
HOUSE BILL 1643

State of Washington

52nd Legislature

1991 Regular Session

By Representatives Bowman, Fraser, Silver, Sheldon, Tate, Brumsickle and Winsley.

Read first time February 5, 1991. Referred to Committee on Health Care.

1 AN ACT Relating to retired state government employees' medical care
2 coverage; amending RCW 41.05.065; and creating a new section.

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

4 NEW SECTION. **Sec. 1.** The legislature finds that when state
5 employees purchase retired employees' medical care coverage through the
6 health care authority the coordination of benefits clause may deprive
7 them of benefits when their primary insurer is medicare. The
8 legislature further finds that a nonduplication of benefits provision
9 may mean that no benefits will be paid by the secondary insurer. It is
10 the legislature's intent that retired employees covered under medicare
11 are able to continue in the state insurance plan through individual
12 purchase and receive a true medicare supplement that will pay the
13 difference between the medicare benefits and the allowed charge, but
14 not exceed one hundred percent of the allowed charge.

1 **Sec. 2.** RCW 41.05.065 and 1988 c 107 s 8 are each amended to read
2 as follows:

3 (1) The board shall study all matters connected with the provision
4 of health care coverage, life insurance, liability insurance,
5 accidental death and dismemberment insurance, and disability income
6 insurance or any of, or a combination of, the enumerated types of
7 insurance for employees and their dependents on the best basis possible
8 with relation both to the welfare of the employees and to the state:
9 PROVIDED, That liability insurance shall not be made available to
10 dependents.

11 (2) The state employees' benefits board shall develop employee
12 benefit plans that include comprehensive health care benefits for all
13 employees. In developing these plans, the board shall consider the
14 following elements:

15 (a) Methods of maximizing cost containment while ensuring access to
16 quality health care;

17 (b) Development of provider arrangements that encourage cost
18 containment and ensure access to quality care, including but not
19 limited to prepaid delivery systems and prospective payment methods;

20 (c) Wellness incentives that focus on proven strategies, such as
21 smoking cessation, exercise, and automobile and motorcycle safety;

22 (d) Utilization review procedures including, but not limited to
23 prior authorization of services, hospital inpatient length of stay
24 review, requirements for use of outpatient surgeries and second
25 opinions for surgeries, review of invoices or claims submitted by
26 service providers, and performance audit of providers; and

27 (e) Effective coordination of benefits considering the differing
28 needs of employees and retirees insured under medicare and providing
29 for a medicare supplemental plan.

1 (3) The board shall design benefits and determine the terms and
2 conditions of employee participation and coverage, including
3 establishment of eligibility criteria.

4 (4) The board may authorize premium contributions for an employee
5 and the employee's dependents. Such authorization shall require a vote
6 of five members of the board for approval.

7 (5) Employees may choose participation in only one of the health
8 care benefit plans developed by the board.

9 (6) The board shall review plans proposed by insurance carriers
10 that desire to offer property insurance and/or accident and casualty
11 insurance to state employees through payroll deduction. The board may
12 approve any such plan for payroll deduction by carriers holding a valid
13 certificate of authority in the state of Washington and which the board
14 determines to be in the best interests of employees and the state. The
15 board shall promulgate rules setting forth criteria by which it shall
16 evaluate the plans.