

SENATE BILL No. 55

January 25, 2005, Introduced by Senators JOHNSON and SIKKEMA and referred to the Committee on Appropriations.

A bill to authorize the implementation and administration of a medical insurance plan for certain school employees; to provide for its creation and operation; and to prescribe powers and duties of certain state officers and agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. As used in this act:

2 (a) "Community college employee" means an employee of a
3 community college or junior college described in section 7 of
4 article VIII of the state constitution of 1963.

5 (b) "Department" means the department of civil service.

6 (c) "Medical insurance plan" means a state self-insured
7 benefit plan that includes medical health insurance benefits

1 implemented by the department under this act. A medical insurance
2 plan may include optical, dental, or other benefit coverages as
3 determined by the department.

4 (d) "School employee" means an employee of a school district,
5 a public school academy, or an intermediate school district, as
6 those terms are defined in the revised school code, 1976 PA 451,
7 MCL 380.1 to 380.1852.

8 (e) "School employee health care board" or "board" means the
9 school employee health care board created in section 2.

10 Sec. 2. (1) The school employee health care board is created
11 within the department.

12 (2) The board shall consist of the following members,
13 appointed by the governor:

14 (a) Two members selected by the governor.

15 (b) Two members recommended by the senate majority leader.

16 (c) Two members recommended by the speaker of the house of
17 representatives.

18 (3) The members first appointed to the board shall be
19 appointed within 90 days after the effective date of this act.

20 (4) Members of the board shall serve for terms of 2 years or
21 until a successor is appointed, whichever is later, except that of
22 the members first appointed, 3 shall serve for 1 year.

23 (5) If a vacancy occurs on the board, the governor shall make
24 an appointment for the unexpired term in the same manner as the
25 original appointment.

26 (6) The governor may remove a member of the board for
27 incompetency, dereliction of duty, malfeasance, misfeasance, or

1 nonfeasance in office, or any other good cause.

2 (7) The first meeting of the board shall be called by the
3 governor. At the first meeting, the board shall elect from among
4 its members a chairperson and other officers as it considers
5 necessary or appropriate. After the first meeting, the board shall
6 meet at least quarterly, or more frequently at the call of the
7 chairperson or if requested by 3 or more members.

8 (8) A majority of the members of the board constitute a quorum
9 for the transaction of business at a meeting of the board. A
10 majority of the members present and serving are required for
11 official action of the board.

12 (9) The business that the board may perform shall be conducted
13 at a public meeting of the board held in compliance with the open
14 meetings act, 1976 PA 267, MCL 15.261 to 15.275.

15 (10) A writing prepared, owned, used, in the possession of, or
16 retained by the board in the performance of an official function is
17 subject to the freedom of information act, 1976 PA 442, MCL 15.231
18 to 15.246.

19 (11) Members of the board shall serve without compensation.
20 However, members of the board may be reimbursed for their actual
21 and necessary expenses incurred in the performance of their
22 official duties as members of the board.

23 (12) The board shall do all of the following:

24 (a) Design the medical insurance plan required under section 3
25 to provide the optimal combination of coverage, cost, choice, and
26 stability, in the judgment of the board.

27 (b) Include more than 1 benefit plan and more than 1 tier of

1 premium rates for any medical insurance plan. Medical insurance
2 plans and premium rates may vary across geographic regions
3 established by the board.

4 (c) Include claims reserves, stabilization reserves,
5 reinsurance, and other features that in the judgment of the board
6 will result in long-term stability and solvency of the medical
7 insurance plan.

8 (d) Include in the medical insurance plan consumer education,
9 including wellness programs and measures encouraging the wise use
10 of health coverage, to the extent determined to be appropriate by
11 the board.

12 Sec. 3. Beginning July 1, 2005, the department of civil
13 service shall implement and administer a medical insurance plan for
14 school employees and community college employees as determined by
15 the board.

16 Sec. 4. (1) Except as otherwise provided in subsection (2), if
17 a school district or community college chooses to provide medical
18 insurance to its employees, then it shall provide only the medical
19 insurance plan determined by the board and operated by the
20 department as provided in this act. A school district or a
21 community college shall pay the cost of the medical insurance plan,
22 including administrative costs, to the department as determined by
23 the board.

24 (2) If a collective bargaining agreement that provides medical
25 insurance is in effect as of July 1, 2005 for employees of a school
26 district or community college, and if the employee benefits
27 provisions are not in compliance with subsection (1), then

1 subsection (1) does not apply to that school district or community
2 college until after the expiration of that collective bargaining
3 agreement.

4 (3) Not less than 120 days before a school district or
5 community college provides a medical insurance plan to its
6 employees under this act, the department shall provide detailed
7 information about the medical insurance plan to those employees.

8 Sec. 5. An institution of higher education described in
9 section 5 or 6 of article VIII of the state constitution of 1963
10 may contract with the department to provide the medical insurance
11 plan to employees of the institution of higher education.