

HOUSE BILL REPORT

HB 1220

As Passed House:
March 7, 2019

Title: An act relating to adding a nonvoting representative from the office of the insurance commissioner to the public employees' benefits board.

Brief Description: Adding a nonvoting representative from the office of the insurance commissioner to the public employees' benefits board.

Sponsors: Representatives Dolan, Volz, Cody, Ormsby, Stanford, Appleton and Tharinger.

Brief History:

Committee Activity:

State Government & Tribal Relations: 1/29/19, 2/5/19 [DP].

Floor Activity:

Passed House: 3/7/19, 96-1.

Brief Summary of Bill

- Adds the Insurance Commissioner to the Public Employees' Benefits Board.

HOUSE COMMITTEE ON STATE GOVERNMENT & TRIBAL RELATIONS

Majority Report: Do pass. Signed by 9 members: Representatives Gregerson, Chair; Pellicciotti, Vice Chair; Walsh, Ranking Minority Member; Goehner, Assistant Ranking Minority Member; Appleton, Dolan, Hudgins, Mosbrucker and Smith.

Staff: Jason Zolle (786-7124).

Background:

The Public Employees' Benefits Board (PEBB) is an entity within the Health Care Authority (HCA). The PEBB is required to study issues related to insurance benefits for state employees, including health care coverage, life insurance, and disability income insurance. The PEBB designs and approves insurance benefit plans and establishes eligibility criteria. Several criteria to guide the PEBB's decision making are established by statute. Generally

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speaking, the PEBB must balance access to quality coverage with cost containment. The PEBB follows administrative rules promulgated by the HCA.

Employees of K-12 school districts, educational service districts, and charter schools are served by the PEBB through December 31, 2019. Starting January 1, 2020, benefits for school employees will be administered by the School Employees' Benefits Board.

Through December 31, 2019, the PEBB has nine members appointed by the Governor:

- two representatives of state employees, one representing an employee union, and one representing an organized group of retired public employees;
- two representatives of school district employees, one representing an association of school employees, and one representing an organized group of retired school employees;
- four members with experience in health benefit management and cost containment; and
- the Director of the HCA (Director).

After December 31, 2019, the PEBB will have eight members—it will no longer have a representative from an association of school employees. The PEBB will have a representative of retired school employees only while the PEBB continues to serve retired school employees.

Members of the PEBB serve staggered two-year terms. Seven of the nine members are voting members. The Director is the chair of the PEBB and calls its meetings.

The Office of the Insurance Commissioner (OIC) protects insurance consumers and oversees the insurance industry. The OIC licenses and audits insurers, reviews insurers' proposed rates, and investigates consumer complaints.

Summary of Bill:

After December 31, 2019, the PEBB will continue to have nine members. The Insurance Commissioner or the Commissioner's designee will join the PEBB.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect on December 31, 2019.

Staff Summary of Public Testimony:

(In support) This bill adds the OIC to the PEBB in an advisory capacity as a nonvoting member. The OIC is the lead consumer protection agency for insurance in the state. The OIC already sits on other similar boards and is happy to supply expertise to the PEBB as needed. The PEBB will benefit from the expertise of the OIC as health care costs are increasing. This bill is a win for consumers. It is surprising that the OIC is not already

represented on the PEBB. It is convenient that the PEBB is losing a ninth member and the OIC can step in.

(Opposed) None.

Persons Testifying: Representative Dolan, prime sponsor; Emily Murphy and Nancy Heley, Retired Public Employees Council; and Lonnie Johns-Brown, Office of the Insurance Commissioner.

Persons Signed In To Testify But Not Testifying: None.