

SENATE BILL REPORT

ESB 6034

As Passed Senate, March 7, 1995

Title: An act relating to repeal of the health insurance participation mandate for individuals and employers.

Brief Description: Repealing the health insurance coverage mandate for individuals and employers.

Sponsors: Senators Quigley, Winsley, Gaspard, Wood, Deccio, Snyder, Rinehart, Sheldon, Spanel, Loveland, Bauer, Owen, Haugen, Heavey, Franklin, Kohl, Prentice, Fraser, Drew, Wojahn, Rasmussen, McAuliffe, Hargrove, Oke and Sutherland.

Brief History:

Committee Activity: Health & Long-Term Care: 2/28/95 [DP].
Passed Senate, 3/7/95, 37-12.

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: Do pass.

Signed by Senators Quigley, Chair; Wojahn, Vice Chair; C. Anderson, Fairley and Franklin.

Minority Report: Do not pass.

Signed by Senators Deccio, Moyer, Winsley and Wood.

Staff: Don Sloma (786-7319)

Background: Current law contains a requirement that all employers pay no less than 50 percent of the premium for the lowest priced uniform benefits package of health insurance for their employees and their dependents by July 1999. Under the terms of the mandate, employers of 500 or more full time employees must begin covering their employees in July 1995. Employers of 100 or more must begin in July 1996, and all employers must comply by July 1997. In each case, dependents must be covered in the year after employees are covered, except in the case of employers of less than 100. They have until July 1999 to cover dependents.

The mandate is widely believed to violate an existing federal law that preempts states from regulating any matter related to employer provider benefits. The federal law is the Employee Retirement Income Security Act (ERISA).

Current law requires the Governor to seek changes in federal law (ERISA) to implement the employer mandate. Despite consistent effort by the Governor to receive such changes, Congress has not acted.

Current law also contains a requirement that by July 1999 all state residents be enrolled in a certified health plan that offers at least a uniform benefits package of health insurance.

Summary of Bill: The series of provisions in current law that phases in the employer mandate to pay no less than 50 percent of the premium for the lowest priced uniform benefits package of health insurance for all employees and their dependents by July 1999 is repealed.

The requirement that by July 1999 all state residents be enrolled in a certified health plan that offers at least the uniform benefits package of health insurance is repealed.

Direction to the Governor to seek necessary changes to federal law (ERISA) to allow implementation of the Health Services Act is removed from state law.

Appropriation: None.

Fiscal Note: Requested on February 27, 1995.

Effective Date: The bill contains an emergency clause and takes effect July 1, 1995.

Testimony For: None.

Testimony Against: None.

Testified: No one.