
HOUSE BILL 1099

State of Washington

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By Representatives Sullivan, D. Schmidt, Gombosky, Conway, Cairnes, Wolfe, Ballasiotes, Cody, O'Brien, Quall, Bush, Eickmeyer, Hatfield, Santos, Veloria, McDonald, Talcott and Fortunato

Read first time 01/14/1999. Referred to Committee on State Government.

1 AN ACT Relating to health benefits for Washington national guard
2 members; amending RCW 41.05.011, 41.05.011, and 41.05.080; adding a new
3 section to chapter 41.05 RCW; providing an effective date; and
4 providing an expiration date.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 41.05 RCW
7 to read as follows:

8 No later than January 1, 2000, the administrator shall offer health
9 plans to guard members and retired guard members. The benefits of
10 these plans shall be the same as available to employees covered by this
11 chapter, except for the exclusions of dental services, life insurance,
12 liability insurance, and accidental death and dismemberment insurance.
13 Members must pay the full cost of coverage. Retired guard members
14 shall not be eligible for the subsidy provided in RCW 41.05.085.

15 **Sec. 2.** RCW 41.05.011 and 1996 c 39 s 21 are each amended to read
16 as follows:

17 Unless the context clearly requires otherwise, the definitions in
18 this section shall apply throughout this chapter.

1 (1) "Administrator" means the administrator of the authority.

2 (2) "State purchased health care" or "health care" means medical
3 and health care, pharmaceuticals, and medical equipment purchased with
4 state and federal funds by the department of social and health
5 services, the department of health, the basic health plan, the state
6 health care authority, the department of labor and industries, the
7 department of corrections, the department of veterans affairs, and
8 local school districts.

9 (3) "Authority" means the Washington state health care authority.

10 (4) "Insuring entity" means an insurer as defined in chapter 48.01
11 RCW, a health care service contractor as defined in chapter 48.44 RCW,
12 or a health maintenance organization as defined in chapter 48.46 RCW.

13 (5) "Flexible benefit plan" means a benefit plan that allows
14 employees to choose the level of health care coverage provided and the
15 amount of employee contributions from among a range of choices offered
16 by the authority.

17 (6) "Employee" includes all full-time and career seasonal employees
18 of the state, whether or not covered by civil service; elected and
19 appointed officials of the executive branch of government, including
20 full-time members of boards, commissions, or committees; and includes
21 any or all part-time and temporary employees under the terms and
22 conditions established under this chapter by the authority; justices of
23 the supreme court and judges of the court of appeals and the superior
24 courts; and members of the state legislature or of the legislative
25 authority of any county, city, or town who are elected to office after
26 February 20, 1970. "Employee" also includes: (a) Employees of a
27 county, municipality, or other political subdivision of the state if
28 the legislative authority of the county, municipality, or other
29 political subdivision of the state seeks and receives the approval of
30 the authority to provide any of its insurance programs by contract with
31 the authority, as provided in RCW 41.04.205; (b) employees of employee
32 organizations representing state civil service employees, at the option
33 of each such employee organization, and, effective October 1, 1995,
34 employees of employee organizations currently pooled with employees of
35 school districts for the purpose of purchasing insurance benefits, at
36 the option of each such employee organization; and (c) employees of a
37 school district if the authority agrees to provide any of the school
38 districts' insurance programs by contract with the authority as
39 provided in RCW 28A.400.350.

1 (7) "Board" means the public employees' benefits board established
2 under RCW 41.05.055.

3 (8) "Retired or disabled school employee" means:

4 (a) Persons who separated from employment with a school district or
5 educational service district and are receiving a retirement allowance
6 under chapter 41.32 or 41.40 RCW as of September 30, 1993;

7 (b) Persons who separate from employment with a school district or
8 educational service district on or after October 1, 1993, and
9 immediately upon separation receive a retirement allowance under
10 chapter 41.32 or 41.40 RCW;

11 (c) Persons who separate from employment with a school district or
12 educational service district due to a total and permanent disability,
13 and are eligible to receive a deferred retirement allowance under
14 chapter 41.32 or 41.40 RCW.

15 (9) "Benefits contribution plan" means a premium only contribution
16 plan, a medical flexible spending arrangement, or a cafeteria plan
17 whereby state and public employees may agree to a contribution to
18 benefit costs which will allow the employee to participate in benefits
19 offered pursuant to 26 U.S.C. Sec. 125 or other sections of the
20 internal revenue code.

21 (10) "Salary" means a state employee's monthly salary or wages.

22 (11) "Participant" means an individual who fulfills the eligibility
23 and enrollment requirements under the benefits contribution plan.

24 (12) "Plan year" means the time period established by the
25 authority.

26 (13) "Separated employees" means persons who separate from
27 employment with an employer as defined in RCW 41.32.010(11) on or after
28 July 1, 1996, and who are at least age fifty-five and have at least ten
29 years of service under the teachers' retirement system plan III as
30 defined in RCW 41.32.010(40).

31 (14) "Guard member" means a person who is a member of the
32 Washington national guard, as defined in RCW 38.04.010.

33 (15) "Retired guard member" means a person who is retired from the
34 Washington national guard pursuant to federal and state law.

35 **Sec. 3.** RCW 41.05.011 and 1998 c 341 s 706 are each amended to
36 read as follows:

37 Unless the context clearly requires otherwise, the definitions in
38 this section shall apply throughout this chapter.

1 (1) "Administrator" means the administrator of the authority.

2 (2) "State purchased health care" or "health care" means medical
3 and health care, pharmaceuticals, and medical equipment purchased with
4 state and federal funds by the department of social and health
5 services, the department of health, the basic health plan, the state
6 health care authority, the department of labor and industries, the
7 department of corrections, the department of veterans affairs, and
8 local school districts.

9 (3) "Authority" means the Washington state health care authority.

10 (4) "Insuring entity" means an insurer as defined in chapter 48.01
11 RCW, a health care service contractor as defined in chapter 48.44 RCW,
12 or a health maintenance organization as defined in chapter 48.46 RCW.

13 (5) "Flexible benefit plan" means a benefit plan that allows
14 employees to choose the level of health care coverage provided and the
15 amount of employee contributions from among a range of choices offered
16 by the authority.

17 (6) "Employee" includes all full-time and career seasonal employees
18 of the state, whether or not covered by civil service; elected and
19 appointed officials of the executive branch of government, including
20 full-time members of boards, commissions, or committees; and includes
21 any or all part-time and temporary employees under the terms and
22 conditions established under this chapter by the authority; justices of
23 the supreme court and judges of the court of appeals and the superior
24 courts; and members of the state legislature or of the legislative
25 authority of any county, city, or town who are elected to office after
26 February 20, 1970. "Employee" also includes: (a) Employees of a
27 county, municipality, or other political subdivision of the state if
28 the legislative authority of the county, municipality, or other
29 political subdivision of the state seeks and receives the approval of
30 the authority to provide any of its insurance programs by contract with
31 the authority, as provided in RCW 41.04.205; (b) employees of employee
32 organizations representing state civil service employees, at the option
33 of each such employee organization, and, effective October 1, 1995,
34 employees of employee organizations currently pooled with employees of
35 school districts for the purpose of purchasing insurance benefits, at
36 the option of each such employee organization; and (c) employees of a
37 school district if the authority agrees to provide any of the school
38 districts' insurance programs by contract with the authority as
39 provided in RCW 28A.400.350.

1 (7) "Board" means the public employees' benefits board established
2 under RCW 41.05.055.

3 (8) "Retired or disabled school employee" means:

4 (a) Persons who separated from employment with a school district or
5 educational service district and are receiving a retirement allowance
6 under chapter 41.32 or 41.40 RCW as of September 30, 1993;

7 (b) Persons who separate from employment with a school district or
8 educational service district on or after October 1, 1993, and
9 immediately upon separation receive a retirement allowance under
10 chapter 41.32 or 41.40 RCW;

11 (c) Persons who separate from employment with a school district or
12 educational service district due to a total and permanent disability,
13 and are eligible to receive a deferred retirement allowance under
14 chapter 41.32 or 41.40 RCW.

15 (9) "Benefits contribution plan" means a premium only contribution
16 plan, a medical flexible spending arrangement, or a cafeteria plan
17 whereby state and public employees may agree to a contribution to
18 benefit costs which will allow the employee to participate in benefits
19 offered pursuant to 26 U.S.C. Sec. 125 or other sections of the
20 internal revenue code.

21 (10) "Salary" means a state employee's monthly salary or wages.

22 (11) "Participant" means an individual who fulfills the eligibility
23 and enrollment requirements under the benefits contribution plan.

24 (12) "Plan year" means the time period established by the
25 authority.

26 (13) "Separated employees" means persons who separate from
27 employment with an employer as defined in:

28 (a) RCW 41.32.010(11) on or after July 1, 1996; or

29 (b) RCW 41.35.010 on or after September 1, 2000;

30 and who are at least age fifty-five and have at least ten years of
31 service under the teachers' retirement system plan III as defined in
32 RCW 41.32.010(40) or the Washington school employees' retirement system
33 plan III as defined in RCW 41.35.010.

34 (14) "Guard member" means a person who is a member of the
35 Washington national guard, as defined in RCW 38.04.010.

36 (15) "Retired guard member" means a person who is retired from the
37 Washington national guard pursuant to federal and state law.

1 **Sec. 4.** RCW 41.05.080 and 1996 c 39 s 22 are each amended to read
2 as follows:

3 (1) Under the qualifications, terms, conditions, and benefits set
4 by the board:

5 (a) Retired or disabled state employees, retired or disabled school
6 employees, ~~((or))~~ employees of county, municipal, or other political
7 subdivisions, or retired guard members covered by this chapter who are
8 retired may continue their participation in insurance plans and
9 contracts after retirement or disablement;

10 (b) Separated employees or retired guard members may continue their
11 participation in insurance plans and contracts if participation is
12 selected immediately upon separation from employment or guard service.

13 (2) Rates charged retired or disabled employees, retired guard
14 members, separated employees, spouses, or dependent children who are
15 not eligible for parts A and B of medicare shall be based on the
16 experience of the community rated risk pool established under RCW
17 41.05.022.

18 (3) Rates charged to retired or disabled employees, retired guard
19 members, separated employees, spouses, or children who are eligible for
20 parts A and B of medicare shall be calculated from a separate
21 experience risk pool comprised only of individuals eligible for parts
22 A and B of medicare; however, the premiums charged to medicare-eligible
23 retirees and disabled employees shall be reduced by the amount of the
24 subsidy provided under RCW 41.05.085.

25 (4) Retired or disabled employees, retired guard members, and
26 separated employees shall be responsible for payment of premium rates
27 developed by the authority which shall include the cost to the
28 authority of providing insurance coverage including any amounts
29 necessary for reserves and administration in accordance with this
30 chapter. These self pay rates will be established based on a separate
31 rate for the employee, the spouse, and the children.

32 (5) The term "retired state employees" for the purpose of this
33 section shall include but not be limited to members of the legislature
34 whether voluntarily or involuntarily leaving state office.

35 NEW SECTION. **Sec. 5.** Section 2 of this act expires September 1,
36 2000.

1 NEW SECTION. **Sec. 6.** Section 3 of this act takes effect September
2 1, 2000.

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