

**SENATE BILL REPORT**

**SHB 2443**

**AS PASSED SENATE, FEBRUARY 28, 1994**

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

**SPONSORS:** 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**

**Majority Report:** Do pass.

Signed by Senators Talmadge, Chairman; Wojahn, Vice Chairman; Franklin, Fraser, Hargrove, McAuliffe, Moyer, Niemi, Prentice and Winsley.

**Staff:** Don Sloma (786-7319)

**Hearing Dates:** February 17, 1994; February 18, 1994

**BACKGROUND:**

A major purpose of the Washington Health Services Act of 1993 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 fulltime employees and their dependents. Parttime 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, current law exempts employers of seasonal workers from the mandate. The Washington Health Services Commission must 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 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 Health Services Commission must adopt rules requiring all employee enrollee premiums be paid through deductions from wages or earnings.

The definition of "seasonal employee" in law is deleted; the commission must develop a new one.

"Seasonal employer" is defined 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 must:

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; and determine the extent to which insurance coverage mechanisms should be modified, if at all, to assure that seasonal employees have the same base level of benefits, and are subject to the same point of service cost-sharing and premium contribution policies as other employees. In making this determination, the commission should assure that contributions toward premiums should be as affordable for seasonal employers and employees as they are for their nonseasonal counterparts. In addition, 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. Finally, 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.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** available

**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. However, concern was expressed that employer and employee premium contributions might not be sufficient to cover the cost of the uniform benefits package.

**TESTIFIED:** Heather Rainey, vegetable grower (pro); Chris Cheney, farmer (pro); Bill Garvin, WA State Farm Bureau (pro); Rogelio Rioja, SEA-MAR Community Health Center (pro); Bill Fritz, WA Food Processors Council (pro); Ana Rojas, WA Commission on Hispanic Affairs (pro); Jesus Y. Rodriguez, Hispanic Network Skagit/Snohomish (pro); David Della, CAAA (pro); Martin Martinez, Maria Mendoza, Yakima County (pro); Dr. Case Kolff, SEA-MAR Community Health Center (pro); Steven Aldrich, HERE (pro); Robbie Stern, WSLC (pro); Randy Smith, WA Horticulture Association (pro); Tomas Villanueva, UFW (pro); David West, Citizen Action (pro); Bernard Gamache/Mitze Gempler, WA Growers League (pro); Jean Swan, Grower/WWSA (pro); Jeanne Pickel, grower (pro); Tina Mata, Whatcom County SEA-MAR; Lisa Arce, Skagit County