2021 South Dakota Legislature

Senate Bill 57

Introduced by: The Committee on Commerce and Energy at the request of the Bureau of Human Resources

An Act to revise the provisions regarding the South Dakota state employee health plan.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That § 3-6C-1 be AMENDED.

3-6C-1. Definition of terms in chapters 3-6C to 3-6F.

Terms as used in chapters 3-6C to 3-6F, inclusive, mean:

(1) "Appointing authority," the hiring entity;

(2) "Commission," the Civil Service Commission;

(3) "Bureau," the Bureau of Human Resources;

(4) "Bureau commissioner," a person appointed by and serving at the pleasure of the Governor to administer one of the bureaus of the executive branch of state government;

(5) "Civil service," a system of human resource management for the executive branch of state government based on merit principles governing the appointment, promotion, compensation, removal, transfer, and other matters related to human resource management;

(6) "Civil service employee," a permanent employee not otherwise exempted by the provisions of chapter 3-6D;

(7) "Change in family status," marriage, divorce, or death of the member, spouse, or any covered dependent; birth or adoption of a child; or a change in the employment status of the member, spouse, or any covered dependent;

(8) "Class of positions," all civil service positions that are sufficiently similar in kind or subject matter of work performed, level of difficulty and responsibility, and knowledge, skills, and abilities to warrant similar treatment in personnel and pay administration;

(9) "Compensation," the total compensation, which includes direct salary and fringe benefits. Fringe benefits includes employer paid retirement programs, social security, health insurance, life insurance, and any other programs offering a benefit to the employee in which the employer participates;

(10) "Contribution," the dollar amount established by the human resources commissioner sufficient to cover the cost of the insurance plan;

(11) "Department secretary," a person appointed by and serving at the pleasure of the Governor to administer one of the major departments of the executive branch of state government;

(12) "Dependent," a person who ~~is not an employee and~~ is:

(a) An employee's spouse who is not divorced or legally separated from the employee; or

(b) An employee's child who is:

(i) Under the age of twenty-six or under the age of twenty-nine if a full-time student; and

(ii) ~~Not benefit eligible through their employer or spouses employer; and~~

~~(iii)~~ Not in military service;

(13) "Deputy," a person who serves as first assistant to, and at the pleasure of, a department secretary, bureau commissioner, or division director if allowed by law;

(14) "Division director," a person appointed by and serving at the pleasure of the department secretary or bureau commissioner to administer a division within a major department or bureau of the executive branch of state government;

(15) "Employee," any person working for state government, paid by the state, or remunerated by other funds raised, appropriated, or otherwise generated by the state. The term does not include any person working for any authority authorized by law;

(16) "Employer," the State of South Dakota;

(17) "Executive branch employee," any employee working for state government except those working for the legislative or judicial branches of state government;

(18) "Human resources commissioner," the commissioner of the bureau;

(19) "Law enforcement employee," any certified law enforcement officer working for the Division of Criminal Investigation or the Highway Patrol;

(20) "Member," a state employee or retiree who is covered by the plan as the primary insured and who may elect to have his or her dependents covered by the plan;

(21) "Permanent employee," an active employee placed in a permanent position, employed by a participating agency. This term does not include temporary, emergency, patient, or student employees;

(22) "Plan," the state employee's benefit insurance plan as created by chapter 3-6E;

(23) "Plan-eligible employee," a permanent employee who is scheduled to work twenty or more hours a week at least six months of the year or an employee employed by an appointing authority who has worked an average of thirty hours or more per week during a twelve-month standard measurement period, as defined by the Patient Protection and Affordable Care Act of 2010, as amended to January 1, 2019;

(24) "Position," a collection of duties and responsibilities assigned by the appointing authority to one person;

(25) "Safety-sensitive position," any law enforcement officer authorized to carry firearms and any custody staff employed by any agency responsible for the rehabilitation or treatment of any adjudicated adult or juvenile;

(26) "Self-insured," a state-supported benefit plan in which the initial risk for any losses is born by the plan;

(27) "Spouse," an employee's husband or wife as a result of marriage that is legally recognized in this state or under the laws of the state where the marriage occurred. The term does not include a spouse as a result of a common-law marriage;

(28) "Substance," marijuana as defined in subdivision 22-42-1(7) and any controlled drug or substance as defined in chapter 34-20B.

Section 2. That § 3-6E-7 be REPEALED.

3-6E-7. Health plan for retiring employees.

Section 3. That § 3-6E-8 be AMENDED.

3-6E-8. State contributions to health plan--Crediting and disbursement.

The State of South Dakota shall either make a monthly contribution to the system or otherwise provide for the amount necessary to make payment to the system for the full single rate monthly health insurance premium or contribution for <u>the plan with the lowest actuarial value for</u> each plan-eligible employee. This amount shall be transmitted to the account of the state employees' benefits plan in the Office of the State Treasurer. The state treasurer, after making a record of the receipts, shall credit the plan with an amount equal to that remitted or otherwise provided. <u>Costs beyond this amount for other plans offered by the state shall be paid by the employee through premiums.</u> After the

contribution has been assigned to the plan, the bureau shall disburse the contribution in accordance with this chapter and the rules promulgated pursuant to chapter 1-26 by the human resources commissioner.

Section 4. That § 13-49-14.3 be AMENDED.

13-49-14.3. Employee insurance benefits through self-insured plan--Joining state plan.

The Board of Regents, at its discretion, may elect to provide all, or any part of, the insurance benefits for its employees by means of a plan which is self-insured in whole or in part. The board may execute a contract or contracts with such claims administrators as the board may select. In making such selection, the board shall consider, among other things, financial stability, experience, and claims facilities. In evaluating these factors, the board may employ the services of impartial, professional analysts or actuaries, or both. ~~Notwithstanding the provisions of § 3-12A-10, the board may provide insurance coverage by electing to join the plan provided by § 3-12A-5.1.~~