

**As Introduced**

**127th General Assembly  
Regular Session  
2007-2008**

**H. B. No. 116**

**Representative Blessing**

—

**A BILL**

To amend section 124.82 and to enact section 9.902 of 1  
the Revised Code to require public employers to 2  
make health savings accounts available to public 3  
employees. 4

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That section 124.82 be amended and section 9.902 5  
of the Revised Code be enacted to read as follows: 6

**Sec. 9.902.** (A) As used in this section: 7

(1) "Health savings account" and "high deductible health 8  
plan" have the same meanings as in section 223 of the Internal 9  
Revenue Code. 10

(2) "Internal Revenue Code" has the same meaning as in 11  
section 5747.01 of the Revised Code. 12

(3) "Medical plan" means any policy, contract, or other 13  
agreement providing for the payment or other coverage of health, 14  
medical, hospital, or surgical expenses of public employees. 15

(4) "Public employer" means the state, a public institution 16  
of higher education described in section 9.90 of the Revised Code, 17  
or a county, township, municipal corporation, school district, or 18  
other body corporate and politic with jurisdiction within a 19

geographic area smaller than that of the state. 20

(5) "Public employee" means a full-time employee of a public employer. In the case of the state, "public employee" means any such employee paid directly by warrant of the director of budget and management, including an elected state official. 21  
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(B) Except as otherwise provided in division (C) of this section, each public employer providing a medical plan to its public employees shall contract with one or more insurance companies authorized to do business in this state for the issuance of one or more policies or contracts for a high deductible health plan covering its public employees in conjunction with health savings accounts opened by such employees. In the case of the state, the department of administrative services shall contract for the issuance of the high deductible health plan policy or contract, subject to division (E) of section 124.82 of the Revised Code, and shall do so in accordance with the competitive selection procedures of Chapter 125. of the Revised Code. A high deductible health plan contracted for under this section shall comply with the requirements for such plans under section 223 of the Internal Revenue Code. The public employer may contribute all or a part of the contributions to public employees' health savings accounts opened by employees pursuant to division (D) of this section. 25  
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(C)(1) A public employer that is a party to a collective bargaining agreement in effect on the effective date of ..... of the 127th general assembly that does not require the employer to provide for a high deductible health plan is not required to contract for a high deductible health plan under this section covering employees who are subject to the agreement. When any collective bargaining agreement is negotiated on or after that effective date by a public employer and a public employee bargaining unit, the public employer shall offer to provide under the agreement one or more high deductible health plans covering 42  
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such employees, and may offer to contribute under the agreement 52  
all or a part of the contributions to the public employees' health 53  
savings accounts opened by the employees. A public employees 54  
bargaining unit may accept, reject, or negotiate any or all terms 55  
and conditions of a high deductible health plan or health savings 56  
account contributions offered by a public employer under this 57  
division. 58

(2) A public employer is not required to contract for a high 59  
deductible health plan under this section for an enrollment period 60  
if the number of its public employees enrolled in the high 61  
deductible health plan for the preceding enrollment period is less 62  
than one per cent of the number of its public employees eligible 63  
to enroll in the plan for the preceding enrollment period. 64

(D) A public employee enrolled in a high deductible health 65  
plan provided under this section may open a health savings 66  
account. The account shall be administered by a person satisfying 67  
the requirements of section 223(d)(1)(B) of the Internal Revenue 68  
Code. An employee's health savings account may be funded by 69  
contributions from the employee or the public employer or both. A 70  
public employee may not open a health savings account under this 71  
division if the employee currently maintains a medical savings 72  
account under sections 3924.61 to 3924.74 of the Revised Code. 73

**Sec. 124.82.** (A) Except as provided in division (D) of this 74  
section, the department of administrative services, in 75  
consultation with the superintendent of insurance, shall, in 76  
accordance with competitive selection procedures of Chapter 125. 77  
of the Revised Code, contract with an insurance company or a 78  
health plan in combination with an insurance company, authorized 79  
to do business in this state, for the issuance of a policy or 80  
contract of health, medical, hospital, dental, or surgical 81  
benefits, or any combination of those benefits, covering state 82

employees who are paid directly by warrant of the director of 83  
budget and management, including elected state officials. The 84  
department may fulfill its obligation under this division by 85  
exercising its authority under division (A)(2) of section 124.81 86  
of the Revised Code. 87

In addition to any policy or contract required under this 88  
division, the department of administrative services shall contract 89  
for one or more policies or contracts for high deductible health 90  
plans for state employees as prescribed by section 9.902 of the 91  
Revised Code. 92

(B) The department may, in addition, in consultation with the 93  
superintendent of insurance, negotiate and contract with health 94  
insuring corporations holding a certificate of authority under 95  
Chapter 1751. of the Revised Code, in their approved service areas 96  
only, for issuance of a contract or contracts of health care 97  
services, covering state employees who are paid directly by 98  
warrant of the director of budget and management, including 99  
elected state officials. The department may enter into contracts 100  
with one or more insurance carriers or health plans to provide the 101  
same plan of benefits, provided that: 102

(1) The amount of the premium or cost for such coverage 103  
contributed by the state, for an individual or for an individual 104  
and the individual's family, does not exceed that same amount of 105  
the premium or cost contributed by the state under division (A) of 106  
this section; 107

(2) The employee be permitted to exercise the option as to 108  
which plan the employee will select under division (A) or (B) of 109  
this section, at a time that shall be determined by the 110  
department; 111

(3) The health insuring corporations do not refuse to accept 112  
the employee, or the employee and the employee's family, if the 113

employee exercises the option to select care provided by the 114  
corporations; 115

(4) The employee may choose participation in only one of the 116  
plans sponsored by the department; 117

(5) The director of health examines and certifies to the 118  
department that the quality and adequacy of care rendered by the 119  
health insuring corporations meet at least the standards of care 120  
provided by hospitals and physicians in that employee's community, 121  
who would be providing such care as would be covered by a contract 122  
awarded under division (A) of this section. 123

(C) All or any portion of the cost, premium, or charge for 124  
the coverage in divisions (A) and (B) of this section may be paid 125  
in such manner or combination of manners as the department 126  
determines and may include the proration of health care costs, 127  
premiums, or charges for part-time employees. 128

(D) Notwithstanding division (A) of this section, the 129  
department may provide benefits equivalent to those that may be 130  
paid under a policy or contract issued by an insurance company or 131  
a health plan pursuant to division (A) of this section. 132

(E) This section does not prohibit the state office of 133  
collective bargaining from entering into an agreement with an 134  
employee representative for the purposes of providing fringe 135  
benefits, including, but not limited to, hospitalization, surgical 136  
care, major medical care, disability, dental care, vision care, 137  
medical care, hearing aids, prescription drugs, group life 138  
insurance, sickness and accident insurance, group legal services 139  
or other benefits, or any combination of those benefits, to 140  
employees paid directly by warrant of the director of budget and 141  
management through a jointly administered trust fund. The 142  
employer's contribution for the cost of the benefit care shall be 143  
mutually agreed to in the collectively bargained agreement. The 144

amount, type, and structure of fringe benefits provided under this 145  
division is subject to the determination of the board of trustees 146  
of the jointly administered trust fund. Notwithstanding any other 147  
provision of the Revised Code, competitive bidding does not apply 148  
to the purchase of fringe benefits for employees under this 149  
division when those benefits are provided through a jointly 150  
administered trust fund. 151

(F) Members of state boards or commissions may be covered by 152  
any policy, contract, or plan of benefits or services described in 153  
division (A) or (B) of this section. Board or commission members 154  
who are appointed for a fixed term and who are compensated on a 155  
per meeting basis, or paid only for expenses, or receive a 156  
combination of per diem payments and expenses shall pay the entire 157  
amount of the premiums, costs, or charges for that coverage. 158

**Section 2.** That existing section 124.82 of the Revised Code 159  
is hereby repealed. 160