

# FINAL BILL REPORT

## HB 2458

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Synopsis as Enacted

**Brief Description:** Concerning optional benefits offered by school districts.

**Sponsors:** Representatives Stonier, Sells, Dolan, Schmick, Boehnke, Bergquist, Vick, Pollet and Wylie.

**House Committee on Education**  
**Senate Committee on Ways & Means**

### **Background:**

#### School Employees' Benefits Board/Offerings and Participation.

The School Employees' Benefits Board (SEBB) of the Washington State Health Care Authority (HCA) designs and approves insurance benefit plans for school employees and establishes criteria for participation in insurance benefit plans. Among other duties, the SEBB:

- develops benefit plans that include comprehensive, evidence-based health care benefits for school employees;
- authorizes premium contributions for a school employees and dependents in a manner that encourages the use of cost-efficient health care systems; and
- determines the terms and conditions of school employee and dependent eligibility criteria, enrollment policies, and scope of coverage.

School districts must offer all benefits offered by the SEBB and school employees must choose participation in one of the SEBB health care benefit plans. Individual school employees may waive coverage under terms and conditions established by the SEBB.

#### Optional Benefits Provided by School Districts.

School districts may provide employer contributions for optional benefit plans and basic benefits. School districts may provide optional benefits to employees, but the offered benefits must be outside the SEBB's benefit offering authority.

Additionally, optional benefit plans may be offered only if:

- each full-time employee, regardless of the number of dependents receiving basic coverage, receives the same additional employer contribution for other coverage or optional benefits; and

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- for part-time employees, participation in optional benefit plans must be governed by the same eligibility criteria and/or proration of employer contributions used for allocations for basic benefits.

The optional benefits may include direct agreements, a defined term meaning written agreements between qualifying practices and patients, and may include employee beneficiary accounts that can be liquidated by the employee upon termination of employment.

Optional benefits offered by a school district are considered an enhancement to the state's statutory definition of basic education.

Annually on December 1, school district optional benefits must be reported to the SEBB and the HCA. The SEBB must review the optional benefits offered by districts and determine if those benefits conflict with the SEBB's plans offering authority. If the SEBB determines that there is no conflict, the SEBB must evaluate whether to seek additional benefit offerings authority from the Legislature.

### **Summary:**

Requirements pertaining to optional benefits offered by school districts are modified. Optional benefits offered by a school district may not compete with any form of the basic or optional benefits offered through the SEBB or under specific authority of the HCA.

The SEBB is expressly authorized to study, and subject to the availability of funding, offer the following employee-paid, voluntary benefits:

- emergency transportation;
- identity protection;
- legal aid;
- long-term care insurance;
- noncommercial personal automobile insurance;
- personal homeowner's or renter's insurance;
- pet insurance;
- specified disease or illness-triggered fixed payment insurance, hospital confinement fixed payment insurance, or other fixed payment insurance offered as an independent, non-coordinated benefit regulated by the Office of the Insurance Commissioner;
- travel insurance; and
- voluntary employees' beneficiary association accounts.

Subject to specified requirements, school districts may offer any of the benefits delineated above to school employees as employee-paid voluntary benefits, provided they are not offered by the SEBB. Additionally, specified disease or illness-triggered fixed payment insurance, hospital confinement fixed payment insurance, or other fixed payment insurance offered by the HCA as an independent, non-coordinated benefit is not a considered a health plan under specified insurance provisions.

Provisions directing the SEBB to review the optional benefits offered by districts for the purpose of determining if conflicts exist with the SEBB's plans offering authority, including directives applying if no conflict exists, are repealed. Instead, the HCA, in consultation with

the SEBB, is directed to review the optional benefits reported by school districts to determine if the benefits are in competition with benefits offered by the HCA or the SEBB.

If an optional benefit offered by a district is determined to be in competition with the benefits offered by the HCA or the SEBB, the HCA must inform the school district of the conflict and work with the school district and the applicable benefit carrier to either modify and remove competing components of the district-based benefit, or end the district-based offering. School districts have a corresponding duty to work with the HCA and the applicable carrier to modify or discontinue competing benefit offerings. However, if a carrier is in the process of modifying benefits, including seeking any required regulatory approval, school districts may continue to offer the optional benefit.

**Votes on Final Passage:**

House	97	0	
Senate	47	1	(Senate amended)
House	91	6	(House concurred)

**Effective:** June 11, 2020