

# HOUSE BILL REPORT

## SB 5466

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### As Reported by House Committee On: Appropriations

**Title:** An act relating to clarifying employee eligibility for benefits from the public employees' benefits board and conforming the eligibility provisions with federal law.

**Brief Description:** Clarifying employee eligibility for benefits from the public employees' benefits board and conforming the eligibility provisions with federal law.

**Sponsors:** Senators Becker, Keiser and Conway; by request of Health Care Authority and LEOFF Plan 2 Retirement Board.

#### **Brief History:**

##### **Committee Activity:**

Appropriations: 3/16/15, 3/25/15 [DP].

#### **Brief Summary of Bill**

- Permits the Health Care Authority (HCA) to direct agencies participating in the Public Employees' Benefits Board (PEBB) programs to make initial determinations of eligibility.
- Changes eligibility standards for seasonal employees from half-time as defined by the PEBB, to 80 hours per month.
- Makes all state-registered domestic partners of emergency service personnel killed in the line of duty eligible for PEBB participation, as well as HCA-administered Medicare supplemental insurance policy participation.
- Extends dependent coverage provisions in the PEBB programs to dependent children up to age 26 in compliance with the federal Patient Protection and Affordable Care Act of 2010.

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### HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** Do pass. Signed by 26 members: Representatives Hunter, Chair; Ormsby, Vice Chair; Chandler, Ranking Minority Member; Parker, Assistant Ranking Minority Member; Wilcox, Assistant Ranking Minority Member; Carlyle, Cody, Dunshee,

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*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.*

Fagan, Haler, Hansen, Hudgins, Jinkins, Kagi, Lytton, MacEwen, Magendanz, Pettigrew, Sawyer, Schmick, Senn, Springer, Stokesbary, Sullivan, Tharinger and Walkinshaw.

**Minority Report:** Do not pass. Signed by 4 members: Representatives Buys, G. Hunt, Taylor and Van Werven.

**Minority Report:** Without recommendation. Signed by 2 members: Representatives Condotta and Dent.

**Staff:** David Pringle (786-7310).

**Background:**

The Health Care Authority (HCA) administers health and other insurance benefits plans for active state employees, retired state and K–12 employees, and some active local government and K–12 employees. The Public Employees' Benefit Board (PEBB) approves benefit plans and premiums for active employees and retired participants.

In general, state employees are eligible for benefits if it is anticipated that they will work an average of 80 hours or more for more than six consecutive months, though the eligibility standards differ for some types of employees. Faculty members at institutions of higher education who are expected to work half-time over a period of at least nine months are eligible for benefits for the entire instructional year. Seasonal employees who are expected to work an average of half-time or more, as defined by the PEBB, over six months of the applicable work season are eligible for the benefits for the season of employment.

In 2009 the Legislature enacted a number of changes to the PEBB eligibility rules, including clarifying the HCA's authority to determine eligibility, as opposed to the employing agency, and moving eligibility criteria from rule to statute. The HCA has the authority to determine eligibility, but may delegate to an employing agency the task of determining individual employees' eligibility for benefits. Any determination as to whether or not an employee is eligible for benefits is subject to periodic review, and appeals of agency eligibility determinations are reviewed by the HCA.

The PEBB statutes provide that members may cover their unmarried dependents under the age of 25. An employee that chooses to cover a dependent with developmental or mental disabilities who is incapable of self-support may continue coverage at the same premium as for dependents age 20 or under regardless of the age of the dependent with disabilities. The federal Patient Protection and Affordable Care Act of 2010 provides that for any plan year beginning after September 23, 2010, any health plan that provides coverage for dependent children must make such coverage available until attainment of age 26.

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**Summary of Bill:**

An agency participating in HCA-administered benefit programs is authorized to make initial determinations of benefits eligibility if directed to do so by the HCA. The term "employer

group" is defined to mean those local governments and other entities that obtain employee benefits through a contractual agreement with the HCA. A reference to adult family home providers is corrected.

Eligibility standards for seasonal employees are changed from half-time as defined by the PEBB, to 80 hours per month, consistent with the standard used for other part-time eligibility provisions. The definition of academic year is clarified to apply to either quarter or semester-based academic calendars.

The recognition of domestic partnerships through presentation of a certificate of domestic partnership issued by the Secretary of State is applied to both same-sex and opposite-sex domestic partnerships. State-registered domestic partners of emergency service personnel killed in the line of duty are all made eligible for PEBB participation, and several provisions referencing state-registered domestic partners are clarified.

State-registered domestic partners of emergency service personnel killed in the line of duty are eligible to participate in HCA-administered Medicare supplemental insurance policies.

Dependent coverage provisions in the PEBB programs are extended to dependent children up to age 26 in compliance with the federal Patient Protection and Affordable Care Act of 2010.

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**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) This bill is largely technical, with a few very minor policy changes, so please support it. The Health Care Authority is seeking technical fixes and clarity in some of our eligibility rules.

(Opposed) None.

**Persons Testifying:** Senator Becker, prime sponsor; and Mary Fliss, Health Care Authority.

**Persons Signed In To Testify But Not Testifying:** None.