

# HOUSE BILL REPORT

## HB 1587

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**As Passed House:**  
March 8, 2013

**Title:** An act relating to public employee benefits.

**Brief Description:** Addressing public employee benefits.

**Sponsors:** Representatives Cody, Van De Wege, Morrell, Jinkins, Ryu and Holy; by request of Health Care Authority and LEOFF Plan 2 Retirement Board.

**Brief History:**

**Committee Activity:**

Appropriations: 2/11/13, 2/13/13 [DP].

**Floor Activity:**

Passed House: 3/8/13, 86-10.

### Brief Summary of Bill

- Clarifies that the Health Care Authority (HCA) may direct an employing state agency to make benefit eligibility determinations.
- Clarifies HCA benefit eligibility for part-time and seasonal employees and registered domestic partners.
- Provides a definition for "provider group" among entities that may participate in HCA insurance programs.
- Provides coverage in HCA benefit plans for dependents up to age 26 in conformance with the federal Affordable Care Act.
- Provides eligibility in HCA-administered Medicare supplemental insurance policies to state registered domestic partners of emergency service personnel killed in the line of duty.

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## HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** Do pass. Signed by 30 members: Representatives Hunter, Chair; Ormsby, Vice Chair; Alexander, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Wilcox, Assistant Ranking Minority Member; Buys, Carlyle, Cody,

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Dahlquist, Dunshee, Fagan, Green, Haigh, Haler, Harris, Hudgins, Hunt, Jinkins, Kagi, Maxwell, Morrell, Parker, Pedersen, Pike, Ross, Schmick, Seaquist, Springer, Sullivan and Taylor.

**Staff:** David Pringle (786-7310).

**Background:**

The Health Care Authority (HCA) administers benefits plans, forms benefits contracts, develops participation rules, and through the Public Employees' Benefit Board (PEBB) approves schedules of rates and premiums for active employee and retired participants. The members of the PEBB vote to approve contracts and benefits for the PEBB program.

In general, employees are eligible for benefits if it is anticipated that they will work for 80 hours or more for more than six consecutive months, though the eligibility standards differ for some types of employees. Faculty members at institutions of higher education who are expected to work half-time over a period of at least nine months are eligible for benefits for the entire instructional year. Seasonal employees who are expected to work half-time or more, as defined by the PEBB, in each month of the applicable work season are eligible for the benefits for the season of employment.

In 2009 the Legislature enacted a number of changes to the PEBB eligibility rules, including clarifying the HCA's authority to determine eligibility (as opposed to the employing agency), and moving eligibility criteria from rule to statute. Under these rules, the HCA has the authority to determine eligibility, but may delegate to employing agencies the task of determining individual employees' eligibility for benefits. Any determination as to whether or not an employee is eligible for benefits is subject to periodic review, and appeals of agency eligibility determinations are reviewed by the HCA.

Unmarried dependents of the PEBB members under the age of 25 are permitted to continue participating in the PEBB. An employee that chooses to cover a dependent with developmental or mental disabilities who is incapable of self-support may continue to do so at any age at the same premium and pay structure adopted for dependents age 20 or under. The Federal Patient Protection and Affordable Care Act of 2010 provides that for any plan year beginning after September 23, 2010, any health plan that makes dependent coverage of children available must make such coverage available for children until attainment of age 26.

**Summary of Bill:**

An agency participating in the HCA-administered benefit programs is only authorized to make initial determinations of benefits eligibility if directed to do so by the HCA. A new definition of "employer group" is created, and the term encompasses existing entities that may participate in the HCA-administered programs according to law including counties, municipalities, political subdivisions, school districts, and others. A reference to adult family home providers is corrected.

Eligibility standards for seasonal employees are changed from half-time during seasons of six consecutive months, as defined by the PEBB, to 80 hours per month, consistent with other

part-time eligibility provisions. The definition of "academic year" is clarified to apply to either quarter- or semester-based academic calendars, and "half-time" for academic employees is defined as one-half of the full-time academic workload as determined by each institution, or as calculated in the applicable statutes for community and technical college faculty.

The recognition of domestic partnerships through presentation of a certificate of domestic partnership issued by the Secretary of State is applied to both same-sex and opposite-sex domestic partnerships. State registered domestic partners of emergency service personnel killed in the line of duty are all made eligible for the PEBB participation, and several provisions referencing state registered domestic partners are clarified.

State registered domestic partners of emergency service personnel killed in the line of duty are eligible to participate in the HCA-administered Medicare supplemental insurance policies.

Dependent coverage provisions in the PEBB programs are extended to dependent children up to age 26 in compliance with the federal Patient Protection and Affordable Care Act of 2010.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) This proposal received a unanimous recommendation from the Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board.

(Opposed) None.

**Persons Testifying:** Mary Fliss, Health Care Authority; and Steve Nelsen, Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board.

**Persons Signed In To Testify But Not Testifying:** None.