

# SENATE BILL REPORT

## SHB 2985

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As Reported By Senate Committee On:  
Health & Long-Term Care, February 24, 2004

**Title:** An act relating to health insurance for retired and disabled public employees.

**Brief Description:** Providing for individual health insurance for retired and disabled public employees.

**Sponsors:** House Committee on Health Care (originally sponsored by Representatives Cody, Campbell, Kenney, Dickerson and Rockefeller).

**Brief History:**

**Committee Activity:** Health & Long-Term Care: 2/19/04, 2/24/04 [DPA].

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### SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

**Majority Report:** Do pass as amended.

Signed by Senators Deccio, Chair; Winsley, Vice Chair; Brandland, Franklin, Keiser and Parlette.

**Staff:** Jonathan Seib (786-7427)

**Background:** In 2002, legislation was enacted requiring local political subdivisions to offer their retirees and disabled employees access to group health insurance coverage. The legislation took effect on January 1, 2003, but political subdivisions were allowed up to one year from this date to come into compliance.

Although the legislation required political subdivisions to provide access to health coverage, it did not require health carriers to offer such coverage. Following the bill's passage, health carriers have declined to offer group policies for public retirees and disabled employees. These political subdivisions have been unable to identify any feasible alternatives, making compliance with the law extremely difficult.

**Summary of Amended Bill:** If political subdivisions are unable, despite a good faith effort, to offer access to fully insured group health insurance for their retirees and disabled employees, they must assist these employees in applying for individual health benefit plans. The Office of the Insurance Commissioner must make available to the political subdivisions information regarding individual health benefit plans.

**Amended Bill Compared to Substitute Bill:** The striking amendment clarifies that the obligation of a local political subdivision extends only to seeking a fully insured group health benefit plan. It also rewords the obligation imposed on the Office of the Insurance Commissioner and health carriers to provide local jurisdictions with information about individual health benefit plans.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.

**Testimony For:** This bill is in response to legislation passed in 2002, when the individual market was having difficulty, that local jurisdictions have found extremely difficult to implement. Local government will still be required to seek group coverage, but if that fails, will be happy to assist retired and disabled employees find coverage in the individual market. The bill preserves the gains that have been made in getting coverage for retired local government employees, and assures that they will at least get assistance in accessing whatever coverage is available.

**Testimony Against:** None.

**Testified:** PRO: Jim Justin, Association of Washington Cities; Doug Levy, cities of Kent and Everett; Yvonne Tate, city of Bellevue; Cassandra dela Rosa, Retired Public Employees; PRO W/ AMENDMENT: Nancee Wildermuth, Regence Blue Shield.