

HOUSE BILL REPORT

SB 5211

As Passed House

April 8, 1997

Title: An act relating to including public hospital districts as authorized self-insurers.

Brief Description: Authorizing public hospital districts to be self-insurers.

Sponsors: Senators Newhouse, Wojahn and Schow.

Brief History:

Committee Activity:

Commerce & Labor: 3/24/97, 3/31/97 [DP].

Floor Activity:

Passed House: 4/8/97, 97-0.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass. Signed by 9 members: Representatives McMorris, Chairman; Honeyford, Vice Chairman; Conway, Ranking Minority Member; Wood, Assistant Ranking Minority Member; Boldt; Clements; Cole; Hatfield and Lisk.

Staff: Chris Cordes (786-7103).

Background: Employers subject to the industrial insurance law must cover their responsibilities by insuring with the Department of Labor and Industries or, if qualified, by self-insuring. Self-insurance is permitted for a single employer with sufficient financial resources and for groups of employers who are school districts, educational service districts, hospitals owned or operated by a state agency or municipal corporation, and nonpublic hospitals. All public hospitals must be in one self-insurance group and the other hospitals in a second group. Group self-insurers operate under rules adopted by the department that address requirements for formation of and membership in the group, responsibilities of the group's trust fund trustees, and the amount of reserves that must be maintained to ensure financial solvency of the group.

Public hospital districts are not specifically included in the group self-insurance law. These hospital districts are municipal corporations that own and operate hospitals and other health care facilities, including nursing homes and extended care, long-term care, outpatient, and rehabilitative facilities. The hospital districts employ persons

who do not work in a hospital, such as employees of clinics owned and operated by the hospital district.

Summary of Bill: The industrial insurance group self-insurance law is amended to authorize public hospital districts to join the self-insurance group that includes public hospitals.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: When the industrial insurance law was amended in 1983 to authorize group self-insurance, the focus was on "hospitals" because the workers covered in the self-insurance group worked in hospitals. Now the district is also an employer of a number of people who do not work in a hospital setting. Most of these district employees work in clinics operated by the public hospital district. This bill would avoid forcing the public hospital district to run two separate workers' compensation programs.

Testimony Against: None.

Testified: Rob Menaul, Washington State Hospital Association; and Beverly Simmons, Washington Hospital Services.