

SENATE BILL REPORT

SB 6241

AS REPORTED BY COMMITTEE ON HEALTH & HUMAN SERVICES,
FEBRUARY 4, 1994

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

SPONSORS: Senators Prentice, Talmadge, Franklin, Pelz, Niemi and Williams; by request of Health Services Commission and Governor Lowry

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, Quigley and Winsley.

Staff: Don Sloma (786-7319)

Hearing Dates: January 24, 1994; February 4, 1994

BACKGROUND:

The Washington Health Services Act of 1993 seeks to achieve universal access to health services for all state residents through a variety of requirements on health insurance entities, employers and state residents. Among these is the requirement that employers pay at least half of the insurance premium of the lowest priced health plan in a region for employees and their dependents. This mandate is phased in over a four-year period, beginning with large employers (those with more than 500 full time employees) on July 1, 1995.

Current law exempts seasonal employees and their employers from these mandates. The Washington Health Services Commission must recommend how seasonal employers and their employees should be included in the employer mandate to the Governor and the Legislature by December 1, 1994.

In July 1993, the Governor appointed a special group to begin the study and in December 1993, the Health Services Commission adopted their report and recommendations. The Health Services Commission recommends that the current statutory exclusion of seasonal employers and employees from the mandatory participation provisions of health care reform be repealed; that an advisory committee be established to study the financial impact of this action on seasonal employers and employees; that a voluntary system of participation be developed for seasonal employers and their employees; and that the commission develop a new definition of seasonal employees.

SUMMARY:

The current statutory definition of seasonal employee and the exclusion of seasonal employees and their employers from mandatory participation in health care reform are all repealed.

The Washington Health Services Commission must appoint a seasonal employment advisory committee.

In consultation with the advisory committee, the commission must define seasonal employment, analyze the financial impact of health insurance coverage on seasonal employers and their employees, and determine the extent to which the health insurance coverage mechanisms in current law may need to be modified to meet the unique needs of seasonal employers and their employees.

Appropriation: none

Revenue: none

Fiscal Note: requested January 18, 1994

TESTIMONY FOR:

This legislation is needed to remove a discriminatory exclusion of certain employers and employees from health care reform. Seasonal workers are among those most in need of the protection health care reform provides. The Governor's Interim Task Force made reasonable recommendations based on broad input from all affected parties. This legislation reflects their best judgment and is supported by the Health Services Commission which will have to implement it. The advisory committee is needed to develop the details of definitions, counting methods and more.

TESTIMONY AGAINST:

The intention to include seasonal workers in health care reform should be supported. But this bill removes the statutory definition of seasonal workers and leaves the Health Services Commission to come up with a new one. This decision should be made by the Legislature. Also, there is too much ambiguity in how to count the number of employees an employer has in order to determine when they must meet the mandate to participate in coverage. This formula should be specified. Finally, the questions of affordability have not been adequately addressed. Until some of these issues are resolved, the legislation should not pass.

TESTIFIED: PRO: Sue Crystal, OFM; Pam MacEwan, Bernie Dochnahl, Health Services Commission; Maria Negrete, Julio Romero, Feliciano Acre, Campesinos; Dr. Case Koiff, Seamar Community Health Center; CON: Mike Gempler, WA Growers League; Jean Pickel, WA/OR Asparagus Growers; Randy Smith, WA State Horticultural Assn.; Rod Reid, WA Christmas Tree Growers; Bill Fritz, Bruce Pengruber, WA Food Processors' Council

