

SENATE BILL REPORT

SB 5086

As of January 30, 2025

Title: An act relating to consolidating the public employees' benefits board and the school employees' benefits board.

Brief Description: Consolidating the public employees' benefits board and the school employees' benefits board.

Sponsors: Senators Robinson, Nobles and Wellman.

Brief History:

Committee Activity: Ways & Means: 1/30/25.

Brief Summary of Bill

- Consolidates the Public Employees Benefits Board Program and the School Employees Benefits Board programs into the newly created Washington Employees and Retirees Benefits Board.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Amanda Cecil (786-7460)

Background: The Health Care Authority (HCA) purchases and manages health care and other insurance benefits for eligible employees of state agencies, retirees, and their dependents through the Public Employees Benefits Board (PEBB) Program and for eligible employees of school district and charter schools through the School Employees Benefits Board (SEBB) Program.

In addition to state agencies, counties, municipalities, tribal governments, and political subdivisions can opt in to providing health care benefits for employees through the PEBB Program.

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.

As of May 2024, the PEBB and SEBB programs combined provide benefits to approximately 755,000 public employees, retirees, and their dependents for over 700 state agencies, higher education institutions, local government, school districts, charter schools, and educational service districts employers.

The PEBB and SEBB programs have similar benefit design and premiums but differ in eligibility criteria and rules. Both programs are required to provide medical, dental, vision insurance as well as life, liability, accidental death and dismemberment, and disability coverage. The PEBB program is also required to provide optional self-paid auto, homeowner or rental insurance. The SEBB program is authorized, but not required, to provide optional self-paid auto, homeowner or rental insurance, emergency transportation, identity protection, legal aid, pet insurance, fixed payment, and travel insurance.

The 2024 Legislature, directed HCA to study and report on the statutory and program changes required to consolidate the PEBB and SEBB Programs. The final study on consolidating the PEBB and SEBB Programs was submitted on December 1, 2024, and can be found on the Legislature's website under Reports to the Legislature.

Summary of Bill: The PEBB and SEBB programs are consolidated in to the newly created Washington Employees and Retirees Benefits Board (WERBB). The WERBB program would provide required medical to the combined existing PEBB and SEBB populations. The authority to provide optional self-paid benefits that are currently available to SEBB are available to WERBB.

PEBB and SEBB membership are combined and modified as shown in the table below.

<u>Current PEBB - (7 voting).</u>	<u>Current SEBB (9).</u>	<u>New WERBB (13).</u>
Director of HCA	Director of HCA	Director of HCA
Benefits management and cost containment	Health benefits policy and administration	Health benefits, policy and cost containment
Benefits management and cost containment	Health benefits policy and administration	Health benefits, policy and cost containment
Benefits management and cost containment	Health benefits policy and administration	Health benefits, policy and cost containment
Benefits management and cost containment (non-voting)	Health benefits policy and administration (association of school business officials)	Health benefits, policy and cost containment (association of school business officials)
--	--	Health benefits, policy and cost containment (Director of Dept. of Retirement Systems)
--	--	Health benefits, policy and

		administration (Director of State Human Resources)
State employees	--	State employees (union)
--	--	State employees (higher ed)
Retired state employees	--	Retired state employees
School district retirees	--	Retired school employees
--	Certificated employees	Certificated employees
--	Certificated employees	--
--	Classified employees	Classified employees
--	Classified employees	--

Appropriation: None.

Fiscal Note: Available.

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

Effective Date: Ninety days after adjournment of session in which bill is passed.