

HOUSE BILL REPORT

SHB 2443

As Passed Legislature

Title: An act relating to employer-sponsored health benefits coverage for seasonal workers.

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

Sponsors: 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).

Brief History:

Reported by House Committee on:
Health Care, February 4, 1994, DPS;
Passed House, February 10, 1994, 78-17;
Passed Legislature.

HOUSE COMMITTEE ON HEALTH CARE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 15 members: Representatives Dellwo, Chair; L. Johnson, Vice Chair; Dyer, Ranking Minority Member; Ballasiotes, Assistant Ranking Minority Member; Appelwick; Backlund; Conway; Cooke; Flemming; R. Johnson; Lemmon; Mastin; Morris; Thibaudeau and Veloria.

Minority Report: Do not pass. Signed by 1 member: Representative Lisk.

Staff: Bill Hagens (786-7131).

Background: A major purpose of the Washington Health Services Act of 1993 (SB 5304) is to provide health service coverage for all Washington residents. This is done 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, a companion act (SB 5076) exempts employers of seasonal workers from the mandate. This act requires the Washington Health Services Commission to make recommendations to the Governor and the Washington State Legislature by December 1, 1994 as to ways seasonal workers and their employers should be included in the employer mandate provisions. Governor Lowry asked the commission to complete its recommendations prior to the 1994 legislative session.

To assist in this effort, 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 of Bill: The definition of "seasonal employee" in law is deleted; the commission must develop a new one.

The substitute defines "seasonal employer" to mean 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 commission is required to:

Appoint a seasonal employment advisory committee composed of equal numbers of seasonal employee and employer representatives to assist the commission;

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

Assure 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 shall 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 shall also give strong consideration to the principles that every effort shall be made to minimize the administrative burden on seasonal employees and seasonal employers; and no new state agency should be created.

Fiscal Note: Available

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: Seasonal workers should have the same health care as other workers. Consideration should be given to the unique health needs of seasonal employers. Special attention should be given to affordability because of the limited ability of growers to raise agricultural prices while maintaining economic viability.

Testimony Against: No testimony was given against the bill as passed out of committee.

Witnesses: Mike Gempler, Washington Growers League; Jeanne Pickle, Washington Asparagus Growers; Randy Smith, Washington Horticultural Association; Bruce Prenguber, Washington Food Processors; Dr. Case Kolff, National Association of Community Health Centers (pro); Dr. Lee Emerson, Sea Mar; Sharon Park, Washington State Catholic Conference (pro); Maria Negete; Maria Garcia; Ricarda Lopez; Martin Martinez; Ricardo Guzman; Miguel Farias; Jeff Johnson, Washington State Labor Council (pro); Tomas Villanueva, United Farm Workers of Washington State (pro); Adelina Gonzalez, Washington Citizen Action (pro); Jesus Rodriguez; Alicia Nunez; Christina Moran, Sea Mar Clinic (pro); Tina Mata; Robert Boggess, Max Carrera, Jr., Roberto Luna, and Manuel Herrera, Broetje Orchards Vista Hermosa; Guadalupe Chavez; Victoria Garcia; Eva Madrigal; Josefina Iglesias, Vista Hermosa; Lori Frymier, Snokist Growers; Sheryl Hershey, Bellingham Cold Storage (pro w/amendments); Karma Reavis, Bellingham Frozen Foods (pro w/amendments); Tom Frick, Washington Association of Wheat Growers (pro w/amendments); Randy Ray, Washington Association of Temporary Services and Pacific Seafood Processors Association; Dr. Greg Sanders and Dr. Ione Adams, Sea Mar Clinic; David Della, Commission on Asian American Affairs (pro); Richard Gurtiza, ILWU/IBU Reg 37 (pro); Jerry Martinez, Commission on Hispanic Affairs (pro); Steven Aldrich, Hotel and Restaurant Employees, Local #8 (pro); Manuel Arambul; and Jean Swan (pro w/amendments).