

HOUSE BILL REPORT

HB 2481

As Passed Legislature

Title: An act relating to waiving health benefit premiums in the public employees' benefits board.

Brief Description: Waiving health benefit premiums in the public employees' benefits board.

Sponsors: Representatives Volz, Bergquist, Robertson and Macri.

Brief History:

Committee Activity:

Appropriations: 1/31/24, 2/2/24 [DP].

Floor Activity:

Passed House: 2/13/24, 97-0.

Passed Senate: 2/28/24, 49-0.

Passed Legislature.

Brief Summary of Bill

- Waives the payment of health benefit premiums during the month of death for retired participants in the Public Employees' Benefits Board health coverage programs.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 30 members: Representatives Ormsby, Chair; Bergquist, Vice Chair; Gregerson, Vice Chair; Macri, Vice Chair; Corry, Ranking Minority Member; Chambers, Assistant Ranking Minority Member; Connors, Assistant Ranking Minority Member; Couture, Assistant Ranking Minority Member; Berg, Callan, Chopp, Davis, Dye, Fitzgibbon, Harris, Lekanoff, Pollet, Riccelli, Rude, Ryu, Sandlin, Schmick, Senn, Simmons, Slatter, Springer, Stokesbary, Stonier, Tharinger and Wilcox.

Staff: David Pringle (786-7310).

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Background:

Retirees from state agencies, school districts, and some local government entities receive health benefit coverage from the Public Employees' Benefits Board (PEBB) program administered by the Health Care Authority (HCA). About 80,000 retired employees subscribe to PEBB retiree health benefit coverage, and most pay retiree premiums through monthly deductions from retirement benefits paid by the Department of Retirement Systems (DRS).

When a recipient of a pension or annuity from the Washington State Retirement Systems is living at the time their monthly pension is paid, the DRS pays that pension for the entire month. Recipients of those monthly benefits are only entitled to payment until the date of death, however, meaning that many individuals receive benefits for a portion of the month after their death, which can result in survivors having to repay a portion of the final pension payment received during the month of the member's death. The DRS issues an invoice to the deceased member's estate for the repayment of benefits.

When an individual dies before a monthly benefit payment is paid, the payment is prorated. Typically the DRS makes benefits payments during the later part of each month, so a typical repayment required of the deceased member's estate is for three or four days' worth of benefits. Administratively, however, the DRS takes back the entire pension payment for the final month, including the health benefit premium, calculates the correct payment for the final month, and deposits that corrected amount in the member's bank account. The DRS does not resend premium payments for health benefit premiums to the HCA.

Summary of Bill:

During the month that a retired participant in the Public Employees' Benefits Board health coverage program dies, the Health Care Authority (HCA) must waive the payment of premiums. The HCA must enroll any eligible surviving dependents in the same plan effective on the first day of the month in which the death occurred, and require those survivors to pay the applicable premiums.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) There is some overlap between this bill and the month of death bill heard earlier this session by the Appropriations Committee, House Bill 2013, but differences as

well. This bill covers the health insurance issue related to the proration of retirement benefits administrative process. The language in the bill about survivors just clearly states current law. When the spouse of a retired school employee passed away, it was seen as fortunate that the health insurance was under the surviving spouse's name. This is a good bill, but it would be better to deal with this month of death issue in a more comprehensive way. Caring for an ailing parent and then dealing with the settling of affairs after they pass is hard. The last thing that survivors should be worrying about is whether health insurance premiums have been paid for that final month.

(Opposed) None.

Persons Testifying: Matt Groshong, Retired Public Employees Council of Washington; Dave Iseminger, Washington State Health Care Authority; and Eileen Perfrement, Mason County School Retirees' Association.

Persons Signed In To Testify But Not Testifying: None.