

SENATE BILL REPORT

HB 2436

As Reported by Senate Committee On:
Ways & Means, March 3, 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: Passed House: 2/17/14, 53-44.

Committee Activity: Ways & Means: 2/27/14, 3/03/14 [DPA, DNP, w/oRec].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

Signed by Senators Hill, Chair; Baumgartner, Vice Chair; Hargrove, Ranking Member; Keiser, Assistant Ranking Member on the Capital Budget; Ranker, Assistant Ranking Member on the Operating Budget; Bailey, Billig, Conway, Dammeier, Fraser, Frockt, Hasegawa, Hatfield, Kohl-Welles, Rivers, Schoesler and Tom.

Minority Report: Do not pass.

Signed by Senators Honeyford, Capital Budget Chair; Padden.

Minority Report: That it be referred without recommendation.

Signed by Senators Becker, Braun, Hewitt and Parlette.

Staff: Pete Cutler (786-7474)

Background: The Health Care Authority (HCA) administers health, dental, life, and long-term disability insurance benefit plans for state employees, state and K-12 retirees, and some K-12 and local government employees. HCA administers benefit plans primarily through contracts with health insurance carriers and vendors. The Public Employees' Benefit Board (PEBB) has authority to develop and approve benefit plans and to establish premiums for active employees and retired participants.

The Public Employees' and Retirees' Insurance Account (PEBB fund), a non-appropriated fund, is established in statute as the funding source for PEBB benefits and may be used to pay insurance contract premiums for employee and retiree insurance benefits and claims expenses for the self-funded Uniform Medical Plan and Uniform Dental Plan. Employer,

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employee, and retiree premiums provide the revenues for the PEBB fund. In implementing certain services related to state employee health benefit plans, including wellness program activities, HCA contracts with vendors other than health insurance carriers.

Summary of Bill (Recommended Amendments): The PEBB Benefits Account is created, permitting HCA to directly contract for benefits or services provided to PEBB members.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Recommended Amendments): The PEBB Benefits Account is created in the state treasury as an appropriated account and may only be used for purchasing benefits or services approved by PEBB for PEBB subscribers and members.

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 on House Bill: PRO: This bill increases the efficiency and transparency of how funds are used within the PEBB program for the benefit of our members.

OTHER: We support the clean-up language and creation of the new account, but it is not clear how funds would get into the new account. We would suggest giving PEBB some oversight over this new account.

Persons Testifying: PRO: Mary Fliss, Deputy Director, PEBB.

OTHER: Alia Griffing, WA Federation of State Employees.