

# HOUSE BILL REPORT

## HB 1799

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### As Reported by House Committee On:

Health Care

**Title:** An act relating to health care benefits for retirees of local government employers.

**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 History:

#### Committee Activity:

Health Care: 2/22/01, 2/27/01 [DPS].

#### Brief Summary of Substitute 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.

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### HOUSE COMMITTEE ON HEALTH CARE

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 14 members: Representatives Campbell, Republican Co-Chair; Cody, Democratic Co-Chair; Schual-Berke, Democratic Vice Chair; Skinner, Republican Vice Chair; Alexander, Ballasiotes, Conway, Darneille, Edmonds, Edwards, Marine, McMorris, Pennington and Ruderman.

**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.

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**Summary of Substitute 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.

**Substitute Bill Compared to Original Bill:**

The effective date is changed from January 1, 2003, to January 1, 2002. All political subdivisions must implement the provisions of the act no later than January 1, 2003. The Joint Legislative Audit and Review Committee will conduct an evaluation of this act's effectiveness and report to the Legislature by December 1, 2008.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill takes effect on January 1, 2002.

**Testimony For:** Retired and disabled local government employees should be allowed to

continue to participate in their employer's health plan if the employee pays the full cost of such participation.

**Testimony Against:** None.

**Testified:** Gloria Champeaux, Retired Public Employees; Mary Anne Fast, Retired Public Employees Council; and Mac McComb and Georgetta B. Logan, King County Retired Public Employees Council.

(Not opposed) Jim Justin, Association of Washington Cities.