
HOUSE BILL 3142

State of Washington

56th Legislature

2000 Regular Session

By Representative Huff

Read first time 02/16/2000. Referred to Committee on Appropriations.

1 AN ACT Relating to the duties of the public employees' benefits
2 board; and amending RCW 41.05.065.

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

4 **Sec. 1.** RCW 41.05.065 and 1996 c 140 s 1 are each amended to read
5 as follows:

6 (1) The board shall study all matters connected with the provision
7 of health care coverage, life insurance, liability insurance,
8 accidental death and dismemberment insurance, and disability income
9 insurance or any of, or a combination of, the enumerated types of
10 insurance for employees and their dependents on the best basis possible
11 with relation both to the welfare of the employees and to the state.
12 However, liability insurance shall not be made available to dependents.

13 (2) The board shall develop employee benefit plans that include
14 comprehensive health care benefits for all employees. In developing
15 these plans, the board shall consider the following elements:

16 (a) Methods of maximizing cost containment while ensuring access to
17 quality health care;

1 (b) Development of provider arrangements that encourage cost
2 containment and ensure access to quality care, including but not
3 limited to prepaid delivery systems and prospective payment methods;

4 (c) Wellness incentives that focus on proven strategies, such as
5 smoking cessation, injury and accident prevention, reduction of alcohol
6 misuse, appropriate weight reduction, exercise, automobile and
7 motorcycle safety, blood cholesterol reduction, and nutrition
8 education;

9 (d) Utilization review procedures including, but not limited to a
10 cost-efficient method for prior authorization of services, hospital
11 inpatient length of stay review, requirements for use of outpatient
12 surgeries and second opinions for surgeries, review of invoices or
13 claims submitted by service providers, and performance audit of
14 providers;

15 (e) Effective coordination of benefits;

16 (f) Minimum standards for insuring entities; ((and))

17 (g) Minimum scope and content of public employee benefit plans to
18 be offered to enrollees participating in the employee health benefit
19 plans(~~(. To maintain the comprehensive nature of employee health care~~
20 ~~benefits, employee eligibility criteria related to the number of hours~~
21 ~~worked and the benefits provided to employees shall be substantially~~
22 ~~equivalent to the state employees' health benefits plan and eligibility~~
23 ~~criteria in effect on January 1, 1993. Nothing in this subsection~~
24 ~~(2)(g) shall prohibit changes or increases in)); and~~

25 (h) Establishment of, or changes to, employee point-of-service
26 payments or employee premium payments for benefits.

27 (3) The board shall design benefits and determine the terms and
28 conditions of employee participation and coverage, including
29 establishment of eligibility criteria.

30 (4) The board may authorize premium contributions for an employee
31 and the employee's dependents in a manner that encourages the use of
32 cost-efficient managed health care systems.

33 (5) Employees shall choose participation in one of the health care
34 benefit plans developed by the board and may be permitted to waive
35 coverage under terms and conditions established by the board.

36 (6) The board shall review plans proposed by insuring entities that
37 desire to offer property insurance and/or accident and casualty
38 insurance to state employees through payroll deduction. The board may
39 approve any such plan for payroll deduction by insuring entities

1 holding a valid certificate of authority in the state of Washington and
2 which the board determines to be in the best interests of employees and
3 the state. The board shall promulgate rules setting forth criteria by
4 which it shall evaluate the plans.

5 (7) Before January 1, 1998, the public employees' benefits board
6 shall make available one or more fully insured long-term care insurance
7 plans that comply with the requirements of chapter 48.84 RCW. Such
8 programs shall be made available to eligible employees, retired
9 employees, and retired school employees as well as eligible dependents
10 which, for the purpose of this section, includes the parents of the
11 employee or retiree and the parents of the spouse of the employee or
12 retiree. Employees of local governments and employees of political
13 subdivisions not otherwise enrolled in the public employees' benefits
14 board sponsored medical programs may enroll under terms and conditions
15 established by the administrator, if it does not jeopardize the
16 financial viability of the public employees' benefits board's long-term
17 care offering.

18 (a) Participation of eligible employees or retired employees and
19 retired school employees in any long-term care insurance plan made
20 available by the public employees' benefits board is voluntary and
21 shall not be subject to binding arbitration under chapter 41.56 RCW.
22 Participation is subject to reasonable underwriting guidelines and
23 eligibility rules established by the public employees' benefits board
24 and the health care authority.

25 (b) The employee, retired employee, and retired school employee are
26 solely responsible for the payment of the premium rates developed by
27 the health care authority. The health care authority is authorized to
28 charge a reasonable administrative fee in addition to the premium
29 charged by the long-term care insurer, which shall include the health
30 care authority's cost of administration, marketing, and consumer
31 education materials prepared by the health care authority and the
32 office of the insurance commissioner.

33 (c) To the extent administratively possible, the state shall
34 establish an automatic payroll or pension deduction system for the
35 payment of the long-term care insurance premiums.

36 (d) The public employees' benefits board and the health care
37 authority shall establish a technical advisory committee to provide
38 advice in the development of the benefit design and establishment of
39 underwriting guidelines and eligibility rules. The committee shall

1 also advise the board and authority on effective and cost-effective
2 ways to market and distribute the long-term care product. The
3 technical advisory committee shall be comprised, at a minimum, of
4 representatives of the office of the insurance commissioner, providers
5 of long-term care services, licensed insurance agents with expertise in
6 long-term care insurance, employees, retired employees, retired school
7 employees, and other interested parties determined to be appropriate by
8 the board.

9 (e) The health care authority shall offer employees, retired
10 employees, and retired school employees the option of purchasing long-
11 term care insurance through licensed agents or brokers appointed by the
12 long-term care insurer. The authority, in consultation with the public
13 employees' benefits board, shall establish marketing procedures and may
14 consider all premium components as a part of the contract negotiations
15 with the long-term care insurer.

16 (f) In developing the long-term care insurance benefit designs, the
17 public employees' benefits board shall include an alternative plan of
18 care benefit, including adult day services, as approved by the office
19 of the insurance commissioner.

20 (g) The health care authority, with the cooperation of the office
21 of the insurance commissioner, shall develop a consumer education
22 program for the eligible employees, retired employees, and retired
23 school employees designed to provide education on the potential need
24 for long-term care, methods of financing long-term care, and the
25 availability of long-term care insurance products including the
26 products offered by the board.

27 (h) By December 1998, the health care authority, in consultation
28 with the public employees' benefits board, shall submit a report to the
29 appropriate committees of the legislature, including an analysis of the
30 marketing and distribution of the long-term care insurance provided
31 under this section.

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