

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 1804

68th Legislature
2023 Regular Session

Passed by the House April 14, 2023
Yeas 96 Nays 0

**Speaker of the House of
Representatives**

Passed by the Senate April 10, 2023
Yeas 49 Nays 0

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1804** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 1804

AS AMENDED BY THE SENATE

Passed Legislature - 2023 Regular Session

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 new sections to chapter 41.05 RCW; and
5 declaring 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, or other political subdivisions, or retired or disabled~~
14 ~~employees of tribal governments))~~ employer groups covered by this
15 chapter may continue their participation in insurance plans and
16 contracts after retirement or disablement.

17 (ii) The retired or disabled employees of employer groups whose
18 contractual agreement with the authority terminates may continue
19 their participation in insurance plans and contracts after the
20 contractual agreement is terminated. The retired or disabled
21 employees of employer groups whose contractual agreement with the

1 authority terminates are not eligible for any subsidy provided under
2 RCW 41.05.085;

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

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

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

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

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

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

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

3 (1) Employer groups that enter into a contractual agreement with
4 the authority after the effective date of this section and whose
5 contractual agreement with the authority is subsequently terminated,
6 shall make a one-time payment as calculated in subsection (2) of this
7 section to the authority for each of the employer group's retired or
8 disabled employees who continue their participation in insurance
9 plans and contracts under RCW 41.05.080(1)(a)(ii).

10 (2) For each of the employer group's retired or disabled
11 employees who will be continuing their participation, the authority
12 shall determine the one-time payment amount by calculating the
13 difference in cost between the rate charged to retired or disabled
14 employees under RCW 41.05.080(2) and the actuarially determined value
15 of the medical benefits for retired and disabled employees who are
16 not eligible for parts A and B of medicare, and then multiplying that
17 difference by the number of months until the retired or disabled
18 employee would become eligible for medicare.

19 (3) Employer groups shall not be entitled to any refund of the
20 amount paid to the authority under this section.

21 NEW SECTION. **Sec. 3.** A new section is added to chapter 41.05
22 RCW to read as follows:

23 Any retired or disabled employee whose participation in insurance
24 plans or contracts under RCW 41.05.080(1)(a)(i) ended due to the
25 termination of the contractual agreement between the authority and an
26 employer group on or before January 1, 2023, must be allowed to
27 return and participate in insurance plans and contracts as described
28 in RCW 41.05.080(1)(a)(ii) so long as the retired or disabled
29 employee notifies the health care authority in writing by December
30 31, 2023, after which participation will begin on the first day of
31 the month following the date the authority receives the retired or
32 disabled employee's written notice.

33 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
34 preservation of the public peace, health, or safety, or support of
35 the state government and its existing public institutions, and takes
36 effect immediately.

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