

SENATE BILL 313

By Black

AN ACT to amend Tennessee Code Annotated, Title 56
and Title 67, relative to employers providing health
benefits.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 7, Part 22, is amended by adding the following language as new, appropriately designated sections:

§ 56-7-22__.

(a) There is created a special account in the state treasury to be known as the "Tennessee small business employer health benefits fund", hereinafter referred to as the "health benefits fund".

(b) Appropriations made by the general assembly to the health benefits fund shall be deposited in the health benefits fund.

(c) In addition to the funds deposited pursuant to subsection (b), the department of commerce and insurance may accept other funds, public or private, by way of gift or grant to the fund.

(d) Moneys in the health benefits fund may be invested by the state treasurer in accordance with § 9-4-603.

(e) Notwithstanding any law to the contrary, interest accruing on investments and deposits of the health benefits fund shall be credited to such fund, shall not revert to the general fund, and shall be carried forward into the subsequent fiscal year.

(f) Any balance remaining unexpended at the end of a fiscal year in the health benefits fund shall not revert to the general fund but shall be carried forward into the subsequent fiscal year.

(g) Money in the health benefits fund may be expended only in accordance with annual appropriations approved by the general assembly.

§ 56-7-22__.

(a) The health benefits fund shall be available to provide grants to eligible small business employers to reimburse moneys spent by such employers to provide health care coverage to employees and employees' dependents.

(b)

(1) Grants for small business employers awarded pursuant to this section shall be available to qualified small business employers in any area of the state.

(2) The commissioner shall establish criteria for the grant program in accordance with subsection (c). The commissioner shall award such grants from funds then available and appropriated for grants from the health benefits fund.

(3) The small business employer health benefits grant shall be limited to the lesser of five hundred dollars (\$500) or the small business employer's health benefits costs for each eligible enrolled employee during the tax year. The commissioner shall award small business employer health benefits grants each year on a first come, first served basis; provided, however, that no more than one million dollars (\$1,000,000) shall be expended for such grants per year.

(4) All grant recipients are subject to audit by the comptroller of the treasury as to the funds received pursuant to this section.

(c)

(1) A small business employer that provides qualifying health benefits for its eligible enrolled employees during the tax year shall be qualified for a small business employer health benefits grant. For the purposes of this section, a small business employer provides qualifying health benefits if the small business

employer pays at least fifty percent (50%) of the premiums for health care coverage for the employee and the employee's dependents that equals or exceeds the minimum provisions of the basic health care plan of coverage recommended by the small employer carrier committee, pursuant to § 56-7-2208, or if the small business employer's employees have qualifying existing coverage.

(2) For the purposes of this section:

(A) "Commissioner" means the commissioner of commerce and insurance;

(B) "Eligible enrolled employee" means a permanent full-time, small business employee who is enrolled in a qualifying health benefits plan, as described in this subsection (c), and whose federal taxable income does not exceed forty-five thousand dollars (\$45,000);

(C) "Full-time employment" means a normal work week of thirty (30) hours or more;

(D) "Qualifying existing coverage" means benefits or coverage provided under an employer-based health insurance or health benefit arrangement, including a self-insured plan, that provides benefits similar to or in excess of benefits provided under the basic health care plan of coverage recommended by the small employer carrier committee, pursuant to § 56-7-2208; and

(E) "Small business employer" means an employer that employs not more than twenty-five (25) eligible enrolled employees throughout the tax year or an employer that, as a client company of a professional employer organization, co-employs not more than twenty-five (25) eligible enrolled employees throughout the tax year.

SECTION 2. For the purpose of promulgating rules, this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes, this act shall take effect July 1, 2010, the public welfare requiring it.