§286. Administration

The Commissioner of Administrative and Financial Services has responsibility for the state employee health insurance program through the Office of Employee Health, Wellness and Workers' Compensation that is established as part of the organization of the Bureau of Human Resources. The office is headed by the Executive Director of Employee Health, Wellness and Workers' Compensation. The executive director has responsibility for the daily operation of this program and for the development and maintenance of programs that promote the health and safety of the state employees. Program services must be administered through offices, systems, consultants and staff necessary to provide cost-effective, accessible and responsive services to eligible employees and retirees. Administration of the program must be consistent with rules adopted by the State Employee Health Commission. The executive director and the staff of the state employee health insurance program are appointed in accordance with the Civil Service Law. [PL 2025, c. 48, Pt. B, §3 (AMD).]

Appeals by eligible employees or retirees must be to hearing officers designated by the commission. [PL 2025, c. 48, Pt. B, §3 (AMD).]

The cost of administration of the state employee health insurance program must be funded from an administrative allowance to be negotiated by the commission with the health benefit carrier or carriers. Indirect costs may not be allocated to the program. [PL 2025, c. 48, Pt. B, §3 (AMD).]

The commissioner shall establish the Accident, Sickness and Health Insurance Internal Service Fund through the State Controller in which health insurance and dental insurance premiums collected from state departments and agencies and other plan participants, premium dividends, return of premiums resulting from risk reduction programs and any other receipts must be deposited to be used for the purposes of the state employee health insurance program. The fund is a continuing fund and may not lapse. Interest earned from investment of the fund must be credited to the fund. [PL 2025, c. 48, Pt. B, §3 (AMD).]

An annual report must be prepared for the Governor concerning the number of participants, premiums charged, utilization of benefits and operating costs. The report must also include recommendations regarding future operation of the program. [PL 2025, c. 48, Pt. B, §3 (AMD).]

A reserve fund, administered by the Executive Director of Employee Health, Wellness and Workers' Compensation and the State Human Resources Officer with approval of the Commissioner of Administrative and Financial Services, is created to protect the program from unexpected losses and self-insured losses and related expenses incurred in the provision of health and dental benefits for the eligible participants. The fund is a continuing fund and may not lapse. The Treasurer of State shall invest the fund. All proceeds of these investments accrue to the fund. [PL 2025, c. 48, Pt. B, §3 (AMD).]

The reserve fund is capitalized by money from premium payments and by legislative appropriation, payments from state departments and agencies and by such other means as the Legislature may approve. All money in the fund is deemed to be the commingled assets of all the covered employees and must be used only for the purposes of this section. [PL 1989, c. 776, §3 (NEW).]

SECTION HISTORY

PL 1967, c. 543 (NEW). PL 1979, c. 657 (RPR). PL 1985, c. 785, §B16 (AMD). PL 1987, c. 731, §7 (RPR). PL 1989, c. 776, §3 (AMD). PL 1991, c. 528, §III3 (AMD). PL 1991, c. 528, §RRR (AFF). PL 1991, c. 591, §III3 (AMD). PL 1991, c. 780, §§Y26,27 (AMD). PL 1999, c. 731, §M1 (AMD). PL 2021, c. 312, §§4, 5 (AMD). PL 2023, c. 412, §3 (REV). PL 2025, c. 48, Pt. B, §3 (AMD).

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