



Sub. H.B. 185

125th General Assembly

(As Reported by S. Insurance, Commerce and Labor)

Reps. Schmidt, Allen, Setzer, Seitz, Aslanides, C. Evans, Olman, Schneider, Schaffer, Raga, Webster, Buehrer, Skindell, Beatty, Brown, Chandler, Cirelli, Collier, Daniels, DeBose, Domenick, Hartnett, Harwood, Hughes, Jolivette, Key, Miller, Otterman, S. Patton, Perry, Price, Redfern, Reidelbach, Seaver, S. Smith, D. Stewart, J. Stewart, Strahorn, Yates

BILL SUMMARY

- Permits the state and political subdivisions to pay some or all of the premium for their elected officers' and employees' long-term care insurance.
- Allows officials and employees of a political subdivision to serve on the governing body of a joint self-insurance health care program of which the subdivision is a member.

CONTENT AND OPERATION

Long-term care insurance for public employees

(R.C. 124.84, 124.841, and 505.60)

Current law

Current law authorizes the Department of Administrative Services in consultation with the Superintendent of Insurance to enter into a contract for the purchase of a long-term care insurance policy covering all state employees who are paid directly by warrant of the Auditor of State, including elected state officials (R.C. 124.84(A)).¹ Current law also authorizes any political subdivision

¹ "Long-term care insurance" means an insurance policy designed to provide coverage for not less than one year, on an expense-incurred, indemnity, prepaid, or other basis, for one or more medically necessary diagnostic, preventive, therapeutic, rehabilitative, maintenance, or personal care services that are provided in a setting other than an acute

to enter into a contract for the purchase of a long-term care insurance policy covering all of its elected officials and employees (R.C. 124.841(B)). In both of these situations, an elected official or employee who chooses to participate in the policy is responsible for paying the *entire* premium charged, which is deducted from the official's or employee's salary or wage and remitted directly to the insurance company or health insuring corporation involved (R.C. 124.84(B) and 124.841(B)).²

Changes proposed by the bill

The bill provides that, when an elected official or employee of the state or a political subdivision participates in a long-term care insurance policy, the state, in the case of a state official or employee, or the political subdivision, in the case of its official or employee, may pay *all or any portion* of the premium charged (R.C. 124.84(B) and 124.841(D)). In the case of a state elected official or employee, the manner or manners of payment of all or any portion of the premium charged the participant, or his or her participating dependents or family members, must be determined by the Department of Administrative Services. In the case of an elected official or employee of a political subdivision, the political subdivision must establish the manner or manners of payment for participants and the political subdivision (R.C. 125.841(D)).

The bill also specifically authorizes in the Township Law any board of township trustees to negotiate and contract for the purchase of a long-term care insurance policy for township officers and employees in accordance with the provisions described above that authorize all political subdivisions (including townships--R.C. 9.833(A) and 124.841(A)(2)) to contract for the purchase of such a policy (R.C. 505.60(A)). In the case of a township that contracts for such a policy, the board of township trustees must procure coverage for all township elected officials and full-time employees. Generally, under the Township Law, when the board procures specified types of health care insurance policies, it must provide uniform coverage for township officers and full-time township employees

care unit of a hospital. It does not include any insurance policy that is offered primarily to provide basic Medicare supplement coverage, basic hospital expense coverage, basic medical-surgical expense coverage, hospital confinement indemnity coverage, major medical expense coverage, disability income protection coverage, accident only coverage, specified disease or specified accident coverage, or limited benefit health coverage. (R.C. 3923.41(A), not in the bill.)

² *In the case of a state official or employee, participation in the policy may include the individual's dependents and family members (R.C. 124.84(B)).*

as well as their immediate dependents, and may provide coverage for part-time township employees and their immediate dependents (R.C. 505.60(B)).

Administration of political subdivisions' joint self-insurance pools

(R.C. 9.833)

Continuing law permits political subdivisions to enter into agreements with other political subdivisions in order to provide health care benefits to their officials and employees through a joint self-insurance program, but the law is currently unclear as to whether an official or employee may serve on the governing body for the program without violating the Ethics Law. "Political subdivisions" are municipal corporations, townships, counties, school districts, and other bodies corporate and politic responsible for governmental activities in a geographic area smaller than the state.

The bill clarifies the applicability of certain Ethics Law provisions to officials and employees of political subdivisions. Pursuant to the bill, officials and employees of a political subdivision that joins in or contracts with a joint self-insurance program are expressly permitted to participate as members of the program's governing body without being held to be in violation of specified Ethics Laws (R.C. 102.03(D) or (E) and 102.04(C))³ or the law prohibiting public officials and employees from having any interest in a public contract (R.C. 2921.42).

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	05-14-03	p. 475
Reported, H. State Gov't	10-15-03	p. 1116
Passed House (95-0)	12-02-03	pp. 1220-1221
Reported, S. Insurance, Commerce & Labor	05-12-04	p. 1893

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³ *Prohibiting officials and employees from using the authority or influence of their office for gain or from soliciting or accepting compensation or anything of value that could influence the conduct of their duties.*