

HOUSE BILL REPORT

HB 2436

As Passed House:
February 17, 2014

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

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

Sponsors: Representatives Hunter and Freeman; by request of Health Care Authority.

Brief History:

Committee Activity:

Appropriations: 1/23/14, 1/27/14 [DP].

Floor Activity:

Passed House: 2/17/14, 53-44.

Brief Summary of Bill

- Creates the non-appropriated Public Employees' Benefits' Board (PEBB) Benefits Account (Benefits Account).
- Permits the Health Care Authority to contract for benefits or services directly using funds from the Benefits Account.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 18 members: Representatives Hunter, Chair; Ormsby, Vice Chair; Carlyle, Cody, Dunshee, Green, Haigh, Haler, Hudgins, S. Hunt, Jinkins, Kagi, Lytton, Morrell, Seaquist, Springer, Sullivan and Tharinger.

Minority Report: Do not pass. Signed by 12 members: Representatives Chandler, Ranking Minority Member; Ross, Assistant Ranking Minority Member; Wilcox, Assistant Ranking Minority Member; Buys, Christian, Dahlquist, Fagan, Harris, G. Hunt, Parker, Schmick and Taylor.

Staff: David Pringle (786-7310).

Background:

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.

The Health Care Authority (HCA) administers benefits plans, forms benefits contracts, develops participation rules, and through the Public Employees' Benefit Board (PEBB) approves schedules of rates and premiums for active employee and retired participants. The members of the PEBB vote to approve contracts and benefits for the PEBB program.

The HCA uses the Public Employees' and Retirees' Insurance Account, a non-appropriated fund with uses restricted to the payment of premiums for employee and retiree insurance benefit contracts.

Summary of Bill:

The non-appropriated Public Employees' Benefits' Board (PEBB) Benefits Account is created, permitting the Health Care Authority to directly contract for benefits or services.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The Health Care Authority (HCA) would like to have this account created to give them flexibility in the way they purchase services for members. The ability to directly purchase from providers could save the state money in some cases. The HCA would like the opportunity to contract for services directly in some circumstances, rather than through an insurance plan. It would allow the HCA to retain more control over these products, and reduce administrative overhead.

(Opposed) None.

Persons Testifying: Representative Hunter, prime sponsor; and Louis McDermott and Janice Baumgardt, Health Care Authority.

Persons Signed In To Testify But Not Testifying: None.