

SENATE BILL REPORT

SB 6194

As Reported by Senate Committee On:
Government Operations, Tribal Relations & Elections, February 2, 2012

Title: An act relating to the administration of medical expense plans for state government retirees.

Brief Description: Concerning the administration of medical expense plans for state government retirees.

Sponsors: Senators Prentice, Swecker and Shin; by request of Office of Financial Management.

Brief History:

Committee Activity: Government Operations, Tribal Relations & Elections: 1/31/12, 2/02/12 [DP].

SENATE COMMITTEE ON GOVERNMENT OPERATIONS, TRIBAL RELATIONS & ELECTIONS

Majority Report: Do pass.

Signed by Senators Pridemore, Chair; Prentice, Vice Chair; Swecker, Ranking Minority Member; Benton, Chase and Nelson.

Staff: Sam Thompson (786-7413)

Background: Many retired employees of Washington State agencies and public institutions of higher education participate in benefit plans providing reimbursement for medical expenses.

In 1999 the state Department of Personnel (DOP) contracted with the nonprofit Health Reimbursement Arrangement Voluntary Employees' Beneficiary Association Trust (HRA VEBA) to hold medical expense funds in trust and manage benefit plans.

In mid-2011 following reorganization of several agencies, DOP transferred its authority to administer the HRA VEBA contract to the state Health Care Authority (HCA). HCA currently administers the HRA VEBA contract in accordance with DOP procedures.

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.

Summary of Bill: The authority to adopt procedures to implement medical expense benefit plans for eligible employees covered by the state civil service law is changed from DOP to HCA. Technical changes are also made.

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: PRO: This bill further accommodates the extensive reorganization of agencies conducted pursuant to recent legislation.

Persons Testifying: PRO: Julie Murray, Office of Financial Management.