

# FINAL BILL REPORT

## SHB 2443

---

C 4 L 94

Synopsis as Enacted

**Brief Description:** Modifying employer-sponsored health benefits coverage for seasonal workers.

By House Committee on Health Care (originally sponsored by Representatives Dellwo, L. Johnson, Conway, Wineberry, Wolfe, J. Kohl, Veloria, Romero and King; by request of Health Services Commission and Governor Lowry).

House Committee on Health Care  
Senate Committee on Health & Human Services

**Background:** A major purpose of the Washington Health Services Act of 1993 is to provide health service coverage for all Washington residents. This is accomplished primarily through an employer-mandate whereby employers pay at least half of the premium of the lowest-priced uniform benefits package in the region for qualified or full-time employees and their dependents. Part-time employees receive a pro rata contribution. This mandate is phased in over a four-year period, beginning with large employers - those with more than 500 qualified employees - in July 1995 with full implementation by July 1999.

However, Washington law exempts employers of seasonal workers from the mandate. The Washington Health Services Commission was directed to make recommendations to the Governor and the Legislature by December 1, 1994, for including seasonal workers and their employers in the employer mandate provisions. To assist the commission, a multi-disciplinary Seasonal Worker Work Group was created to analyze seasonal employee/employer issues and report to the commission in November 1993.

The commission reviewed the work group report and held four public hearings around the state to gather additional public testimony. At its December meeting, the commission adopted the following recommendations: (1) repeal the exclusion of seasonal employees from the employer mandate of the Washington Health Services Act of 1993; (2) amend the act to create an advisory committee to help the commission address operational problems associated with providing employer-sponsored health insurance to seasonal and temporary employees; (3) conduct a comprehensive analysis of the financial impacts of health insurance coverage on seasonal

employees and their employers; and (4) use the work group report as a starting point to develop a voluntary health care delivery and financing system to meet the needs of seasonal employees and their employers.

**Summary:** The definition of "seasonal employee" for the purposes of the Washington Health Services Act of 1993 is deleted.

"Seasonal employer" is defined as an employer whose business is in one or more of the following standard industry classifications: cash grains, field crops except cash grains, vegetables and melons, fruits and nuts, dairy farms, horticulture specialties, general farms primarily crops, crop services, animal services except veterinary, timber tracts, forestry services, canned, frozen, and preserved fruits and vegetables, farm produce raw material, and fresh fruits and vegetables. The commission may add additional categories.

The Health Services Commission is required to appoint a seasonal employment advisory committee composed of equal numbers of seasonal employee and employer representatives to assist the commission.

In consultation with the seasonal employment advisory committee, the commission must:

Define seasonal employee;

Conduct an analysis of the financial impact of health insurance coverage on seasonal employees and their employers;

Assure that seasonal employees have the same base level of benefits, and be subject to the same point of service cost-sharing and premium contribution policies as other employees;

Assure that affordability for seasonal employers and employees is deemed the same as for their nonseasonal counterparts;

Give consideration to health services access and delivery issues unique to seasonal employees;

Give consideration to the appropriateness of using a depository to administer all or part of the system of seasonal employees' health insurance coverage;

Assure that the minimum hourly rate paid by seasonal employers towards their seasonal employees' health

insurance coverage shall not have the effect of increasing the employers' monthly contribution toward seasonal employees' health insurance coverage to more than the required 50 percent of the cost of the lowest priced uniform benefits package;

Assure that the minimum hourly payment rate shall be calculated on the basis of a 120 hour month, and shall be paid by employers on the first 30 hours of each week worked by a seasonal employee.

The commission must consider the following principles in determining the date on which employer participation begins:

To minimize adverse economic impact of employer participation on small employers;

To minimize the potential for peaks and valleys in employment to disproportionately influence the date upon which an employer's participation does not result in over counting or under counting qualified employees; and ensures equitable treatment of employers and employees across industries.

The commission must also give strong consideration to the principles that every effort must be made to minimize the administrative burden on seasonal employees and seasonal employers, and that no new state agency should be created.

**Votes on Final Passage:**

House	78	17
Senate	31	17

**Effective:** June 9, 1994