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**SUBSTITUTE HOUSE BILL 1790**

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**State of Washington                      62nd Legislature                      2011 Regular Session**

**By House Ways & Means (originally sponsored by Representatives Dammeier, Sullivan, Hinkle, Green, and Ormsby)**

READ FIRST TIME 02/25/11.

1            AN ACT Relating to school district contracts with direct practice  
2 health providers; and amending RCW 28A.400.280 and 28A.400.350.

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

4            **Sec. 1.** RCW 28A.400.280 and 1990 1st ex.s. c 11 s 6 are each  
5 amended to read as follows:

6            (1) Except as provided in subsection (2) of this section, school  
7 districts may provide employer fringe benefit contributions after  
8 October 1, 1990, only for basic benefits. However, school districts  
9 may continue payments under contracts with employees or benefit  
10 providers in effect on April 13, 1990, until the contract expires.

11            (2) School districts may provide employer contributions after  
12 October 1, 1990, for optional benefit plans, in addition to basic  
13 benefits, only for employees included in pooling arrangements under  
14 this subsection. Optional (~~benefit plans~~) benefits may include  
15 direct practice agreements as defined in chapter 48.150 RCW, but may  
16 not include employee beneficiary accounts that can be liquidated by the  
17 employee on termination of employment. Optional benefit plans may be  
18 offered only if:

1 (a) The school district pools benefit allocations among employees  
2 using a pooling arrangement that includes at least one employee  
3 bargaining unit and/or all nonbargaining group employees;

4 (b) Each full-time employee included in the pooling arrangement is  
5 offered basic benefits, including coverage for dependents, without a  
6 payroll deduction for premium charges;

7 (c) Each full-time employee included in the pooling arrangement,  
8 regardless of the number of dependents receiving basic coverage,  
9 receives the same additional employer contribution for other coverage  
10 or optional benefits; and

11 (d) For part-time employees included in the pooling arrangement,  
12 participation in optional benefit plans shall be governed by the same  
13 eligibility criteria and/or proration of employer contributions used  
14 for allocations for basic benefits.

15 (3) Savings accruing to school districts due to limitations on  
16 benefit options under this section shall be pooled and made available  
17 by the districts to reduce out-of-pocket premium expenses for employees  
18 needing basic coverage for dependents. School districts are not  
19 intended to divert state benefit allocations for other purposes.

20 **Sec. 2.** RCW 28A.400.350 and 2001 c 266 s 2 are each amended to  
21 read as follows:

22 (1) The board of directors of any of the state's school districts  
23 or educational service districts may make available liability, life,  
24 health, health care, accident, disability, and salary protection or  
25 insurance, direct practice agreements as defined in chapter 48.150 RCW,  
26 or any one of, or a combination of the ((enumerated)) types of  
27 ((insurance)) employee benefits enumerated in this subsection, or any  
28 other type of insurance or protection, for the members of the boards of  
29 directors, the students, and employees of the school district or  
30 educational service district, and their dependents. Such coverage may  
31 be provided by contracts with private carriers, with the state health  
32 care authority after July 1, 1990, pursuant to the approval of the  
33 authority administrator, or through self-insurance or self-funding  
34 pursuant to chapter 48.62 RCW, or in any other manner authorized by  
35 law.

36 (2) Whenever funds are available for these purposes the board of  
37 directors of the school district or educational service district may

1 contribute all or a part of the cost of such protection or insurance  
2 for the employees of their respective school districts or educational  
3 service districts and their dependents. The premiums on such liability  
4 insurance shall be borne by the school district or educational service  
5 district.

6 After October 1, 1990, school districts may not contribute to any  
7 employee protection or insurance other than liability insurance unless  
8 the district's employee benefit plan conforms to RCW 28A.400.275 and  
9 28A.400.280.

10 (3) For school board members, educational service district board  
11 members, and students, the premiums due on such protection or insurance  
12 shall be borne by the assenting school board member, educational  
13 service district board member, or student. The school district or  
14 educational service district may contribute all or part of the costs,  
15 including the premiums, of life, health, health care, accident or  
16 disability insurance which shall be offered to all students  
17 participating in interschool activities on the behalf of or as  
18 representative of their school, school district, or educational service  
19 district. The school district board of directors and the educational  
20 service district board may require any student participating in  
21 extracurricular interschool activities to, as a condition of  
22 participation, document evidence of insurance or purchase insurance  
23 that will provide adequate coverage, as determined by the school  
24 district board of directors or the educational service district board,  
25 for medical expenses incurred as a result of injury sustained while  
26 participating in the extracurricular activity. In establishing such a  
27 requirement, the district shall adopt regulations for waiving or  
28 reducing the premiums of such coverage as may be offered through the  
29 school district or educational service district to students  
30 participating in extracurricular activities, for those students whose  
31 families, by reason of their low income, would have difficulty paying  
32 the entire amount of such insurance premiums. The district board shall  
33 adopt regulations for waiving or reducing the insurance coverage  
34 requirements for low-income students in order to assure such students  
35 are not prohibited from participating in extracurricular interschool  
36 activities.

37 (4) All contracts for insurance or protection written to take  
38 advantage of the provisions of this section shall provide that the

1 beneficiaries of such contracts may utilize on an equal participation  
2 basis the services of those practitioners licensed pursuant to chapters  
3 18.22, 18.25, 18.53, 18.57, and 18.71 RCW.

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