
SUBSTITUTE HOUSE BILL 1804

State of Washington

68th Legislature

2023 Regular Session

By House Appropriations (originally sponsored by Representative Steele)

READ FIRST TIME 02/24/23.

1 AN ACT Relating to eligibility for participation in the public
2 employees' benefits board for retired or disabled employees of
3 counties, municipalities, and other political subdivisions; amending
4 RCW 41.05.080; adding a new section to chapter 41.05; and declaring
5 an emergency.

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

7 **Sec. 1.** RCW 41.05.080 and 2018 c 260 s 15 are each amended to
8 read as follows:

9 (1) Under the qualifications, terms, conditions, and benefits set
10 by the public employees' benefits board:

11 (a) (i) Retired or disabled state employees, retired or disabled
12 school employees, retired or disabled employees of (~~county,~~
13 ~~municipal~~) counties, municipalities, or other political
14 subdivisions, or retired or disabled employees of tribal governments
15 covered by this chapter may continue their participation in insurance
16 plans and contracts after retirement or disablement.

17 (ii) The retired or disabled employees of a county, municipality,
18 or other political subdivision whose contractual agreement with the
19 authority terminates may continue their participation in insurance
20 plans and contracts after the contractual agreement is terminated.
21 The retired or disabled employees of a county, municipality, or other

1 political subdivision whose contractual agreement with the authority
2 terminates are not eligible for any subsidy provided under RCW
3 41.05.085;

4 (b) Separated employees may continue their participation in
5 insurance plans and contracts if participation is selected
6 immediately upon separation from employment;

7 (c) Surviving spouses, surviving state registered domestic
8 partners, and dependent children of emergency service personnel
9 killed in the line of duty may participate in insurance plans and
10 contracts.

11 (2) Rates charged surviving spouses and surviving state
12 registered domestic partners of emergency service personnel killed in
13 the line of duty, retired or disabled employees, separated employees,
14 spouses, or dependent children who are not eligible for parts A and B
15 of medicare shall be based on the experience of the community-rated
16 risk pool established under RCW 41.05.022.

17 (3) Rates charged to surviving spouses and surviving state
18 registered domestic partners of emergency service personnel killed in
19 the line of duty, retired or disabled employees, separated employees,
20 spouses, or children who are eligible for parts A and B of medicare
21 shall be calculated from a separate experience risk pool comprised
22 only of individuals eligible for parts A and B of medicare; however,
23 the premiums charged to medicare-eligible retirees and disabled
24 employees shall be reduced by the amount of the subsidy provided
25 under RCW 41.05.085, except as provided in subsection (1)(a)(ii) of
26 this section.

27 (4) Surviving spouses, surviving state registered domestic
28 partners, and dependent children of emergency service personnel
29 killed in the line of duty and retired or disabled and separated
30 employees shall be responsible for payment of premium rates developed
31 by the authority which shall include the cost to the authority of
32 providing insurance coverage including any amounts necessary for
33 reserves and administration in accordance with this chapter. These
34 self pay rates will be established based on a separate rate for the
35 employee, the spouse, state registered domestic partners, and the
36 children.

37 (5) The term "retired state employees" for the purpose of this
38 section shall include but not be limited to members of the
39 legislature whether voluntarily or involuntarily leaving state
40 office.

1 NEW SECTION. **Sec. 2.** A new section is added to chapter 41.05
2 RCW to read as follows:

3 (1) If a county, municipality, or other political subdivision
4 participating as part of the employer group terminates the
5 contractual participation in the insurance plans and contracts for
6 employees and retirees, that employer group participant must pay an
7 amount to the health care authority determined to be actuarially
8 equivalent to the present value of the cost of the employer's
9 retirees' continued participation in the community-rated risk pool
10 established in RCW 41.05.022(2).

11 (2) Any retired or disabled employee whose participation in
12 insurance plans or contracts under RCW 41.05.080(1)(a)(ii) ended due
13 to the termination of the contractual agreement between the authority
14 and a county, municipality, or other political subdivision on or
15 before January 1, 2023, must be allowed to return and participate in
16 insurance plans and contracts so long as the retired or disabled
17 employee notifies the health care authority in writing by December
18 31, 2023, after which participation will begin on the first day of
19 the month following the date the authority receives the retired or
20 disabled employee's written notice.

21 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
22 preservation of the public peace, health, or safety, or support of
23 the state government and its existing public institutions, and takes
24 effect immediately.

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