

HB 2458 - S COMM AMD
By Committee on Ways & Means

ADOPTED AS AMENDED 03/06/2020

1 Strike everything after the enacting clause and insert the
2 following:

3 **"Sec. 1.** RCW 28A.400.280 and 2018 c 260 s 29 are each amended to
4 read as follows:

5 (1) Except as provided in subsection (2) of this section, school
6 districts may provide employer fringe benefit contributions after
7 October 1, 1990, only for basic benefits. However, school districts
8 may continue payments under contracts with employees or benefit
9 providers in effect on April 13, 1990, until the contract expires.

10 (2) (a) School districts may provide employer contributions after
11 October 1, 1990, for optional benefit plans, in addition to basic
12 benefits. Beginning January 1, 2020, school district optional
13 benefits must ~~((be outside))~~ not compete with any form of the basic
14 or optional benefits offered in the school employees' benefits board
15 program either under the school employees' benefits board's authority
16 in RCW 41.05.740 ~~((+6))~~ or offered under the authority of the health
17 care authority in the salary reduction plan authorized in RCW
18 41.05.300 and 41.05.310.

19 (b) Beginning December 1, 2019, and each December 1st thereafter,
20 school district optional benefits must be reported to the school
21 employees' benefits board and health care authority. ~~((The school~~
22 employees' benefits board shall review the optional benefits offered
23 by districts and: (a) Determine if the optional benefits conflict
24 with school employees' benefits board's plans offering authority and,
25 if not, (b) evaluate whether to seek additional benefit offerings
26 authority from the legislature. Optional benefits may include direct
27 agreements as defined in chapter 48.150 RCW, and may include
28 employee))

29 (c) School districts, and the applicable carrier, must work with
30 the health care authority to either modify and remove competing
31 components of the district-based benefit or end any district-based

1 benefit offering in competition with either the health care
2 authority's or the school employees' benefits board offered benefits.

3 (d) Unless the school employees' benefits board offers such
4 benefits, school districts may offer only the following optional
5 benefits to school employees:

6 (i) Benefits listed in section 3(1) (a) through (i) of this act,
7 offered as employee-paid, voluntary benefits that may be administered
8 by using payroll deductions; and

9 (ii) Voluntary employees' beneficiary association accounts ((that
10 can be liquidated by the employee on termination of employment)),
11 including benefit plans authorized in RCW 28A.400.210(3).

12 ~~((Optional benefit plans may be offered only if:~~

13 ~~(a) Each full-time employee, regardless of the number of~~
14 ~~dependents receiving basic coverage, receives the same additional~~
15 ~~employer contribution for other coverage or optional benefits; and~~

16 ~~(b) For part-time employees, participation in optional benefit~~
17 ~~plans shall be governed by the same eligibility criteria and/or~~
18 ~~proration of employer contributions used for allocations for basic~~
19 ~~benefits.))~~

20 (3) School districts are not intended to divert state basic
21 benefit allocations for other purposes. Beginning January 1, 2020,
22 school districts must offer all benefits offered by the school
23 employees' benefits board administered by the health care authority,
24 and consistent with RCW 41.56.500(2).

25 (4) Any optional benefits offered by a school district under
26 subsection (2) of this section are considered an enhancement to the
27 state's definition of basic education.

28 **Sec. 2.** RCW 28A.400.350 and 2019 c 411 s 6 are each amended to
29 read as follows:

30 (1) The board of directors of any of the state's school districts
31 or educational service districts may make available medical, dental,
32 vision, liability, life, accident, disability, and salary protection
33 or insurance, direct agreements as defined in chapter 48.150 RCW, or
34 any one of, or a combination of the types of employee benefits
35 enumerated in this subsection, or any other type of insurance or
36 protection, for the members of the boards of directors, the students,
37 and employees of the school district or educational service district,
38 and their dependents. Except as provided in subsection (6) of this
39 section, such coverage may be provided by contracts or agreements

1 with private carriers, with the state health care authority, or
2 through self-insurance or self-funding pursuant to chapter 48.62 RCW,
3 or in any other manner authorized by law. Any direct agreement must
4 comply with RCW 48.150.050.

5 (2) (a) Whenever funds are available for these purposes the board
6 of directors of the school district or educational service district
7 may contribute all or a part of the cost of such protection or
8 insurance for the employees of their respective school districts or
9 educational service districts and their dependents. The premiums on
10 such liability insurance shall be borne by the school district or
11 educational service district.

12 (b) After October 1, 1990, school districts may not contribute to
13 any employee protection or insurance other than liability insurance
14 unless the district's employee benefit plan conforms to RCW
15 28A.400.275 and 28A.400.280.

16 (c) After December 31, 2019, school district contributions to any
17 employee insurance that is purchased through the health care
18 authority must conform to the requirements established by chapter
19 41.05 RCW and the school employees' benefits board.

20 (3) For school board members, educational service district board
21 members, and students, the premiums due on such protection or
22 insurance shall be borne by the assenting school board member,
23 educational service district board member, or student. The school
24 district or educational service district may contribute all or part
25 of the costs, including the premiums, of life, health, health care,
26 accident or disability insurance which shall be offered to all
27 students participating in interschool activities on the behalf of or
28 as representative of their school, school district, or educational
29 service district. The school district board of directors and the
30 educational service district board may require any student
31 participating in extracurricular interschool activities to, as a
32 condition of participation, document evidence of insurance or
33 purchase insurance that will provide adequate coverage, as determined
34 by the school district board of directors or the educational service
35 district board, for medical expenses incurred as a result of injury
36 sustained while participating in the extracurricular activity. In
37 establishing such a requirement, the district shall adopt regulations
38 for waiving or reducing the premiums of such coverage as may be
39 offered through the school district or educational service district
40 to students participating in extracurricular activities, for those

1 students whose families, by reason of their low income, would have
2 difficulty paying the entire amount of such insurance premiums. The
3 district board shall adopt regulations for waiving or reducing the
4 insurance coverage requirements for low-income students in order to
5 assure such students are not prohibited from participating in
6 extracurricular interschool activities.

7 (4) All contracts or agreements for insurance or protection
8 written to take advantage of the provisions of this section shall
9 provide that the beneficiaries of such contracts may utilize on an
10 equal participation basis the services of those practitioners
11 licensed pursuant to chapters 18.22, 18.25, 18.53, 18.57, and 18.71
12 RCW.

13 (5) (a) Until the creation of the school employees' benefits board
14 under RCW 41.05.740, school districts offering medical, vision, and
15 dental benefits shall:

16 (i) Offer a high deductible health plan option with a health
17 savings account that conforms to section 223, part VII of subchapter
18 1 of the internal revenue code of 1986. School districts shall comply
19 with all applicable federal standards related to the establishment of
20 health savings accounts;

21 (ii) Make progress toward employee premiums that are established
22 to ensure that full family coverage premiums are not more than three
23 times the premiums for employees purchasing single coverage for the
24 same coverage plan, unless a subsequent premium differential target
25 is defined as a result of the review and subsequent actions described
26 in RCW 41.05.655;

27 (iii) Offer employees at least one health benefit plan that is
28 not a high deductible health plan offered in conjunction with a
29 health savings account in which the employee share of the premium
30 cost for a full-time employee, regardless of whether the employee
31 chooses employee-only coverage or coverage that includes dependents,
32 does not exceed the share of premium cost paid by state employees
33 during the state employee benefits year that started immediately
34 prior to the school year.

35 (b) All contracts or agreements for employee benefits must be
36 held to responsible contracting standards, meaning a fair, prudent,
37 and accountable competitive procedure for procuring services that
38 includes an open competitive process, except where an open process
39 would compromise cost-effective purchasing, with documentation
40 justifying the approach.

1 (c) School districts offering medical, vision, and dental
2 benefits shall also make progress on promoting health care
3 innovations and cost savings and significantly reduce administrative
4 costs.

5 (d) All contracts or agreements for insurance or protection
6 described in this section shall be in compliance with chapter 3, Laws
7 of 2012 2nd sp. sess.

8 (6) The authority to make available basic and optional benefits
9 to school employees under this section expires December 31, 2019,
10 except (a) for nonrepresented employees of educational service
11 districts for which the authority expires December 31, 2023, and (b)
12 as authorized under RCW 28A.400.280. Beginning January 1, 2020,
13 school districts, for all school employees, and educational service
14 districts, for represented employees, shall make available basic and
15 optional benefits through plans offered by the health care authority
16 and the school employees' benefits board. Beginning January 1, 2024,
17 educational service districts, for nonrepresented employees, shall
18 make available basic and optional benefits through plans offered by
19 the health care authority and the school employees' benefits board.

20 NEW SECTION. **Sec. 3.** A new section is added to chapter 41.05
21 RCW to read as follows:

22 (1) In addition to the benefits offering authority under this
23 chapter, the school employees' benefits board may study and, subject
24 to the availability of funding, offer the following benefits:

25 (a) Emergency transportation;

26 (b) Identity protection;

27 (c) Legal aid;

28 (d) Long-term care insurance;

29 (e) Noncommercial personal automobile insurance;

30 (f) Personal homeowner's or renter's insurance;

31 (g) Pet insurance;

32 (h) Specified disease or illness-triggered fixed payment
33 insurance, hospital confinement fixed payment insurance, or other
34 fixed payment insurance offered as an independent, noncoordinated
35 benefit regulated by the office of the insurance commissioner;

36 (i) Travel insurance; and

37 (j) Voluntary employees' beneficiary association accounts.

38 (2) The health care authority, in consultation with the school
39 employees' benefits board, shall review the optional benefits

1 reported by school districts as required in RCW 28A.400.280 and
2 determine if the optional benefits are in competition with benefits
3 currently offered under either the authority's or the board's
4 authorities. If a school district benefit offering is determined to
5 be in competition with the benefits offered under either the
6 authority's or the board's authorities, the health care authority
7 must inform the school district of the benefits conflict and work
8 with the school district, and the applicable carrier, to either
9 modify and remove competing components of the district-based benefit
10 or end the district-based offering. If a carrier is in the process of
11 modifying benefits, including seeking any required regulatory
12 approval, a school district may continue to offer the original
13 benefit.

14 (3) Specified disease or illness-triggered fixed payment
15 insurance, hospital confinement fixed payment insurance, or other
16 fixed payment insurance offered pursuant to this section as an
17 independent, noncoordinated benefit is not a health plan as defined
18 in RCW 48.43.005."

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ADOPTED AS AMENDED 03/06/2020

19 On page 1, line 1 of the title, after "districts;" strike the
20 remainder of the title and insert "amending RCW 28A.400.280 and
21 28A.400.350; and adding a new section to chapter 41.05 RCW."

EFFECT: (1) Removes all provisions of the underlying bill,
including intent provisions.

(2) Specifies that school district optional benefits must not
compete with any form of benefits offered by the School Employees'
Benefits Board (SEBB) program or under the authority of the Health
Care Authority (HCA) in a pretax salary reduction plan.

(3) Directs the HCA, in consultation with SEBB, to review
optional benefits provided by school districts and determine if the
optional benefits are in competition with benefits offered by HCA or
SEBB.

(4) Specifies that school districts and the applicable carrier
must work with the HCA to modify or remove competing benefits.

(5) Provides SEBB with explicit authority to study and, subject
to availability of funding, offer the following benefits: Emergency
transportation, identity protection, legal aid, long-term care
insurance, noncommercial personal automobile insurance, personal
homeowner's or renter's insurance, pet insurance, certain specified

illness or disease insurance, travel insurance, and voluntary employees' beneficiary association accounts.

(6) Allows school districts to offer the above mentioned optional benefits as long as they are not being offered by SEBB.

(7) Provides that, with the exception of voluntary employees' beneficiary association accounts, optional benefits provided by school districts are employee-paid.

(8) Removes existing provisions that allow a school district to offer optional benefits only if the employer contribution is the same for all employees, regardless of the employee's number of dependents.

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