

SENATE BILL REPORT

SB 6295

As Reported By Senate Committee On:
Health & Long-Term Care, January 31, 1996
Ways & Means, February 6, 1996

Title: An act relating to long-term care benefits for public employees.

Brief Description: Establishing long-term care benefits for public employees.

Sponsors: Senators Fraser, Prentice, Winsley and Kohl.

Brief History:

Committee Activity: Health & Long-Term Care: 1/29/96, 1/31/96 [DPS].
Ways & Means: 2/5/96, 2/6/96 [DPS (HEA)].

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: That Substitute Senate Bill No. 6295 be substituted therefor, and the substitute bill do pass.

Signed by Senators Quigley, Chair; Wojahn, Vice Chair; Fairley, Franklin, Moyer, Thibaudeau and Wood.

Staff: Rhoda Jones (786-7198)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6295 as recommended by Committee on Health & Long-Term Care be substituted therefor, and the substitute bill do pass.

Signed by Senators Rinehart, Chair; Loveland, Vice Chair; Bauer, Drew, Fraser, Hargrove, Kohl, Long, Moyer, Pelz, Quigley, Sheldon, Snyder, Spanel, Sutherland and Winsley.

Staff: Denise Graham (786-7715)

Background: The Public Employees' Benefits Board (PEBB) is authorized to design and approve insurance benefit plans for state and school district employees. They are required to develop employee benefit plans that include comprehensive health care benefits for all employees. These benefits could include different types of health care coverage, life insurance, liability insurance, accidental death, and dismemberment insurance, and disability income insurance, or some combination of these. Long-term care insurance is not included in the possible benefits options.

The PEBB makes decisions about comprehensive benefits plans for employees and their dependents based on criteria described in statute.

Summary of Substitute Bill: The Public Employees' Benefits Board is directed to design and offer long-term care insurance plans for all eligible public employees and retired employees. Participation in these plans is optional, but if retired or active employees choose long-term care coverage, they are required to pay the premiums in full unless collective bargaining agreements state otherwise. These may be in the form of a payroll deduction.

Public employees who are not otherwise enrolled in PEBB sponsored medical programs may be enrolled in the long-term care pool if such groups do not jeopardize the financial viability of the long-term care offering.

Participation in the long-term care insurance plan is not automatic. It is subject to reasonable underwriting guidelines and eligibility rules set by the PEBB.

The long-term care benefit may be offered through the PEBB or individual insurers/brokers. The HCA and PEBB establish marketing procedures used by long-term care insurers.

The PEBB must design the plans to offer the long-term care partnership program and an alternative plan of care benefits approved by the Office of the Insurance Commissioner.

The HCA must develop a program that educates the public on long-term care insurance and different plans that are available.

By December, 1998, the HCA and PEBB must submit a report to the Legislature analyzing the marketing and distribution of long-term care insurance provided under this bill.

Substitute Bill Compared to Original Bill: The original bill stated the general requirement that long-term care insurance be offered to public employees by PEBB. The substitute delineated the details of PEBB's role and other specific plan details.

Appropriation: None.

Fiscal Note: Requested on January 20, 1996.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This will help make long-term care insurance available to more people cost effectively.

Testimony Against: None.

Testified: PRO: Scott Sigmon, WHCA; Nick Federici, WSNA; Gail McGaffick, HCAW; Margaret Casey, HCC; Evan Iverson, Senior Lobby; Leslie Main, WA State Retired Teachers Assoc.; Bev Hermanson, WA Federation of State Employees.