

# SENATE BILL REPORT

## SHB 2186

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As Reported By Senate Committee On:  
Health & Long-Term Care, February 23, 1996  
Ways & Means, February 26, 1996

**Title:** An act relating to long-term care benefits for public employees.

**Brief Description:** Establishing long-term care benefits for public employees.

**Sponsors:** House Committee on Health Care (originally sponsored by Representatives Dyer, Cody, Dickerson, L. Thomas, Quall, Carlson and Cooke).

**Brief History:**

**Committee Activity:** Health & Long-Term Care: 2/16/96, 2/23/96 [DPA-WM, DNP].  
Ways & Means: 2/26/96 [DPA (HEA)].

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### SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

**Majority Report:** Do pass as amended and be referred to Committee on Ways & Means.  
Signed by Senators Quigley, Chair; Wojahn, Vice Chair; Deccio, Franklin, Thibaudeau, Winsley and Wood.

**Minority Report:** Do not pass.  
Signed by Senator Fairley.

**Staff:** Rhoda Jones (786-7198)

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass as amended by Committee on Health & Long-Term Care.  
Signed by Senators Rinehart, Chair; Loveland, Vice Chair; Bauer, Drew, Fraser, Hargrove, Kohl, Long, Pelz, Quigley, Sheldon, Snyder, Spanel, Sutherland, West, Winsley and Wojahn.

**Staff:** Denise Graham (786-7454)

**Background:** The Public Employees' Benefits Board (PEBB) is authorized to design and approve insurance benefit plans for state and school district employees. They are required to develop employee benefit plans that include comprehensive health care benefits for all employees. These benefits could include different types of health care coverage, life insurance, liability insurance, accidental death, and dismemberment insurance, and disability income insurance, or some combination of these. Long-term care insurance is not included in the possible benefits options.

The PEBB makes decisions about comprehensive benefits plans for employees and their dependents based on criteria described in statute.

**Summary of Amended Bill:** The Public Employees' Benefits Board is directed to design and offer long-term care insurance plans for all eligible public employees and retired public employees and their families. Participation in these plans is optional. If retired or active employees choose long-term care coverage, they are required to pay the premiums in full. These may be in the form of a payroll deduction.

Public employees who are not otherwise enrolled in PEBB sponsored medical programs may be enrolled in the long-term care pool if such groups do not jeopardize the financial viability of the long-term care offering.

Individual eligibility in the long-term care insurance plan is not automatic. It is subject to reasonable underwriting guidelines and eligibility rules set by the PEBB.

The PEBB and the Health Care Authority (HCS) must set up an advisory board to advise on the benefit design, underwriting guidelines, eligibility rules, and marketing of the long-term care benefit. The composition is described.

The long-term care benefit may not be included in binding arbitration agreements.

The long-term care benefit may be offered through the PEBB or individual insurers/brokers. The HCA and PEBB establish marketing procedures used by long-term care insurers.

The PEBB must offer an alternative plan of care benefits including adult day services approved by the Office of the Insurance Commissioner.

The HCA must develop a program that educates the public on long-term care insurance and different plans that are available.

By December, 1998, the HCA and PEBB must submit a report to the Legislature analyzing the marketing and distribution of long-term care insurance provided under this bill.

**Amended Bill Compared to Substitute Bill:** The amended bill removes all references to collective bargaining, prohibits the long-term care benefits in this bill from being included in binding arbitration agreements, drops references to long-term care partnership programs and adds adult day services to the list of required plan offerings.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** This should be a voluntary program for public employees.

**Testimony Against:** None.

**Testified:** PRO: Scott Sigmon, WHCA; Jim Justin, AWC; Joanne Schwartz, City of Chehalis; Bill Vogler, WAC; Lorraine Wilson, WSSDA.