

# The **Association** report

## from the **Capitol**

April 5, 2004

A second chance for MoDOT authorities could mean an equal chance for our employees. That's what we were looking at this past week when HB1499 was heard in the House Transportation Committee over at the state capitol. Its about health insurance coverage for retirees and here's how the story unfolds.

Last year, the legislature passed SB 248 which offered extended health-care coverage for state employees who were eligible to retire. It was offered as a bonus to veteran workers as well as a cost-savings measure by reducing top-end payroll. Hundreds of state workers were able to benefit from the option. However, our employees were denied the opportunity when the highway commission voted not to participate in the extended health care coverage that was offered to MOSERS retirement system employees.

Our Association, always pushing for the interests of our members, wanted to give MoDOT decision-makers another opportunity to offer an employee benefit other state workers were given last year. There have been changes in the commission. Maybe the new commission would view the situation differently. This way of thinking led to Rep. Bill Ransdall introducing HB 1499. With essentially the same provisions in SB 248 from the 2003 legislative session, HB 1499 offers the following;

- Extended health-care insurance for employees who are eligible and choose to retire in the 11-month period from Feb. 1, 2004 to Jan. 1, 2005.
- The employee (who is eligible for medical coverage under the department's health care plan) could continue coverage for himself or herself and any eligible dependents at the same cost as if such retiree was an active employee.
- The extended health insurance coverage would continue for the retiree for a maximum of five years or until he or she becomes eligible for Medicare. At that time, health insurance would revert to the rate for normal retirees.
- Provisions of the bill would allow the department to replace no more than 25% of those employees who retired under these special circumstances. (Cost savings would be found here with a reduced payroll.) Exceptions to the 25% restriction could be made for "critical" or seasonal jobs.

A MoDOT spokesman testified at the hearing arguing that the bill could be a considerable expense to the department rather than a cost savings. He said MoDOT would have to replace all the employees who took the health insurance retirement option because they are in "critical" positions. The added expense, he said, would come from the additional health insurance cost for those who would retire under provisions of HB1499.

The committee took no action on the bill.

**From Harry Hill, Lobbyist  
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