
ENGROSSED HOUSE BILL 1679

State of Washington

61st Legislature

2009 Regular Session

By Representatives Simpson, Van De Wege, Ericks, Williams, White, Kelley, Sells, Ross, Hope, and Conway; by request of LEOFF Plan 2 Retirement Board

Read first time 01/27/09. Referred to Committee on Ways & Means.

1 AN ACT Relating to access to catastrophic disability medical
2 insurance under plan 2 of the law enforcement officers' and
3 firefighters' retirement system; amending RCW 41.05.080 and 41.05.195;
4 adding a new section to chapter 41.26 RCW; providing an expiration
5 date; and declaring an emergency.

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

7 **Sec. 1.** RCW 41.05.080 and 2007 c 114 s 6 are each amended to read
8 as follows:

9 (1) Under the qualifications, terms, conditions, and benefits set
10 by the board:

11 (a) Retired or disabled state employees, retired or disabled school
12 employees, retired or disabled employees of county, municipal, or other
13 political subdivisions, or retired or disabled employees of tribal
14 governments covered by this chapter may continue their participation in
15 insurance plans and contracts after retirement or disablement;

16 (b) Separated employees may continue their participation in
17 insurance plans and contracts if participation is selected immediately
18 upon separation from employment;

1 (c) Surviving spouses and dependent children of emergency service
2 personnel killed in the line of duty and surviving spouses and
3 dependent children of law enforcement officers and firefighters who are
4 totally disabled in the line of duty and receiving a retirement
5 allowance as provided under RCW 41.26.470(8) may participate in health
6 insurance ((plans and contracts));

7 (d) Law enforcement officers and firefighters who are totally
8 disabled in the line of duty and receiving a retirement allowance as
9 provided under RCW 41.26.470(8) and their dependents may participate in
10 health insurance.

11 (2) Rates charged surviving spouses of emergency service personnel
12 killed in the line of duty, law enforcement officers and firefighters
13 who are totally disabled in the line of duty and receiving a retirement
14 allowance as provided under RCW 41.26.470(8) and their dependents,
15 retired or disabled employees, separated employees, spouses, or
16 dependent children who are not eligible for parts A and B of medicare
17 shall be based on the experience of the community-rated risk pool
18 established under RCW 41.05.022.

19 (3) Rates charged to surviving spouses of emergency service
20 personnel killed in the line of duty, law enforcement officers and
21 firefighters who are totally disabled in the line of duty and receiving
22 a retirement allowance as provided under RCW 41.26.470(8) and their
23 dependents, retired or disabled employees, separated employees,
24 spouses, or children who are eligible for parts A and B of medicare
25 shall be calculated from a separate experience risk pool comprised only
26 of individuals eligible for parts A and B of medicare; however, the
27 premiums charged to medicare-eligible retirees and disabled employees
28 shall be reduced by the amount of the subsidy provided under RCW
29 41.05.085.

30 (4) As a benefit of the law enforcement officers' and firefighters'
31 retirement system plan 2, in addition to the rates charged to law
32 enforcement officers and firefighters who are totally disabled in the
33 line of duty and receiving a retirement allowance as provided under RCW
34 41.26.470(8) pursuant to subsection (3) of this section, the authority
35 shall actuarially determine and charge an amount to the law enforcement
36 officers' and firefighters' retirement system plan 2 to fully offset
37 the increase in the cost of the community-rated risk pool established
38 under RCW 41.05.022 resulting from the participation of these totally

1 disabled members of the law enforcement officers' and firefighters'
2 retirement system plan 2. The number of totally disabled members
3 assumed by the authority in the calculation of cost to the community-
4 rated risk pool for a plan year may be no greater than the actual
5 number of members receiving the total disability allowance under RCW
6 41.26.470(8) as of the date of actuarial valuation of the community-
7 rated risk pool for the upcoming plan year, plus the average annual
8 change in the number of disability allowances provided under RCW
9 41.26.470(8) during the prior plan year.

10 (5) Surviving spouses and dependent children of emergency service
11 personnel killed in the line of duty, law enforcement officers and
12 firefighters who are totally disabled in the line of duty and receiving
13 a retirement allowance as provided under RCW 41.26.470(8) and their
14 dependents, and retired or disabled and separated employees shall be
15 responsible for payment of premium rates developed by the authority
16 which shall include the cost to the authority of providing health
17 insurance (~~coverage~~) including any amounts necessary for reserves and
18 administration in accordance with this chapter. These self pay rates
19 will be established based on a separate rate for the employee, the
20 spouse, and the children.

21 ~~((+5))~~ (6) The term "retired state employees" for the purpose of
22 this section shall include but not be limited to members of the
23 legislature whether voluntarily or involuntarily leaving state office.

24 **Sec. 2.** RCW 41.05.195 and 2007 c 114 s 7 are each amended to read
25 as follows:

26 Notwithstanding any other provisions of this chapter or rules or
27 procedures adopted by the authority, the authority shall make available
28 to retired or disabled employees who are enrolled in parts A and B of
29 medicare one or more medicare supplemental insurance policies that
30 conform to the requirements of chapter 48.66 RCW. The policies shall
31 be chosen in consultation with the public employees' benefits board.
32 These policies shall be made available to retired or disabled state
33 employees; retired or disabled school district employees; retired
34 employees of county, municipal, or other political subdivisions or
35 retired employees of tribal governments eligible for coverage available
36 under the authority; ~~((or))~~ surviving spouses of emergency service
37 personnel killed in the line of duty; or law enforcement officers and

1 firefighters who are totally disabled in the line of duty and receiving
2 a retirement allowance as provided under RCW 41.26.470(8) or their
3 dependents.

4 NEW SECTION. **Sec. 3.** A new section is added to chapter 41.26 RCW
5 to read as follows:

6 The participation of totally disabled members of the law
7 enforcement officers' and firefighters' retirement system plan 2 in the
8 health insurance plans administered by the health care authority is a
9 benefit of the law enforcement officers' and firefighters' retirement
10 system plan 2. The increased health benefit costs charged by the
11 health care authority pursuant to RCW 41.05.080(4) to offset the impact
12 on the community-rated risk pool resulting from participation of
13 members of the law enforcement officers' and firefighters' plan 2
14 members who are totally disabled in the line of duty, spouses, and
15 dependents shall be charged first to the law enforcement officers' and
16 firefighters' retirement system plan 2 fund.

17 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
18 preservation of the public peace, health, or safety, or support of the
19 state government and its existing public institutions, and takes effect
20 immediately.

21 NEW SECTION. **Sec. 5.** This act expires July 1, 2011.

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