

SENATE BILL REPORT

SB 5490

As of February 6, 2023

Title: An act relating to health care coverage for retired or disabled employees denied coverage for failure to timely notify the authority of their intent to defer coverage.

Brief Description: Concerning health care coverage for retired or disabled employees denied coverage for failure to timely notify the authority of their intent to defer coverage.

Sponsors: Senators Rolfes, Conway, Hunt, Lovick, Saldaña and Wilson, C..

Brief History:

Committee Activity: Health & Long Term Care: 1/26/23 [w/oRec-WM].
Ways & Means: 2/07/23.

Brief Summary of Bill

- Allows certain retired or disabled public employees who were denied retiree health care coverage provided by the Public Employees Benefits Board another limited opportunity to enroll.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Amanda Cecil (786-7460)

Background: The Health Care Authority (HCA), through the Public Employee Benefits Board (PEBB), provides medical benefits for retired employees of the state, participating local governments, and school employees covered by the School Employees' Benefits Board (SEBB).

Members of most of the state retirement Plans 2 may continue state employee health insurance coverage when they retire. Members of the Plans 3 who have at least ten years of service and are at least 55 years of age may elect to retain their state employee health insurance upon separation from state employment, regardless of whether they choose to

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retire.

Retirees and separated employees who are eligible for retiree coverage may defer coverage until a later date if they retain continuous enrollment in a comprehensive employer-sponsored medical insurance program as either an employee or dependent of an employee. Retirees may also qualify for deferred enrollment if they are enrolled directly or as a dependent in medical coverage provided by a federal plan, such as TRICARE. To defer coverage, an employee must apply to HCA within 60 days of becoming eligible for retiree coverage.

Retired and separated employees choosing to continue coverage are responsible for paying the full cost of their insurance premiums until they are eligible for Medicare, at which time they qualify for a state subsidy of up to 50 percent of their monthly premium, up to a maximum of \$183 per month.

Summary of Bill: A retired or disabled employee who was eligible to defer coverage when they left employment, but failed to do so and later applied for retiree coverage and was denied solely for failure to notify HCA of their plan to defer coverage, and appealed the denial of benefits, may enroll in retiree health care.

A retired or disabled employee enrolling in benefits may only enroll in a fully-insured Medicare advantage or Medicare supplement plan.

A retiree taking advantage of this provision must apply by the end of the open enrollment period for the plan year beginning January 1, 2024.

Appropriation: None.

Fiscal Note: Requested on February 4, 2023.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill contains an emergency clause and takes effect immediately.