

State Employees' Insurance Board Tobacco User Policy

In November of 2004, the Alabama Legislature enacted a new law (Act No.: 2004-647) that required that the State Employees' Insurance Board charge a higher premium contribution to all employees and retirees enrolled in the State Employees' Health Insurance Plan (SEHIP) who smoke or use tobacco products. The law also gave the SEIB the authority to set the premium for all rate categories including the individual active employee premium and the Medicare retiree premium.

In order to comply with this law the Board approved a premium increase per month on all active and retired employees for coverage effective October 1, 2005. At the same meeting, however, the SEIB also approved the Non-Tobacco User Discount Program. Under this program, employees and retirees can obtain a discount off their monthly premium by certifying that they (and their spouse if covered as a dependent) have not used tobacco products within the last 12 months.

The discount will go into effect each October 1 and will be effective for twelve months. Employees and retirees will be required to certify their non-tobacco use status each year in order to qualify for the premium discount.

Following the initial certification, employees, retirees and their covered spouses who have not used tobacco products in the last twelve months may apply for the discount any time during the year. The discount will go into effect on the first day of the second month following approval of the certification by the SEIB.

In order for new employees and retirees enrolling in the SEHIP to qualify for the discount, a certification form must be submitted with their enrollment form. Certification forms must also be included when spouses are added to coverage in order to qualify for the discount.

The only way to qualify for the Non-Tobacco User Discount Program is to submit an acceptable certification form. Refunds will not be allowed for failure to submit a certification form.

As a condition of the Non-Smoker Premium Discount Program, participants agree to:

1. submit to periodic tobacco usage testing and
2. authorize any licensed physician, medical practitioner, hospital, pharmacy, clinic or other medically related facility, insurance company, any government agency or other

organization or person that has any records or knowledge of participant's health to provide to the SEIB any information related to the participant's use of tobacco products.

It is the responsibility of participants in the Non-Tobacco User Discount Program to notify the SEIB immediately when there is a change in their tobacco usage status.

SEIB will provide a Tobacco Cessation Program for its covered members. Program literature will be available through our Wellness Program, at the Worksite Wellness Screenings, and on our website. SEIB will reimburse the member 80% of the cost of the program, not to exceed \$150.00 lifetime maximum benefit.

In addition to any disciplinary action already in place, any employee or retiree knowingly and willfully submitting false information to the SEIB will be required to repay all discounts as well as all claims and other expenses incurred by the SEHIP related to the false or misleading information, plus interest.