

HCS HB 303 -- CAFETERIA PLANS FOR STATE EMPLOYEES

SPONSOR: Bearden

COMMITTEE ACTION: Voted "do pass" by the Committee on Budget by a vote of 16 to 9.

This substitute revises the operation of the Cafeteria Plan for state employees. The Commissioner of Administration is required to include in the Cafeteria Plan products not subject to selection based on the competitive bid process from vendors if the product is eligible under the United States Code, is approved by the Office of Administration, and the vendor is receiving at least \$500,000 annually from state employees through voluntary payroll deductions.

The provisions of the substitute are to apply to all plans which become effective on or after January 1, 2004.

FISCAL NOTE: Not available at time of printing.

PROPOSERS: Supporters say that the bill allows state employees to purchase supplemental insurance with pre-tax dollars.

Testifying for the bill were Representative Rupp; and American Family Life Assurance Company.

OPPOSERS: Those who oppose the bill say that the bill exempts certain vendors from the competitive bid process, allows access to state workers on state facilities on state time, and does not allow the Office of Administration the time to fulfill the statutory requirement to rewrite the summary plan description 120 days prior to the effective date of the plan.

Testifying against the bill was Office of Administration.

Roland Tackett, Legislative Analyst