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HOUSE BILL 1842

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State of Washington                      52nd Legislature                      1991 Regular Session

By Representatives Sprenkle, Dorn, Peery and Winsley.

Read first time February 12, 1991.      Referred to Committee on Appropriations.

1            AN ACT Relating to school employees health care; and amending RCW  
2 28A.400.270 and 28A.400.280.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4            **Sec. 1.** RCW 28A.400.270 and 1990 1st ex.s. c 11 s 4 are each  
5 amended to read as follows:

6            Unless the context clearly requires otherwise, the definitions in  
7 this section apply throughout RCW 28A.400.275 and 28A.400.280.

8            (1) "School district employee benefit plan" means the overall plan  
9 used by the district for distributing fringe benefit subsidies to  
10 employees, including the method of determining employee coverage and  
11 the amount of employer contributions, as well as the characteristics of  
12 benefit providers and the specific benefits or coverage offered. It  
13 shall not include coverage offered to district employees for which  
14 there is no contribution from public funds.

1 (2) "Fringe benefit" does not include liability coverage, old-age  
2 survivors' insurance, workers' compensation, unemployment compensation,  
3 retirement benefits under the Washington state retirement system, or  
4 payment for unused leave for illness or injury under RCW 28A.400.210.

5 (3) "Basic benefits" as determined through local bargaining shall  
6 include a medical plan and may include dental, vision, group term life,  
7 and group long-term disability insurance coverage. The least-cost  
8 basic benefit plans available to a bargaining unit may be defined as  
9 basic benefits for purposes of pooling as defined in RCW 28A.400.280.

10 (4) "Supplemental basic benefits" means the other basic benefits  
11 available to a bargaining unit that are not included as basic benefits  
12 for the purpose of pooling as defined in RCW 28A.400.280, and plans  
13 providing reimbursement for qualified medical, dental, and vision  
14 expenses.

15 (5) "Basic benefits" are determined through local bargaining and  
16 are limited to medical, dental, vision, group term life, and group  
17 long-term disability insurance coverage.

18 ~~((4))~~ (6) "Benefit providers" include insurers, third party  
19 claims administrators, direct providers of employee fringe benefits,  
20 health maintenance organizations, health care service contractors, and  
21 the Washington state health care authority or any plan offered by the  
22 authority.

23 ~~((5))~~ (7) "Group term life insurance coverage" means term life  
24 insurance coverage provided for, at a minimum, all full-time employees  
25 in a bargaining unit or all full-time nonbargaining group employees.

26 ~~((6))~~ (8) "Group long-term disability insurance coverage" means  
27 long-term disability insurance coverage provided for, at a minimum, all  
28 full-time employees in a bargaining unit or all full-time nonbargaining  
29 group employees.

1       **Sec. 2.** RCW 28A.400.280 and 1990 1st ex.s. c 11 s 6 are each  
2 amended to read as follows:

3       (1) Except as provided in subsection (2) of this section, school  
4 districts may provide employer fringe benefit contributions after  
5 October 1, 1990, only for basic benefits. However, school districts  
6 may continue payments under contracts with employees or benefit  
7 providers in effect on April 13, 1990, until the contract expires.

8       (2) School districts may provide employer contributions after  
9 October 1, ~~((1990))~~ 1991, for supplemental basic benefits and optional  
10 benefit plans, in addition to basic benefits, only for employees  
11 included in pooling arrangements under this subsection. Supplemental  
12 basic benefits or optional benefit plans may not include employee  
13 beneficiary accounts that can be liquidated by the employee on  
14 termination of employment. Supplemental basic benefits and optional  
15 benefit plans may be offered only if:

16       (a) The school district pools benefit allocations among employees  
17 using a pooling arrangement that includes at least one employee  
18 bargaining unit and/or all nonbargaining group employees;

19       (b) Each full-time employee included in the pooling arrangement is  
20 offered basic benefits, including coverage for dependents, without a  
21 payroll deduction for premium charges;

22       (c) Each full-time employee included in the pooling arrangement,  
23 regardless of the number of dependents receiving basic coverage,  
24 receives the same additional employer contribution for ~~((other~~  
25 ~~coverage))~~ supplemental basic benefits or optional benefits; and

26       (d) ~~((For part-time employees included in the pooling arrangement,~~  
27 ~~participation in optional benefit plans shall be governed by the same~~  
28 ~~eligibility criteria and/or proration of employer contributions used~~  
29 ~~for allocations for basic benefits))~~ Employees who waive part of their

1 basic benefit coverage may spend their unused basic benefit allocation  
2 based on employee-only rates on supplemental basic benefits.

3 (3) Savings accruing to school districts due to limitations on  
4 benefit options under this section shall be pooled and made available  
5 by the districts to reduce out-of-pocket premium expenses for employees  
6 needing basic coverage for dependents. School districts are not  
7 intended to divert state benefit allocations for other purposes.