage to be coordinated with applicable benefits provided through the federally sponsored Medicare program.

EFFECTIVE DATE. This section is effective July 1, 2010.