

# HOUSE BILL ANALYSIS

## SB 5211

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

---

**Sponsors:** Senate Committee on Commerce & Labor (originally sponsored by Senators Newhouse, Wojahn, and Schow)

Hearing: March 24, 1997

### **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.

**RULES AUTHORITY:** The bill does not contain provisions addressing the rule-making powers of an agency.

**FISCAL NOTE:** Not requested.

**EFFECTIVE DATE:** Ninety days after adjournment of session in which bill is passed.