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**SENATE BILL 6296**

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**State of Washington**

**66th Legislature**

**2020 Regular Session**

**By** Senators Padden, Pedersen, Holy, Wellman, Wagoner, Wilson, C., and Mullet

Read first time 01/15/20. Referred to Committee on Ways & Means.

1 AN ACT Relating to health care benefits for public school  
2 employees; and amending RCW 41.05.740.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 41.05.740 and 2018 c 260 s 1 are each amended to  
5 read as follows:

6 (1) The school employees' benefits board is created within the  
7 authority. The function of the school employees' benefits board is to  
8 design and approve insurance benefit plans for school employees and  
9 to establish eligibility criteria for participation in insurance  
10 benefit plans.

11 (2) By September 30, 2017, the governor shall appoint the  
12 following voting members to the school employees' benefits board as  
13 follows:

14 (a) Two members from associations representing certificated  
15 employees;

16 (b) Two members from associations representing classified  
17 employees;

18 (c) Four members with expertise in employee health benefits  
19 policy and administration, one of which is nominated by an  
20 association representing school business officials; and

21 (d) The director of the authority or his or her designee.

1 (3) Initial members of the school employees' benefits board shall  
2 serve staggered terms not to exceed four years. Members appointed  
3 thereafter shall serve two-year terms.

4 (4) Compensation and reimbursement related to school employees'  
5 benefits board member service are as follows:

6 (a) Members of the school employees' benefits board must be  
7 compensated in accordance with RCW 43.03.250 and must be reimbursed  
8 for their travel expenses while on official business in accordance  
9 with RCW 43.03.050 and 43.03.060.

10 (b) While school employees' benefits board members are carrying  
11 out their powers and duties under this chapter (~~(41.05-RCW)~~), if the  
12 service of any certificated or classified employee results in a need  
13 for a school employees' benefits board organization to employ a  
14 substitute for such certificated or classified employee during such  
15 service, payment for such a substitute may be made by the authority  
16 from funds appropriated by the legislature for the school employees'  
17 benefits board program. If such substitute is paid by the authority,  
18 no deduction shall be made from the salary of the certificated or  
19 classified employee. In no event shall a school employees' benefits  
20 board organization deduct from the salary of a certificated or  
21 classified employee serving on the school employees' benefits board  
22 more than the amount paid the substitute employed by the school  
23 employees' benefits board organization.

24 (5) The director of the authority or his or her designee shall be  
25 the chair and another member shall be selected by the school  
26 employees' benefits board as vice chair. The chair shall conduct  
27 meetings of the school employees' benefits board. The vice chair  
28 shall preside over meetings in the absence of the chair. The school  
29 employees' benefits board shall develop bylaws for the conduct of its  
30 business.

31 (6) The school employees' benefits board shall:

32 (a) Study all matters connected with the provision of health care  
33 coverage, life insurance, liability insurance, accidental death and  
34 dismemberment, and disability insurance, or any of, or combination  
35 of, the enumerated types of insurance for eligible school employees  
36 and their dependents on the best basis possible with relation both to  
37 the welfare of the school employees and the state. However, liability  
38 insurance should not be made available to dependents;

39 (b) Develop school employee benefit plans that include  
40 comprehensive, evidence-based health care benefits for school

1 employees. In developing these plans, the school employees' benefits  
2 board shall consider the following elements:

3 (i) Methods of maximizing cost containment while ensuring access  
4 to quality health care;

5 (ii) Development of provider arrangements that encourage cost  
6 containment and ensure access to quality care including, but not  
7 limited to, prepaid delivery systems and prospective payment methods;

8 (iii) Wellness, preventive care, chronic disease management, and  
9 other incentives that focus on proven strategies;

10 (iv) Utilization review procedures to support cost-effective  
11 benefits delivery;

12 (v) Ways to leverage efficient purchasing by coordinating with  
13 the public employees' benefits board;

14 (vi) Effective coordination of benefits; and

15 (vii) Minimum standards for insuring entities;

16 (c) Authorize premium contributions for a school employee and the  
17 employee's dependents in a manner that encourages the use of cost-  
18 efficient health care systems. For participating school employees,  
19 the required school employee share of the cost for family coverage  
20 premiums may not exceed three times the premiums for a school  
21 employee purchasing single coverage for the same coverage plan;

22 (d) Determine the terms and conditions of school employee and  
23 dependent eligibility criteria, enrollment policies, and scope of  
24 coverage. At a minimum, the eligibility criteria established by the  
25 school employees' benefits board shall address the following:

26 (i) The effective date of coverage following hire;

27 (ii) The benefits eligibility criteria, but the school employees'  
28 benefits board's criteria shall be no more restrictive than requiring  
29 that a school employee be anticipated to work at least six hundred  
30 thirty hours per school year to be benefits eligible except that  
31 beginning September 1, 2020, an employee in a job sharing position  
32 who is anticipated to work at least six hundred thirty hours is  
33 benefits eligible and will receive a prorated portion of the full-  
34 time employer contribution that is consistent with the district's job  
35 sharing plan under RCW 28A.405.070; and

36 (iii) Coverage for dependents, including criteria for legal  
37 spouses; children up to age twenty-six; children of any age with  
38 disabilities, mental illness, or intellectual or other developmental  
39 disabilities; and state registered domestic partners, as defined in  
40 RCW 26.60.020, and others authorized by the legislature;

1 (e) Establish terms and conditions for a school employees'  
2 benefits board organization to have the ability to locally negotiate  
3 eligibility criteria for a school employee who is anticipated to work  
4 less than six hundred thirty hours in a school year. A school  
5 employees' benefits board organization that elects to use a lower  
6 threshold of hours for benefits eligibility must use benefits  
7 authorized by the school employees' benefits board and shall do so as  
8 an enrichment to the state's definition of basic education;

9 (f) Establish penalties to be imposed when a school employees'  
10 benefits board organization fails to comply with established  
11 participation criteria; and

12 (g) Participate with the authority in the preparation of  
13 specifications and selection of carriers contracted for school  
14 employee benefit plan coverage of eligible school employees in  
15 accordance with the criteria set forth in rules. To the extent  
16 possible, the school employees' benefits board shall leverage  
17 efficient purchasing by coordinating with the public employees'  
18 benefits board.

19 (7) School employees shall choose participation in one of the  
20 health care benefit plans developed by the school employees' benefits  
21 board. Individual school employees eligible for benefits under  
22 subsection (6)(d) of this section may be permitted to waive coverage  
23 under terms and conditions established by the school employees'  
24 benefits board.

25 (8) By November 30, 2021, the authority shall review the benefit  
26 plans provided through the school employees' benefits board, complete  
27 an analysis of the benefits provided and the administration of the  
28 benefits plans, and determine whether provisions in chapter 13, Laws  
29 of 2017 3rd sp. sess. have resulted in cost savings to the state. The  
30 authority shall submit a report to the relevant legislative policy  
31 and fiscal committees summarizing the results of the review and  
32 analysis.

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