

---

**SUBSTITUTE SENATE BILL 5296**

---

**State of Washington**

**62nd Legislature**

**2012 Regular Session**

**By** Senate Health & Long-Term Care (originally sponsored by Senators Keiser, Pflug, and Conway; by request of Health Care Authority)

READ FIRST TIME 01/23/12.

1 AN ACT Relating to public employee benefits law; amending RCW  
2 41.05.009, 41.05.065, 41.05.066, and 41.05.195; reenacting and amending  
3 RCW 41.05.011 and 41.05.080; and repealing RCW 41.05.095.

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

5 **Sec. 1.** RCW 41.05.009 and 2009 c 537 s 2 are each amended to read  
6 as follows:

7 (1) The authority, or an employing agency at the authority's  
8 direction, (~~(an employing agency)~~) shall initially determine and  
9 periodically review whether an employee is eligible for benefits  
10 pursuant to the criteria established under this chapter.

11 (2) An employing agency shall inform an employee in writing whether  
12 or not he or she is eligible for benefits when initially determined and  
13 upon any subsequent change, including notice of the employee's right to  
14 an appeal.

15 **Sec. 2.** RCW 41.05.011 and 2011 1st sp.s. c 15 s 54 are each  
16 reenacted and amended to read as follows:

17 The definitions in this section apply throughout this chapter  
18 unless the context clearly requires otherwise.

- 1 (1) "Authority" means the Washington state health care authority.
- 2 (2) "Board" means the public employees' benefits board established  
3 under RCW 41.05.055.
- 4 (3) "Dependent care assistance program" means a benefit plan  
5 whereby state and public employees may pay for certain employment  
6 related dependent care with pretax dollars as provided in the salary  
7 reduction plan under this chapter pursuant to 26 U.S.C. Sec. 129 or  
8 other sections of the internal revenue code.
- 9 (4) "Director" means the director of the authority.
- 10 (5) "Emergency service personnel killed in the line of duty" means  
11 law enforcement officers and firefighters as defined in RCW 41.26.030,  
12 members of the Washington state patrol retirement fund as defined in  
13 RCW 43.43.120, and reserve officers and firefighters as defined in RCW  
14 41.24.010 who die as a result of injuries sustained in the course of  
15 employment as determined consistent with Title 51 RCW by the department  
16 of labor and industries.
- 17 (6) "Employee" includes all employees of the state, whether or not  
18 covered by civil service; elected and appointed officials of the  
19 executive branch of government, including full-time members of boards,  
20 commissions, or committees; justices of the supreme court and judges of  
21 the court of appeals and the superior courts; and members of the state  
22 legislature. Pursuant to contractual agreement with the authority,  
23 "employee" may also include: (a) Employees of a county, municipality,  
24 or other political subdivision of the state and members of the  
25 legislative authority of any county, city, or town who are elected to  
26 office after February 20, 1970, if the legislative authority of the  
27 county, municipality, or other political subdivision of the state seeks  
28 and receives the approval of the authority to provide any of its  
29 insurance programs by contract with the authority, as provided in RCW  
30 41.04.205 and 41.05.021(1)(g); (b) employees of employee organizations  
31 representing state civil service employees, at the option of each such  
32 employee organization, and, effective October 1, 1995, employees of  
33 employee organizations currently pooled with employees of school  
34 districts for the purpose of purchasing insurance benefits, at the  
35 option of each such employee organization; (c) employees of a school  
36 district if the authority agrees to provide any of the school  
37 districts' insurance programs by contract with the authority as  
38 provided in RCW 28A.400.350; and (d) employees of a tribal government,

1 if the governing body of the tribal government seeks and receives the  
2 approval of the authority to provide any of its insurance programs by  
3 contract with the authority, as provided in RCW 41.05.021(1) (f) and  
4 (g). "Employee" does not include: Adult family (~~homeowners~~) home  
5 providers; unpaid volunteers; patients of state hospitals; inmates;  
6 employees of the Washington state convention and trade center as  
7 provided in RCW 41.05.110; students of institutions of higher education  
8 as determined by their institution; and any others not expressly  
9 defined as employees under this chapter or by the authority under this  
10 chapter.

11 (7) "Employer" means the state of Washington.

12 (8) "Employing agency" means a division, department, or separate  
13 agency of state government, including an institution of higher  
14 education; a county, municipality, school district, educational service  
15 district, or other political subdivision; and a tribal government  
16 covered by this chapter.

17 (9) "Faculty" means an academic employee of an institution of  
18 higher education whose workload is not defined by work hours but whose  
19 appointment, workload, and duties directly serve the institution's  
20 academic mission, as determined under the authority of its enabling  
21 statutes, its governing body, and any applicable collective bargaining  
22 agreement.

23 (10) "Flexible benefit plan" means a benefit plan that allows  
24 employees to choose the level of health care coverage provided and the  
25 amount of employee contributions from among a range of choices offered  
26 by the authority.

27 (11) "Insuring entity" means an insurer as defined in chapter 48.01  
28 RCW, a health care service contractor as defined in chapter 48.44 RCW,  
29 or a health maintenance organization as defined in chapter 48.46 RCW.

30 (12) "Medical flexible spending arrangement" means a benefit plan  
31 whereby state and public employees may reduce their salary before taxes  
32 to pay for medical expenses not reimbursed by insurance as provided in  
33 the salary reduction plan under this chapter pursuant to 26 U.S.C. Sec.  
34 125 or other sections of the internal revenue code.

35 (13) "Participant" means an individual who fulfills the eligibility  
36 and enrollment requirements under the salary reduction plan.

37 (14) "Plan year" means the time period established by the  
38 authority.

1 (15) "Premium payment plan" means a benefit plan whereby state and  
2 public employees may pay their share of group health plan premiums with  
3 pretax dollars as provided in the salary reduction plan under this  
4 chapter pursuant to 26 U.S.C. Sec. 125 or other sections of the  
5 internal revenue code.

6 (16) "Retired or disabled school employee" means:

7 (a) Persons who separated from employment with a school district or  
8 educational service district and are receiving a retirement allowance  
9 under chapter 41.32 or 41.40 RCW as of September 30, 1993;

10 (b) Persons who separate from employment with a school district or  
11 educational service district on or after October 1, 1993, and  
12 immediately upon separation receive a retirement allowance under  
13 chapter 41.32, 41.35, or 41.40 RCW;

14 (c) Persons who separate from employment with a school district or  
15 educational service district due to a total and permanent disability,  
16 and are eligible to receive a deferred retirement allowance under  
17 chapter 41.32, 41.35, or 41.40 RCW.

18 (17) "Salary" means a state employee's monthly salary or wages.

19 (18) "Salary reduction plan" means a benefit plan whereby state and  
20 public employees may agree to a reduction of salary on a pretax basis  
21 to participate in the dependent care assistance program, medical  
22 flexible spending arrangement, or premium payment plan offered pursuant  
23 to 26 U.S.C. Sec. 125 or other sections of the internal revenue code.

24 (19) "Seasonal employee" means an employee hired to work during a  
25 recurring, annual season with a duration of three months or more, and  
26 anticipated to return each season to perform similar work.

27 (20) "Separated employees" means persons who separate from  
28 employment with an employer as defined in:

29 (a) RCW 41.32.010(17) on or after July 1, 1996; or

30 (b) RCW 41.35.010 on or after September 1, 2000; or

31 (c) RCW 41.40.010 on or after March 1, 2002;

32 and who are at least age fifty-five and have at least ten years of  
33 service under the teachers' retirement system plan 3 as defined in RCW  
34 41.32.010(33), the Washington school employees' retirement system plan  
35 3 as defined in RCW 41.35.010, or the public employees' retirement  
36 system plan 3 as defined in RCW 41.40.010.

37 (21) "State purchased health care" or "health care" means medical  
38 and health care, pharmaceuticals, and medical equipment purchased with

1 state and federal funds by the department of social and health  
2 services, the department of health, the basic health plan, the state  
3 health care authority, the department of labor and industries, the  
4 department of corrections, the department of veterans affairs, and  
5 local school districts.

6 (22) "Tribal government" means an Indian tribal government as  
7 defined in section 3(32) of the employee retirement income security act  
8 of 1974, as amended, or an agency or instrumentality of the tribal  
9 government, that has government offices principally located in this  
10 state.

11 (23) "Employer group" means those employer organizations  
12 representing state civil service employees, counties, municipalities,  
13 political subdivisions, tribal governments, school districts, and  
14 educational service districts purchasing insurance programs under  
15 contractual agreement with the authority.

16 (24) "State registered domestic partners," "registered domestic  
17 partners," or "domestic partners" means two adults who meet the  
18 requirements for a valid state registered domestic partnership as  
19 established by RCW 26.60.030 and who have been issued a certificate of  
20 state registered domestic partnership by the secretary of state.

21 **Sec. 3.** RCW 41.05.065 and 2011 1st sp.s. c 8 s 1 are each amended  
22 to read as follows:

23 (1) The board shall study all matters connected with the provision  
24 of health care coverage, life insurance, liability insurance,  
25 accidental death and dismemberment insurance, and disability income  
26 insurance or any of, or a combination of, the enumerated types of  
27 insurance for employees and their dependents on the best basis possible  
28 with relation both to the welfare of the employees and to the state.  
29 However, liability insurance shall not be made available to dependents.

30 (2) The board shall develop employee benefit plans that include  
31 comprehensive health care benefits for employees. In developing these  
32 plans, the board shall consider the following elements:

33 (a) Methods of maximizing cost containment while ensuring access to  
34 quality health care;

35 (b) Development of provider arrangements that encourage cost  
36 containment and ensure access to quality care, including but not  
37 limited to prepaid delivery systems and prospective payment methods;

1 (c) Wellness incentives that focus on proven strategies, such as  
2 smoking cessation, injury and accident prevention, reduction of alcohol  
3 misuse, appropriate weight reduction, exercise, automobile and  
4 motorcycle safety, blood cholesterol reduction, and nutrition  
5 education;

6 (d) Utilization review procedures including, but not limited to a  
7 cost-efficient method for prior authorization of services, hospital  
8 inpatient length of stay review, requirements for use of outpatient  
9 surgeries and second opinions for surgeries, review of invoices or  
10 claims submitted by service providers, and performance audit of  
11 providers;

12 (e) Effective coordination of benefits; and

13 (f) Minimum standards for insuring entities.

14 (3) To maintain the comprehensive nature of employee health care  
15 benefits, benefits provided to employees shall be substantially  
16 equivalent to the state employees' health benefits plan in effect on  
17 January 1, 1993. Nothing in this subsection shall prohibit changes or  
18 increases in employee point-of-service payments or employee premium  
19 payments for benefits or the administration of a high deductible health  
20 plan in conjunction with a health savings account. The board may  
21 establish employee eligibility criteria which are not substantially  
22 equivalent to employee eligibility criteria in effect on January 1,  
23 1993.

24 (4) Except if bargained for under chapter 41.80 RCW, the board  
25 shall design benefits and determine the terms and conditions of  
26 employee and retired employee participation and coverage, including  
27 establishment of eligibility criteria subject to the requirements of  
28 this chapter. Employer groups obtaining benefits through contractual  
29 agreement with the authority for employees defined in RCW 41.05.011(6)  
30 (a) through (d) may contractually agree with the authority to benefits  
31 eligibility criteria which differs from that determined by the board.  
32 The eligibility criteria established by the board shall be no more  
33 restrictive than the following:

34 (a) Except as provided in (b) through (e) of this subsection, an  
35 employee is eligible for benefits from the date of employment if the  
36 employing agency anticipates he or she will work an average of at least  
37 eighty hours per month and for at least eight hours in each month for

1 more than six consecutive months. An employee determined ineligible  
2 for benefits at the beginning of his or her employment shall become  
3 eligible in the following circumstances:

4 (i) An employee who works an average of at least eighty hours per  
5 month and for at least eight hours in each month and whose anticipated  
6 duration of employment is revised from less than or equal to six  
7 consecutive months to more than six consecutive months becomes eligible  
8 when the revision is made.

9 (ii) An employee who works an average of at least eighty hours per  
10 month over a period of six consecutive months and for at least eight  
11 hours in each of those six consecutive months becomes eligible at the  
12 first of the month following the six-month averaging period.

13 (b) A seasonal employee is eligible for benefits from the date of  
14 employment if the employing agency anticipates that he or she will work  
15 an average of at least eighty hours per month and for at least eight  
16 hours in each month of the season. A seasonal employee determined  
17 ineligible at the beginning of his or her employment who works an  
18 average of at least (~~half-time, as defined by the board,~~) eighty  
19 hours per month over a period of six consecutive months and at least  
20 eight hours in each of those six consecutive months becomes eligible at  
21 the first of the month following the six-month averaging period. A  
22 benefits-eligible seasonal employee who works a season of less than  
23 nine months shall not be eligible for the employer contribution during  
24 the off season, but may continue enrollment in benefits during the off  
25 season by self-paying for the benefits. A benefits-eligible seasonal  
26 employee who works a season of nine months or more is eligible for the  
27 employer contribution through the off season following each season  
28 worked.

29 (c) Faculty are eligible as follows:

30 (i) Faculty who the employing agency anticipates will work  
31 half-time or more for the entire instructional year or equivalent nine-  
32 month period are eligible for benefits from the date of employment.  
33 Eligibility shall continue until the beginning of the first full month  
34 of the next instructional year, unless the employment relationship is  
35 terminated, in which case eligibility shall cease the first month  
36 following the notice of termination or the effective date of the  
37 termination, whichever is later.

1 (ii) Faculty who the employing agency anticipates will not work for  
2 the entire instructional year or equivalent nine-month period are  
3 eligible for benefits at the beginning of the second consecutive  
4 quarter or semester of employment in which he or she is anticipated to  
5 work, or has actually worked, half-time or more. Such an employee  
6 shall continue to receive uninterrupted employer contributions for  
7 benefits if the employee works at least half-time in a quarter or  
8 semester. Faculty who the employing agency anticipates will not work  
9 for the entire instructional year or equivalent nine-month period, but  
10 who actually work half-time or more throughout the entire instructional  
11 year, are eligible for summer or off-quarter or off-semester coverage.  
12 Faculty who have met the criteria of this subsection (4)(c)(ii), who  
13 work at least two quarters or two semesters of the academic year with  
14 an average academic year workload of half-time or more for three  
15 quarters or two semesters of the academic year, and who have worked an  
16 average of half-time or more in each of the two preceding academic  
17 years shall continue to receive uninterrupted employer contributions  
18 for benefits if he or she works at least half-time in a quarter or  
19 semester or works two quarters or two semesters of the academic year  
20 with an average academic workload each academic year of half-time or  
21 more for three quarters or two semesters. Eligibility under this  
22 section ceases immediately if this criteria is not met.

23 (iii) Faculty may establish or maintain eligibility for benefits by  
24 working for more than one institution of higher education. When  
25 faculty work for more than one institution of higher education, those  
26 institutions shall prorate the employer contribution costs, or if  
27 eligibility is reached through one institution, that institution will  
28 pay the full employer contribution. Faculty working for more than one  
29 institution must alert his or her employers to his or her potential  
30 eligibility in order to establish eligibility.

31 (iv) The employing agency must provide written notice to faculty  
32 who are potentially eligible for benefits under this subsection (4)(c)  
33 of their potential eligibility.

34 (v) To be eligible for maintenance of benefits through averaging  
35 under (c)(ii) of this subsection, faculty must provide written  
36 notification to his or her employing agency or agencies of his or her  
37 potential eligibility.

38 (vi) For the purposes of this subsection (4)(c):



1       (A) "Academic year" means summer, fall, winter, and spring quarters  
2 or summer, fall, and spring semesters;

3       (B) "Half-time" means one-half of the full-time academic workload  
4 as determined by each institution, except that half-time for community  
5 and technical college faculty employees is governed by RCW 28B.50.489.

6       (d) A legislator is eligible for benefits on the date his or her  
7 term begins. All other elected and full-time appointed officials of  
8 the legislative and executive branches of state government are eligible  
9 for benefits on the date his or her term begins or they take the oath  
10 of office, whichever occurs first.

11       (e) A justice of the supreme court and judges of the court of  
12 appeals and the superior courts become eligible for benefits on the  
13 date he or she takes the oath of office.

14       (f) Except as provided in (c)(i) and (ii) of this subsection,  
15 eligibility ceases for any employee the first of the month following  
16 termination of the employment relationship.

17       (g) In determining eligibility under this section, the employing  
18 agency may disregard training hours, standby hours, or temporary  
19 changes in work hours as determined by the authority under this  
20 section.

21       (h) Insurance coverage for all eligible employees begins on the  
22 first day of the month following the date when eligibility for benefits  
23 is established. If the date eligibility is established is the first  
24 working day of a month, insurance coverage begins on that date.

25       (i) Eligibility for an employee whose work circumstances are  
26 described by more than one of the eligibility categories in (a) through  
27 (e) of this subsection shall be determined solely by the criteria of  
28 the category that most closely describes the employee's work  
29 circumstances.

30       (j) Except for an employee eligible for benefits under (b) or  
31 (c)(ii) of this subsection, an employee who has established eligibility  
32 for benefits under this section shall remain eligible for benefits each  
33 month in which he or she is in pay status for eight or more hours, if  
34 (i) he or she remains in a benefits-eligible position and (ii) leave  
35 from the benefits-eligible position is approved by the employing  
36 agency. A benefits-eligible seasonal employee is eligible for the  
37 employer contribution in any month of his or her season in which he or  
38 she is in pay status eight or more hours during that month.

1 Eligibility ends if these conditions are not met, the employment  
2 relationship is terminated, or the employee voluntarily transfers to a  
3 noneligible position.

4 (k) For the purposes of this subsection(~~(+~~

5 ~~(i) "Academic year" means summer, fall, winter, and spring quarters~~  
6 ~~or semesters;~~

7 ~~(ii) "Half-time" means one half of the full-time academic workload~~  
8 ~~as determined by each institution, except that half-time for community~~  
9 ~~and technical college faculty employees shall have the same meaning as~~  
10 ~~"part-time" under RCW 28B.50.489;~~

11 ~~(iii))~~ the board defines "benefits-eligible position." (~~shall be~~  
12 ~~defined by the board.))~~

13 (5) The board may authorize premium contributions for an employee  
14 and the employee's dependents in a manner that encourages the use of  
15 cost-efficient managed health care systems.

16 (6)(a) For any open enrollment period following August 24, 2011,  
17 the board shall offer a health savings account option for employees  
18 that conforms to section 223, Part VII of subchapter B of chapter 1 of  
19 the internal revenue code of 1986. The board shall comply with all  
20 applicable federal standards related to the establishment of health  
21 savings accounts.

22 (b) By November 30, 2015, and each year thereafter, the authority  
23 shall submit a report to the relevant legislative policy and fiscal  
24 committees that includes the following:

25 (i) Public employees' benefits board health plan cost and service  
26 utilization trends for the previous three years, in total and for each  
27 health plan offered to employees;

28 (ii) For each health plan offered to employees, the number and  
29 percentage of employees and dependents enrolled in the plan, and the  
30 age and gender demographics of enrollees in each plan;

31 (iii) Any impact of enrollment in alternatives to the most  
32 comprehensive plan, including the high deductible health plan with a  
33 health savings account, upon the cost of health benefits for those  
34 employees who have chosen to remain enrolled in the most comprehensive  
35 plan.

36 (7) Notwithstanding any other provision of this chapter, for any  
37 open enrollment period following August 24, 2011, the board shall offer

1 a high deductible health plan in conjunction with a health savings  
2 account developed under subsection (6) of this section.

3 (8) Employees shall choose participation in one of the health care  
4 benefit plans developed by the board and may be permitted to waive  
5 coverage under terms and conditions established by the board.

6 (9) The board shall review plans proposed by insuring entities that  
7 desire to offer property insurance and/or accident and casualty  
8 insurance to state employees through payroll deduction. The board may  
9 approve any such plan for payroll deduction by insuring entities  
10 holding a valid certificate of authority in the state of Washington and  
11 which the board determines to be in the best interests of employees and  
12 the state. The board shall adopt rules setting forth criteria by which  
13 it shall evaluate the plans.

14 (10) Before January 1, 1998, the public employees' benefits board  
15 shall make available one or more fully insured long-term care insurance  
16 plans that comply with the requirements of chapter 48.84 RCW. Such  
17 programs shall be made available to eligible employees, retired  
18 employees, and retired school employees as well as eligible dependents  
19 which, for the purpose of this section, includes the parents of the  
20 employee or retiree and the parents of the spouse of the employee or  
21 retiree. Employees of local governments, political subdivisions, and  
22 tribal governments not otherwise enrolled in the public employees'  
23 benefits board sponsored medical programs may enroll under terms and  
24 conditions established by the administrator, if it does not jeopardize  
25 the financial viability of the public employees' benefits board's long-  
26 term care offering.

27 (a) Participation of eligible employees or retired employees and  
28 retired school employees in any long-term care insurance plan made  
29 available by the public employees' benefits board is voluntary and  
30 shall not be subject to binding arbitration under chapter 41.56 RCW.  
31 Participation is subject to reasonable underwriting guidelines and  
32 eligibility rules established by the public employees' benefits board  
33 and the health care authority.

34 (b) The employee, retired employee, and retired school employee are  
35 solely responsible for the payment of the premium rates developed by  
36 the health care authority. The health care authority is authorized to  
37 charge a reasonable administrative fee in addition to the premium  
38 charged by the long-term care insurer, which shall include the health

1 care authority's cost of administration, marketing, and consumer  
2 education materials prepared by the health care authority and the  
3 office of the insurance commissioner.

4 (c) To the extent administratively possible, the state shall  
5 establish an automatic payroll or pension deduction system for the  
6 payment of the long-term care insurance premiums.

7 (d) The public employees' benefits board and the health care  
8 authority shall establish a technical advisory committee to provide  
9 advice in the development of the benefit design and establishment of  
10 underwriting guidelines and eligibility rules. The committee shall  
11 also advise the board and authority on effective and cost-effective  
12 ways to market and distribute the long-term care product. The  
13 technical advisory committee shall be comprised, at a minimum, of  
14 representatives of the office of the insurance commissioner, providers  
15 of long-term care services, licensed insurance agents with expertise in  
16 long-term care insurance, employees, retired employees, retired school  
17 employees, and other interested parties determined to be appropriate by  
18 the board.

19 (e) The health care authority shall offer employees, retired  
20 employees, and retired school employees the option of purchasing long-  
21 term care insurance through licensed agents or brokers appointed by the  
22 long-term care insurer. The authority, in consultation with the public  
23 employees' benefits board, shall establish marketing procedures and may  
24 consider all premium components as a part of the contract negotiations  
25 with the long-term care insurer.

26 (f) In developing the long-term care insurance benefit designs, the  
27 public employees' benefits board shall include an alternative plan of  
28 care benefit, including adult day services, as approved by the office  
29 of the insurance commissioner.

30 (g) The health care authority, with the cooperation of the office  
31 of the insurance commissioner, shall develop a consumer education  
32 program for the eligible employees, retired employees, and retired  
33 school employees designed to provide education on the potential need  
34 for long-term care, methods of financing long-term care, and the  
35 availability of long-term care insurance products including the  
36 products offered by the board.

37 (11) The board may establish penalties to be imposed by the

1 authority when the eligibility determinations of an employing agency  
2 fail to comply with the criteria under this chapter.

3 **Sec. 4.** RCW 41.05.066 and 2007 c 156 s 9 are each amended to read  
4 as follows:

5 A certificate of domestic partnership issued (~~to a couple of the~~  
6 ~~same sex~~) under the provisions of RCW 26.60.030 shall be recognized as  
7 evidence of a qualified (~~same sex~~) domestic partnership fulfilling  
8 all necessary eligibility criteria for the partner of the employee to  
9 receive benefits. Nothing in this section affects the requirements of  
10 (~~same sex~~) domestic partners to complete documentation related to  
11 federal tax status that may currently be required by the board for  
12 employees choosing to make premium payments on a pretax basis.

13 **Sec. 5.** RCW 41.05.080 and 2009 c 523 s 1 and 2009 c 522 s 9 are  
14 each reenacted and amended to read as follows:

15 (1) Under the qualifications, terms, conditions, and benefits set  
16 by the board:

17 (a) Retired or disabled state employees, retired or disabled school  
18 employees, retired or disabled employees of county, municipal, or other  
19 political subdivisions, or retired or disabled employees of tribal  
20 governments covered by this chapter may continue their participation in  
21 insurance plans and contracts after retirement or disablement;

22 (b) Separated employees may continue their participation in  
23 insurance plans and contracts if participation is selected immediately  
24 upon separation from employment;

25 (c) Surviving spouses, state registered domestic partners, and  
26 dependent children of emergency service personnel killed in the line of  
27 duty may participate in insurance plans and contracts.

28 (2) Rates charged surviving spouses and state registered domestic  
29 partners of emergency service personnel killed in the line of duty,  
30 retired or disabled employees, separated employees, spouses, or  
31 dependent children who are not eligible for parts A and B of medicare  
32 shall be based on the experience of the community rated risk pool  
33 established under RCW 41.05.022.

34 (3) Rates charged to surviving spouses and state registered  
35 domestic partners of emergency service personnel killed in the line of  
36 duty, retired or disabled employees, separated employees, spouses, or

1 children who are eligible for parts A and B of medicare shall be  
2 calculated from a separate experience risk pool comprised only of  
3 individuals eligible for parts A and B of medicare; however, the  
4 premiums charged to medicare-eligible retirees and disabled employees  
5 shall be reduced by the amount of the subsidy provided under RCW  
6 41.05.085.

7 (4) Surviving spouses, state registered domestic partners, and  
8 dependent children of emergency service personnel killed in the line of  
9 duty and retired or disabled and separated employees shall be  
10 responsible for payment of premium rates developed by the authority  
11 which shall include the cost to the authority of providing insurance  
12 coverage including any amounts necessary for reserves and  
13 administration in accordance with this chapter. These self pay rates  
14 will be established based on a separate rate for the employee, the  
15 spouse, and the children.

16 (5) The term "retired state employees" for the purpose of this  
17 section shall include but not be limited to members of the legislature  
18 whether voluntarily or involuntarily leaving state office.

19 **Sec. 6.** RCW 41.05.195 and 2009 c 523 s 2 are each amended to read  
20 as follows:

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

33 NEW SECTION. **Sec. 7.** RCW 41.05.095 (Unmarried dependents under  
34 the age of twenty-five) and 2010 c 94 s 11 & 2007 c 259 s 18 are each

1 repealed.

--- END ---