

# HOUSE BILL REPORT

## HB 3249

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**As Passed House:**  
February 19, 2008

**Title:** An act relating to administering benefits under the public employees' benefits board.

**Brief Description:** Administering benefits under the public employees' benefits board.

**Sponsors:** By Representatives Cody, Fromhold and Hunt; by request of Health Care Authority.

**Brief History:**

**Committee Activity:**

Appropriations: 2/4/08, 2/5/08 [DP].

**Floor Activity:**

Passed House: 2/19/08, 95-0.

**Brief Summary of Bill**

- Specifies that the Health Care Authority will establish the appeals process by which eligibility for health and other benefits and other related determinations will be made, and adopt rules setting forth the eligibility criteria.
- Clarifies that the Public Employees' Benefits Board has the exclusive authority to determine the terms of coverage, including eligibility, for state employees participation in health and related benefit plans.

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### HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** Do pass. Signed by 32 members: Representatives Sommers, Chair; Dunshee, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Haler, Assistant Ranking Minority Member; Anderson, Chandler, Cody, Conway, Darneille, Ericks, Fromhold, Grant, Haigh, Hinkle, Hunt, Hunter, Kagi, Kenney, Kessler, Kretz, Linville, McDonald, McIntire, Morrell, Priest, Ross, Schmick, Schual-Berke, Seaquist, Sullivan and Walsh.

**Staff:** David Pringle (786-7310).

**Background:**

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

The Public Employees Benefits Board (PEBB) is an organization within the Health Care Authority (HCA) charged with developing benefits plans, forming benefits contracts, developing participation rules, and approving schedules of rates and premiums for active employee and retired participants. Among the types of benefit plans provided to employees and retirees through the PEBB program are health, dental, life, long-term disability and long-term care insurance.

The members of the PEBB vote to approve contracts and benefits for the PEBB program. There are nine members of the PEBB, seven of whom are voting members. All of the PEBB members are appointed by the Governor.

State agencies are required to fully cooperate with the HCA to allow the employee benefits offered by the PEBB to be administered effectively, and are required to report all data relating to employee eligibility to participate in a form determined by the HCA.

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**Summary of Bill:**

The HCA is specified as the agency that will adopt rules and establish the appeals process for determining the eligibility of state employees for the health and other benefit programs administered by the HCA. The HCA may delegate to employing agencies the task of determining individual employees' eligibility for benefits. The PEBB has the exclusive authority to determine the terms of coverage, including eligibility, for state employee participation in health and related benefit plans.

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**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect on January 1, 2009.

**Staff Summary of Public Testimony:**

We have come to the view, through experience with the lawsuits that have been litigated and are now underway, that some additional clarity on benefit eligibility processes and appeals is required. This is very similar to the language that is now in the Department of Retirement Systems laws relating to that agency's exclusive authority to determine eligibility for pension plans, and hear appeals relating to those benefits.

**Persons Testifying:** Steve Hill, Health Care Authority.

**Persons Signed In To Testify But Not Testifying:** None.