

SENATE BILL REPORT

HB 2163

As Reported By Senate Committee On:
Ways & Means, April 2, 2007

Title: An act relating to the public employees' benefits board medical benefits administration account.

Brief Description: Creating the public employees' benefits board medical benefits administration account.

Sponsors: Representatives Cody, Sommers, Kenney and Moeller; by request of Health Care Authority.

Brief History: Passed House: 3/08/07, 65-33.

Committee Activity: Ways & Means: 4/02/07 [DP, w/oRec].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Hatfield, Hobbs, Keiser, Kohl-Welles, Oemig, Rasmussen, Regala, Roach, Rockefeller and Tom.

Minority Report: That it be referred without recommendation.

Signed by Senators Zarelli, Ranking Minority Member; Brandland, Carrell, Honeyford and Schoesler.

Staff: Erik Sund (786-7454)

Background: The Public Employees Benefits Board (PEBB) is an organization within the Health Care Authority (HCA) charged with developing benefits plans, forming benefits contracts, developing participation rules, and approving schedules of rates and premiums for active employee and retired participants.

The Uniform Medical Plan (UMP) is a state self-insured preferred provider organization administered by the Washington State Health Care Authority, designed by the PEBB, and available to individuals participating in the PEBB health benefits program. The UMP is available to public employees (active and retired) and their dependents.

The Uniform Dental Plan (UDP) is a state self-insured preferred provider organization (PPO) dental plan designed by the PEBB for employees and retirees enrolled in PEBB health insurance programs. Both the UMP and UDP have benefits administration accounts that are used for contracts entered into for the plans, and for both the ongoing administrative needs and

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

for administrative responses to unforeseen conditions that arise in the programs between legislative sessions. The benefits administration accounts are non-appropriated, but are subject to the allotment budgetary control process.

If the PEBB chooses to offer a self-insured medical plan other than the UMP, the current UMP Benefits Administration Account could not be used for that new plan.

Summary of Bill: The non-appropriated PEBB Medical Benefits Administration Account is created in the custody of the State Treasurer. Money in the PEBB Medical Benefits Administration Account will be used exclusively for contracted expenditures related to the operation of self-insured medical plans other than the UMP.

Only the Administrator of the HCA or the Administrator's designee may authorize expenditures from the UMP and the UDP administrative accounts.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony (on companion SB 5988): PRO: This bill would set up the necessary framework for the HCA to offer a new self-insured health plan that could produce substantial savings for the state.

Persons Testifying: PRO: Barney Speight, HCA.