

HOUSE BILL REPORT

SB 6094

As Reported by House Committee On:
Appropriations

Title: An act relating to aligning statutory language concerning the retired state employee and retired or disabled school employee health insurance subsidy with the historical interpretation and implementation of the relevant subsidy language in the operating budget.

Brief Description: Aligning statutory language concerning the retired state employee and retired or disabled school employee health insurance subsidy with the historical interpretation and implementation of the relevant subsidy language in the operating budget.

Sponsors: Senator Robinson; by request of Health Care Authority.

Brief History:

Committee Activity:

Appropriations: 2/15/24, 2/22/24 [DP].

Brief Summary of Bill

- Expands uses of the retiree drug subsidy available to certain retired public employees to include both medical and prescription drug premiums.
- Removes language authorizing the Health Care Authority to establish a separate subsidy to reduce the premiums for Medicare supplements.

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.

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.

Staff: David Pringle (786-7310).

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; 76,000 of those are Medicare-eligible.

The cost of premiums for Medicare-eligible retirees is reduced by up to 50 percent of the total cost by the prescription drug subsidy. The amount of the subsidy is set by the Legislature and is currently set at up to \$183 per member per month. This subsidy is currently applied to all the Medicare-eligible plans available to retirees, including the Medicare supplements, and is applied to the cost of the entire plan.

Summary of Bill:

The prescription drug subsidy is expanded to reduce the cost of both medical and prescription drug premiums. Language authorizing the HCA to establish a separate subsidy to reduce the premiums for Medicare supplements is removed.

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) This bill clears up differences between how the retiree subsidies have been applied since inception and the language in statute that limited them to prescription drugs. Language in the operating budget has long directed the use of the subsidies towards medical insurance costs, as well as prescriptions, so the statute and the budget would also line up better with the passage of this bill. Please help retirees with reasonable measures to reduce the cost of retiree medical coverage.

(Opposed) None.

Persons Testifying: Dave Iseminger, Health Care Authority; and Amy Fortier.

Persons Signed In To Testify But Not Testifying: None.