
SUBSTITUTE HOUSE BILL 1371

State of Washington

57th Legislature

2001 Regular Session

By House Committee on Appropriations (originally sponsored by Representatives Morell, O'Brien, Woods, Bush, Cooper, Haigh, Simpson, Armstrong, Ahern, Lovick, Marine, Anderson, Pearson, Benson, Keiser, Conway, Hurst, Santos and Campbell)

Read first time . Referred to Committee on .

1 AN ACT Relating to participation in health care authority insurance
2 plans and contracts by surviving spouses and dependent children of
3 emergency service personnel killed in the line of duty; amending RCW
4 41.05.011 and 41.05.080; reenacting and amending RCW 41.05.011;
5 providing an effective date; and providing an expiration date.

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

7 **Sec. 1.** RCW 41.05.011 and 2000 c 230 s 3 are each amended to read
8 as follows:

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

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

12 (2) "State purchased health care" or "health care" means medical
13 and health care, pharmaceuticals, and medical equipment purchased with
14 state and federal funds by the department of social and health
15 services, the department of health, the basic health plan, the state
16 health care authority, the department of labor and industries, the
17 department of corrections, the department of veterans affairs, and
18 local school districts.

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

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

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

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

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

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

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

37 (b) Persons who separate from employment with a school district or
38 educational service district on or after October 1, 1993, and

1 immediately upon separation receive a retirement allowance under
2 chapter 41.32, 41.35, or 41.40 RCW;

3 (c) Persons who separate from employment with a school district or
4 educational service district due to a total and permanent disability,
5 and are eligible to receive a deferred retirement allowance under
6 chapter 41.32, 41.35, or 41.40 RCW.

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

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

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

16 (12) "Plan year" means the time period established by the
17 authority.

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

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

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

22 and who are at least age fifty-five and have at least ten years of
23 service under the teachers' retirement system plan 3 as defined in RCW
24 41.32.010(40) or the Washington school employees' retirement system
25 plan 3 as defined in RCW 41.35.010.

26 (14) "Emergency service personnel killed in the line of duty" means
27 law enforcement officers and fire fighters as defined in RCW 41.26.030,
28 and reserve officers and fire fighters as defined in RCW 41.24.010 who
29 die as a result of injuries sustained in the course of employment as
30 determined consistent with Title 51 RCW by the department of labor and
31 industries.

32 **Sec. 2.** RCW 41.05.011 and 2000 c 247 s 604 and 2000 c 230 s 3 are
33 each reenacted and amended to read as follows:

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

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

37 (2) "State purchased health care" or "health care" means medical
38 and health care, pharmaceuticals, and medical equipment purchased with

1 state and federal funds by the department of social and health
2 services, the department of health, the basic health plan, the state
3 health care authority, the department of labor and industries, the
4 department of corrections, the department of veterans affairs, and
5 local school districts.

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

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

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

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

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

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

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

4 (b) Persons who separate from employment with a school district or
5 educational service district on or after October 1, 1993, and
6 immediately upon separation receive a retirement allowance under
7 chapter 41.32, 41.35, or 41.40 RCW;

8 (c) Persons who separate from employment with a school district or
9 educational service district due to a total and permanent disability,
10 and are eligible to receive a deferred retirement allowance under
11 chapter 41.32, 41.35, or 41.40 RCW.

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

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

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

21 (12) "Plan year" means the time period established by the
22 authority.

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

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

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

27 (c) RCW 41.40.010 on or after March 1, 2002;

28 and who are at least age fifty-five and have at least ten years of
29 service under the teachers' retirement system plan 3 as defined in RCW
30 41.32.010(40), the Washington school employees' retirement system plan
31 3 as defined in RCW 41.35.010, or the public employees' retirement
32 system plan 3 as defined in RCW 41.40.010.

33 (14) "Emergency service personnel killed in the line of duty" means
34 law enforcement officers and fire fighters as defined in RCW 41.26.030,
35 and reserve officers and fire fighters as defined in RCW 41.24.010 who
36 die as a result of injuries sustained in the course of employment as
37 determined consistent with Title 51 RCW by the department of labor and
38 industries.

1 **Sec. 3.** 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 covered by this chapter who are retired may continue their
8 participation in insurance plans and contracts after retirement or
9 disablement;

10 (b) Separated employees may continue their participation in
11 insurance plans and contracts if participation is selected immediately
12 upon separation from employment;

13 (c) Surviving spouses and dependent children of emergency service
14 personnel killed in the line of duty may participate in insurance plans
15 and contracts.

16 (2) Rates charged surviving spouses of emergency service personnel
17 killed in the line of duty, retired or disabled employees, separated
18 employees, spouses, or dependent children who are not eligible for
19 parts A and B of medicare shall be based on the experience of the
20 community rated risk pool established under RCW 41.05.022.

21 (3) Rates charged to surviving spouses of emergency service
22 personnel killed in the line of duty, retired or disabled employees,
23 separated employees, spouses, or children who are eligible for parts A
24 and B of medicare shall be calculated from a separate experience risk
25 pool comprised only of individuals eligible for parts A and B of
26 medicare; however, the premiums charged to medicare-eligible retirees
27 and disabled employees shall be reduced by the amount of the subsidy
28 provided under RCW 41.05.085.

29 (4) Surviving spouses and dependent children of emergency service
30 personnel killed in the line of duty and retired or disabled and
31 separated employees shall be responsible for payment of premium rates
32 developed by the authority which shall include the cost to the
33 authority of providing insurance coverage including any amounts
34 necessary for reserves and administration in accordance with this
35 chapter. These self pay rates will be established based on a separate
36 rate for the employee, the spouse, and the children.

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

1 NEW SECTION. **Sec. 4.** Section 1 of this act expires March 1, 2002.

2 NEW SECTION. **Sec. 5.** Section 2 of this act takes effect March 1,
3 2002.

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