

**FINAL BILL REPORT**

**SSB 5873**

**PARTIAL VETO**

**C 254 L 91**

**SYNOPSIS AS ENACTED**

**Brief Description:** Providing insurance coverage for retired and disabled school district employees.

**SPONSORS:** Senate Committee on Ways & Means (originally sponsored by Senators McDonald, Gaspard, Saling, Snyder, L. Smith, Johnson, Bauer, Rasmussen and Barr).

**SENATE COMMITTEE ON WAYS & MEANS**

**HOUSE COMMITTEE ON APPROPRIATIONS**

**BACKGROUND:**

State law provides that state employees who are retired or disabled may continue their participation in any insurance plans and contracts after retirement or disablement. Federal law requires this for 18 months after retirement. These employees bear the full cost of premiums required to provide coverage, and the rates charged for health care are developed from the same experience pool as active employees. Rates for a retired or disabled employee or the employee's dependents who are covered by Medicare are actuarially reduced to reflect the value of that care.

**SUMMARY:**

Retired or disabled school district employees may continue participation in any insurance plans and contracts for a period of at least 30 months after their retirement or disablement. The retired or disabled employee bears the full cost of premiums to provide the coverage.

Employees who retire after July 28, 1991, and those who retired in the 18-month period immediately prior to July 28, 1991, are eligible to participate. Employees who retired more than 18 months prior to July 28, 1991, and who were covered by a school district insurance plan on January 1, 1991, may continue coverage for at least one year, dating from July 28, 1991.

The Health Care Authority is directed to conduct a study of health care coverage for retired school district employees, including development of mechanisms to pre-fund health care coverage, establishment of variable premiums to reflect an individual's income level, and evaluation of the feasibility of allowing retirees to continue their school district

insurance coverage at a reasonable cost. The Health Care Authority is required to submit its findings and recommendations to the Legislature by December 1, 1991.

**VOTES ON FINAL PASSAGE:**

Senate	46	0	
House	96	0	(House amended)
Senate	42	0	(Senate concurred)

**EFFECTIVE:** July 28, 1991

**Partial Veto Summary:** The section requiring the Health Care Authority to conduct a study of health care coverage for retired school district employees was vetoed. (See VETO MESSAGE)