
SUBSTITUTE HOUSE BILL 2857

State of Washington

52nd Legislature

1992 Regular Session

By House Committee on Appropriations (originally sponsored by Representatives Hine, Locke, Spanel, Ferguson, Jones, Dorn, Paris, Kremen, G. Fisher, Brough, Pruitt, Rayburn, Prentice, Franklin, Ogden, Roland, Sheldon, Nelson, Bowman, Leonard, Belcher, Orr, Brekke, Bray, H. Myers, Rasmussen, Fraser, G. Cole, O'Brien, J. Kohl and Anderson)

Read first time 02/07/92.

1 AN ACT Relating to school retirees' health insurance coverage;
2 adding a new section to chapter 28A.400 RCW; creating new sections; and
3 repealing RCW 28A.400.390.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 28A.400
6 RCW to read as follows:

7 (1) Every group disability insurance policy, health care service
8 contract, health maintenance agreement, and health and welfare benefit
9 plan obtained or created to provide benefits to employees of school
10 districts and their dependents shall contain provisions that permit
11 retired and disabled employees to continue medical, dental, or vision
12 coverage under the group policy, contract, agreement, or plan until
13 June 30, 1994, or until the employee becomes eligible for federal
14 medicare coverage, whichever occurs first. The terms and conditions

1 for election and maintenance of such continued coverage shall conform
2 to the standards established under the federal consolidated omnibus
3 budget reconciliation act of 1985, as amended. The period of continued
4 coverage provided under this section shall run concurrently with any
5 period of coverage guaranteed under the federal consolidated omnibus
6 budget reconciliation act of 1985, as amended.

7 (2) This section applies to:

8 (a) School district employees who retired or lost insurance
9 coverage due to disability after July 28, 1991;

10 (b) School district employees who retired or lost insurance
11 coverage due to disability within the eighteen-month period ending on
12 July 28, 1991; and

13 (c) School district employees who retired or lost insurance
14 coverage due to disability prior to January 28, 1990, and who were
15 covered by their employing district's insurance plan on January 1,
16 1991.

17 (3) For the purposes of this section "retired employee" means an
18 employee who separates from district service and is eligible at the
19 time of separation from service to receive, immediately following
20 separation from service, a retirement allowance under chapter 41.32 or
21 41.40 RCW.

22 (4) The superintendent of public instruction shall adopt
23 administrative rules to implement this section.

24 NEW SECTION. **Sec. 2.** (1) The health care authority shall
25 study and develop recommendations regarding group health insurance
26 coverage for retired and disabled school district employees. The
27 health care authority shall collect such information as it deems
28 necessary to address the following issues:

1 (a) Alternatives for making appropriate health insurance coverage
2 available to currently retired and disabled school district employees,
3 including allowing these employees to participate in insurance plans
4 offered by the state employees' benefits board at no additional cost to
5 the state;

6 (b) Development of estimated costs and funding mechanisms to
7 provide health insurance coverage for currently retired and disabled
8 school district employees at a reasonable cost, including alternatives
9 for partial subsidization of costs by active employees or the state;
10 and

11 (c) Identification of issues and alternatives for defining
12 eligibility for group health insurance coverage for currently retired
13 and disabled school district employees.

14 (2) The health care authority may form technical advisory
15 committees to assist with the study. The health care authority shall
16 submit its findings and recommendations to the legislature by January
17 15, 1993.

18 NEW SECTION. **Sec. 3.** If specific funding for the purposes of
19 section 2 of this act, referencing this act by bill number, is not
20 provided by June 30, 1992, in the omnibus appropriations act, section
21 2 of this act shall be null and void.

22 NEW SECTION. **Sec. 4.** RCW 28A.400.390 and 1991 c 254 s 1 are
23 each repealed.