

Health Care Committee

HB 1799

Brief Description: *Permitting retired and disabled employees to obtain health insurance.*

Sponsors: *Representatives Cody, Campbell, Cooper, Lambert, Casada, Santos, Schual-Berke, Van Luven and Kenney.*

Brief Summary of Bill

- *Retirees and disabled employees from local government and other political subdivisions will be permitted to continue their coverage under a health plan established by their employer.*
- *Retirees and disabled employees will be responsible for paying the full cost of the health plan.*

Hearing Date: *2/22/01*

Staff: *Dave Knutson (786-7146).*

Background:

Local government employees are covered by the state Health Care Authority if their employer contracts with the state Health Care Authority for such coverage.

Under certain conditions, local government employees covered by the state Health Care Authority may continue their participation in the insurance plans of their employer after they retire or are disabled. Such retired or disabled employees are responsible for paying their own premiums, but the premiums charged must be developed from the same experience pool as active employees.

Local government employees not covered by the state Health Care Authority have no other right under state law to continue to participate in the insurance plans of their employer after they retire or are disabled.

Federal law, under the Consolidated Omnibus Budget Reconciliation Act (COBRA), requires that employees who retire be allowed to purchase group health insurance from their employer for a period of 18 months, at a rate no more than 2 percent higher than active employees would pay. COBRA does not apply to retirees eligible for Medicare.

Summary of Bill:

With some exceptions and under certain conditions, retired or disabled local government employees not covered by the state Health Care Authority must be allowed to continue participation in their employer's health insurance program.

Local governments may require a retired or disabled person who requests continued participation in its health plan to pay the full cost of such participation, including any amounts necessary for administration.

If a person continuing insurance coverage becomes eligible for Medicare, the coverage terminates but the person has the option of participating in a supplemental plan provided by the employer.

Other conditions are established regarding, among other things, enrollment periods, coordination of benefits with a participant's other medical coverage, and coverage of dependents if the retired or disabled employee dies.

Appropriation: None.

Fiscal Note: Requested on February 18, 2001.

Effective Date: The bill takes effect on January 1, 2003.