COMMITTEE REPORT

January 31, 2017

**S. 61**

Introduced by Senator Hutto

S. Printed 1/31/17--S.

Read the first time January 10, 2017.

**THE COMMITTEE ON FINANCE**

To whom was referred a Bill (S. 61) to amend Section 1‑11‑720, as amended, Code of Laws of South Carolina, 1976, relating to eligibility for participation in the state health plan, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass:

HUGH K. LEATHERMAN, SR. for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Explanation of Fiscal Impact**

**Prefiled on December 13, 2016**

**State Expenditure**

This bill provides that employees and retirees and their eligible dependents of political subdivisions of the state, or a governmental agency or instrumentality of such political subdivision are eligible for coverage under the state health and dental insurance plans. Currently, participation in the health and dental programs is limited to state and public school active and retired employees and their eligible dependents. Additionally, Section 1-11-710(A) lists other entities eligible for coverage, which include counties, municipalities, and other associations.

The SC Public Employee Benefits Authority (PEBA) indicates that Senate Bill 61 will have no expenditure impact on the general fund, federal funds, or other funds since PEBA must charge an actuarially sound amount of premiums estimated to cover the additional expenses for each political subdivision that becomes eligible to join the state health and dental plans. We are unable to determine how many additional political subdivisions, employees, or retirees may become eligible pursuant to this bill. However, PEBA indicates an additional 100 local political subdivisions participate in the state retirement system but not in the health and dental plans. Regardless of the additional number of local political subdivisions or employees, we anticipate no expenditure impact as PEBA is required to set an actuarially sound premium amount when an entity elects to join the state health and dental plans.

**Local Expenditure**

Due to the permissive nature of the bill, any expenditure impact on local political subdivisions depends on their current health and dental insurance costs compared to the amount PEBA determines as an actuarially sound amount of premiums for each entity.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **BILL**

TO AMEND SECTION 1‑11‑720, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO ELIGIBILITY FOR PARTICIPATION IN THE STATE HEALTH PLAN, SO AS TO ALLOW EMPLOYEES AND RETIREES, AND THEIR DEPENDENTS, OF ANY POLITICAL SUBDIVISION OF THE STATE TO PARTICIPATE IN THE STATE HEALTH PLAN.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 1‑11‑720(A) of the 1976 Code, as last amended by Act 31 of 2011, is further amended by adding an appropriately numbered item at the end to read:

“( ) a political subdivision of the State of South Carolina, or a governmental agency or instrumentality of such a political subdivision.”

SECTION 2. This act takes effect upon approval by the Governor.

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