

FINAL BILL REPORT

SHB 2867

C 22 L 92
Synopsis As Enacted

Brief Description: Authorizing reimbursement of certain medical insurance premiums to retired police officers and fire fighters.

By House Committee on Appropriations (originally sponsored by Representatives H. Sommers, Edmondson, Horn, Orr, Winsley, Jones, Paris, Wood, Bray and J. Kohl).

House Committee on Appropriations
Senate Committee on Ways & Means

Background: Plan I of the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) requires employers to pay for medical services needed by retired and disabled members. Local LEOFF disability boards oversee the medical services. The law allows employers to purchase insurance plans to cover these members, with the employer then also paying for charges not covered by the insurance. Employers are also allowed to deduct charges that have been paid by Medicare from amounts they owe to the retired members.

The police officers retirement plan established prior to LEOFF gives local disability boards discretion over whether and how much to pay for medical services for retired members, although many do provide some level of reimbursement. Pre-LEOFF fire fighters' disability boards are required to provide medical services for retired disabled fire fighters.

Part B of Medicare covers the cost of physicians' charges and may be purchased by Medicare-eligible retirees for \$29.60 per month. Medicare part B coverage is not mandatory, but retirees who purchase it receive substantial discounts on other insurance to supplement Medicare because the federal government is then responsible for the largest portion of charges for medical services.

Some former employers of LEOFF and pre-LEOFF retirees have been reimbursing the retirees for the cost of the Medicare part B premiums so that the employers' supplemental insurance obligations are reduced. The state attorney general and the state auditor have taken exception to this practice, stating that the employers and the local

disability boards have no statutory authority to reimburse retirees for part B premiums.

Summary: Former employers of retired members of plan I of the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) may choose to reimburse such members for the cost of Medicare part B premiums or premiums for other insurance that supplements Medicare.

Disability boards overseeing retirees under the police officers' retirement system and disabled retirees under the fire fighters' retirement system established prior to LEOFF also have authority and discretion to reimburse retirees for Medicare part B premiums or other supplemental insurance.

Votes on Final Passage:

House	97	0
Senate	47	0

Effective: June 11, 1992