

# SENATE BILL REPORT

## SB 5731

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As of February 17, 2015

**Title:** An act relating to political subdivisions purchasing health coverage through the public employees' benefits board program.

**Brief Description:** Addressing political subdivisions purchasing health coverage through the public employees' benefits board program.

**Sponsors:** Senators Dansel, Hasegawa and Chase.

**Brief History:**

**Committee Activity:** Health Care: 2/16/15.

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### SENATE COMMITTEE ON HEALTH CARE

**Staff:** Mich'l Needham (786-7442)

**Background:** The Health Care Authority (HCA) has responsibility for a number of health care programs, including the Public Employees Benefits Board (PEBB) program with over 353,000 members. The PEBB program provides health, dental, long-term disability, and life insurance options to state and higher education employees and retirees, school district retirees, and some school districts, educational service districts, and other political subdivisions such as counties, cities, water and sewer districts, and various commissions that voluntarily seek to purchase care through PEBB.

Current law allows HCA to establish the conditions for political subdivisions to participate, and allows the agency the sole right to reject the application. The application to participate in PEBB must include the group demographics and the claims history, and the package is submitted for an actuarial review to determine the additional risk each group may bring to the PEBB risk pool. All active employees and dependents are combined with the non-Medicare retirees to form one risk pool, while the Medicare retirees are combined in a separate risk pool. Any change to the non-Medicare risk pool results in a change to the state funding projection for state and higher education employee benefits.

Each political subdivision group is charged a total premium for the PEBB package, and each group is allowed to determine the employer contribution and employee premium share, if any.

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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.*

**Summary of Bill:** HCA must approve an application for PEBB participation from a county with fewer than 5000 employees.

**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:** PRO: The goal is to provide an opt-in option for counties since there is not a robust marketplace to purchase benefits. It was not the intent to generate a significant fiscal impact and we will work to remedy that. There may be an approach that could allow the county to bear the additional cost of the risk.

**Persons Testifying:** PRO: Brad Banks, WA State Assn. of Counties.