
ENGROSSED SUBSTITUTE SENATE BILL 5940

State of Washington 62nd Legislature 2012 2nd Special Session

By Senate Ways & Means (originally sponsored by Senators Hobbs, Ericksen, Keiser, Tom, Kastama, and Zarelli)

READ FIRST TIME 04/06/12.

1 AN ACT Relating to public school employees' insurance benefits;
2 amending RCW 28A.400.280, 28A.400.350, 28A.400.275, and 42.56.400;
3 adding a new section to chapter 48.02 RCW; adding a new section to
4 chapter 41.05 RCW; adding a new section to chapter 44.28 RCW; adding a
5 new section to chapter 48.62 RCW; and creating a new section.

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

7 NEW SECTION. **Sec. 1.** (1) The legislature finds that:

8 (a) Each year, nearly one billion dollars in public funds are spent
9 on the purchase of employee insurance benefits for more than two
10 hundred thousand public school employees and their dependents;

11 (b) The legislature and school districts and their employees need
12 better information to improve current practices and inform future
13 decisions with regard to health insurance benefits;

14 (c) Recent work by the state auditor's office and the state health
15 care authority have advanced discussions throughout the state on
16 opportunities to improve the current system; and

17 (d) Two major themes have emerged: (i) The state, school
18 districts, and employees need better information and data to make
19 better health insurance purchasing decisions within the K-12 system;

1 (ii) affordability is a significant concern for all employees,
2 especially for employees seeking full family insurance coverage and for
3 the lowest-paid and part-time employees.

4 (2) The legislature establishes the following goals:

5 (a) Improve the transparency of health benefit plan claims and
6 financial data to assure prudent and efficient use of taxpayers' funds
7 at the state and local levels;

8 (b) Create greater affordability for full family coverage and
9 greater equity between premium costs for full family coverage and for
10 employee only coverage for the same health benefit plan;

11 (c) Promote health care innovations and cost savings, and
12 significantly reduce administrative costs; and

13 (d) Provide greater parity in state allocations for state employee
14 and K-12 employee health benefits.

15 (3) The legislature intends to retain current collective bargaining
16 for benefits, and retain state, school district, and employee
17 contributions to benefits.

18 **Sec. 2.** RCW 28A.400.280 and 2011 c 269 s 1 are each amended to
19 read as follows:

20 (1) Except as provided in subsection (2) of this section, school
21 districts may provide employer fringe benefit contributions after
22 October 1, 1990, only for basic benefits. However, school districts
23 may continue payments under contracts with employees or benefit
24 providers in effect on April 13, 1990, until the contract expires.

25 (2) School districts may provide employer contributions after
26 October 1, 1990, for optional benefit plans, in addition to basic
27 benefits, only for employees included in pooling arrangements under
28 this subsection. Optional benefits may include direct agreements as
29 defined in chapter 48.150 RCW, but may not include employee beneficiary
30 accounts that can be liquidated by the employee on termination of
31 employment. Optional benefit plans may be offered only if:

32 (a) The school district pools benefit allocations among employees
33 using a pooling arrangement that includes at least one employee
34 bargaining unit and/or all nonbargaining group employees;

35 (b) Each full-time employee included in the pooling arrangement is
36 offered basic benefits, including coverage for dependents(~~(, without a~~
37 ~~payroll deduction for premium charges))~~);

1 (c) Each employee included in the pooling arrangement who elects
2 medical benefit coverage pays a minimum premium charge subject to
3 collective bargaining under chapter 41.59 or 41.56 RCW;

4 (d) The employee premiums are structured to ensure employees
5 selecting richer benefit plans pay the higher premium;

6 (e) Each full-time employee included in the pooling arrangement,
7 regardless of the number of dependents receiving basic coverage,
8 receives the same additional employer contribution for other coverage
9 or optional benefits; and

10 ~~((d))~~ (f) For part-time employees included in the pooling
11 arrangement, participation in optional benefit plans shall be governed
12 by the same eligibility criteria and/or proration of employer
13 contributions used for allocations for basic benefits.

14 (3) Savings accruing to school districts due to limitations on
15 benefit options under this section shall be pooled and made available
16 by the districts to reduce out-of-pocket premium expenses for employees
17 needing basic coverage for dependents. School districts are not
18 intended to divert state benefit allocations for other purposes.

19 **Sec. 3.** RCW 28A.400.350 and 2011 c 269 s 2 are each amended to
20 read as follows:

21 (1) The board of directors of any of the state's school districts
22 or educational service districts may make available liability, life,
23 health, health care, accident, disability, and salary protection or
24 insurance, direct agreements as defined in chapter 48.150 RCW, or any
25 one of, or a combination of the types of employee benefits enumerated
26 in this subsection, or any other type of insurance or protection, for
27 the members of the boards of directors, the students, and employees of
28 the school district or educational service district, and their
29 dependents. Such coverage may be provided by contracts or agreements
30 with private carriers, with the state health care authority after July
31 1, 1990, pursuant to the approval of the authority administrator, or
32 through self-insurance or self-funding pursuant to chapter 48.62 RCW,
33 or in any other manner authorized by law. Any direct agreement must
34 comply with RCW 48.150.050.

35 (2) Whenever funds are available for these purposes the board of
36 directors of the school district or educational service district may
37 contribute all or a part of the cost of such protection or insurance

1 for the employees of their respective school districts or educational
2 service districts and their dependents. The premiums on such liability
3 insurance shall be borne by the school district or educational service
4 district.

5 After October 1, 1990, school districts may not contribute to any
6 employee protection or insurance other than liability insurance unless
7 the district's employee benefit plan conforms to RCW 28A.400.275 and
8 28A.400.280.

9 (3) For school board members, educational service district board
10 members, and students, the premiums due on such protection or insurance
11 shall be borne by the assenting school board member, educational
12 service district board member, or student. The school district or
13 educational service district may contribute all or part of the costs,
14 including the premiums, of life, health, health care, accident or
15 disability insurance which shall be offered to all students
16 participating in interschool activities on the behalf of or as
17 representative of their school, school district, or educational service
18 district. The school district board of directors and the educational
19 service district board may require any student participating in
20 extracurricular interschool activities to, as a condition of
21 participation, document evidence of insurance or purchase insurance
22 that will provide adequate coverage, as determined by the school
23 district board of directors or the educational service district board,
24 for medical expenses incurred as a result of injury sustained while
25 participating in the extracurricular activity. In establishing such a
26 requirement, the district shall adopt regulations for waiving or
27 reducing the premiums of such coverage as may be offered through the
28 school district or educational service district to students
29 participating in extracurricular activities, for those students whose
30 families, by reason of their low income, would have difficulty paying
31 the entire amount of such insurance premiums. The district board shall
32 adopt regulations for waiving or reducing the insurance coverage
33 requirements for low-income students in order to assure such students
34 are not prohibited from participating in extracurricular interschool
35 activities.

36 (4) All contracts or agreements for insurance or protection written
37 to take advantage of the provisions of this section shall provide that

1 the beneficiaries of such contracts may utilize on an equal
2 participation basis the services of those practitioners licensed
3 pursuant to chapters 18.22, 18.25, 18.53, 18.57, and 18.71 RCW.

4 (5) School districts offering medical, vision, and dental benefits
5 shall:

6 (a) Offer a high deductible health plan option with a health
7 savings account that conforms to section 223, part VII of subchapter 1
8 of the internal revenue code of 1986. School districts shall comply
9 with all applicable federal standards related to the establishment of
10 health savings accounts;

11 (b) Make progress toward employee premiums that are established to
12 ensure that full family coverage premiums are not more than three times
13 the premiums for employees purchasing single coverage for the same
14 coverage plan, unless a subsequent premium differential target is
15 defined as a result of the review and subsequent actions described in
16 section 6 of this act;

17 (c) Offer employees at least one health benefit plan that is not a
18 high deductible health plan offered in conjunction with a health
19 savings account in which the employee share of the premium cost for a
20 full-time employee, regardless of whether the employee chooses
21 employee-only coverage or coverage that includes dependents, does not
22 exceed the share of premium cost paid by state employees during the
23 state employee benefits year that started immediately prior to the
24 school year.

25 (6) All contracts or agreements for employee benefits must be held
26 to responsible contracting standards, meaning a fair, prudent, and
27 accountable competitive procedure for procuring services that includes
28 an open competitive process, except where an open process would
29 compromise cost-effective purchasing, with documentation justifying the
30 approach.

31 (7) School districts offering medical, vision, and dental benefits
32 shall also make progress on promoting health care innovations and cost
33 savings and significantly reduce administrative costs.

34 (8) All contracts or agreements for insurance or protection
35 described in this section shall be in compliance with this act.

36 (9) Upon notification from the office of the insurance commissioner
37 of a school district's substantial noncompliance with the data
38 reporting requirements of RCW 28A.400.275, and the failure is due to

1 the action or inaction of the school district, and if the noncompliance
2 has occurred for two reporting periods, the superintendent is
3 authorized and required to limit the school district's authority
4 provided in subsection (1) of this section regarding employee health
5 benefits to the provision of health benefit coverage provided by the
6 state health care authority.

7 **Sec. 4.** RCW 28A.400.275 and 1990 1st ex.s. c 11 s 5 are each
8 amended to read as follows:

9 (1) Any contract or agreement for employee benefits executed after
10 April 13, 1990, between a school district and a benefit provider or
11 employee bargaining unit is null and void unless it contains an
12 agreement to abide by state laws relating to school district employee
13 benefits. The term of the contract or agreement may not exceed one
14 year.

15 (2) School districts and their benefit providers shall annually
16 submit, by a date determined by the office of the insurance
17 commissioner, the following information and data for the prior calendar
18 year to the ((Washington state health care authority a summary
19 descriptions of all benefits offered under the district's employee
20 benefit plan. The districts shall also submit data to the health care
21 authority specifying the total number of employees and, for each
22 employee, types of coverage or benefits received including numbers of
23 covered dependents, the number of eligible dependents, the amount of
24 the district's contribution, additional premium costs paid by the
25 employee through payroll deductions, and the age and sex of the
26 employee and each dependent.)) office of the insurance commissioner:

27 (a) Progress by the district and its benefit providers toward
28 greater affordability for full family coverage, health care cost
29 savings, and significantly reduced administrative costs;

30 (b) Compliance with the requirement to provide a high deductible
31 health plan option with a health savings account;

32 (c) An overall plan summary including the following:

33 (i) The financial plan structure and overall performance of each
34 health plan including:

35 (A) Total premium expenses;

36 (B) Total claims expenses;

37 (C) Claims reserves; and

1 (D) Plan administration expenses, including compensation paid to
2 brokers;

3 (ii) A description of the plan's use of innovative health plan
4 features designed to reduce health benefit premium growth and reduce
5 utilization of unnecessary health services including but not limited to
6 the use of enrollee health assessments or health coach services, care
7 management for high cost or high-risk enrollees, medical or health home
8 payment mechanisms, and plan features designed to create incentives for
9 improved personal health behaviors;

10 (iii) Data to provide an understanding of employee health benefit
11 plan coverage and costs, including: The total number of employees and,
12 for each employee, the employee's full-time equivalent status, types of
13 coverage or benefits received including numbers of covered dependents,
14 the number of eligible dependents, the amount of the district's
15 contribution to premium, additional premium costs paid by the employee
16 through payroll deductions, and the age and sex of the employee and
17 each dependent;

18 (iv) Data necessary for school districts to more effectively and
19 competitively manage and procure health insurance plans for employees.
20 The data must include, but not be limited to, the following:

21 (A) A summary of the benefit packages offered to each group of
22 district employees, including covered benefits, employee deductibles,
23 coinsurance, and copayments, and the number of employees and their
24 dependents in each benefit package;

25 (B) Aggregated employee and dependent demographic information,
26 including age band and gender, by insurance tier and by benefit
27 package;

28 (C) Total claim payments by benefit package, including premiums
29 paid, inpatient facility claims paid, outpatient facility claims paid,
30 physician claims paid, pharmacy claims paid, capitation amounts paid,
31 and other claims paid;

32 (D) Total premiums paid by benefit package;

33 (E) A listing of large claims defined as annual amounts paid in
34 excess of one hundred thousand dollars including the amount paid, the
35 member enrollment status, and the primary diagnosis.

36 (3) Annually, school districts and their benefit providers shall
37 jointly report to the office of the insurance commissioner on their
38 health insurance-related efforts and achievements to:

- 1 (a) Significantly reduce administrative costs for school districts;
2 (b) Improve customer service;
3 (c) Reduce differential plan premium rates between employee only
4 and family health benefit premiums;
5 (d) Protect access to coverage for part-time K-12 employees.

6 (4) The ((plan descriptions and the)) information and data shall be
7 submitted in a format and according to a schedule established by the
8 ((health care authority)) office of the insurance commissioner under
9 section 5 of this act to enable the commissioner to meet the reporting
10 obligations under that section.

11 ((+3)) (5) Any benefit provider offering a benefit plan by
12 contract or agreement with a school district under subsection (1) of
13 this section shall ((agree to)) make available to the school district
14 the benefit plan descriptions and, where available, the demographic
15 information on plan subscribers that the district ((is)) and benefit
16 provider are required to report to the ((Washington state health care
17 authority)) office of the insurance commissioner under this section.

18 ((+4)) (6) This section shall not apply to benefit plans offered
19 in the 1989-90 school year.

20 NEW SECTION. Sec. 5. A new section is added to chapter 48.02 RCW
21 to read as follows:

22 (1) For purposes of this section, "benefit provider" has the same
23 meaning as provided in RCW 28A.400.270.

24 (2)(a) By December 1, 2013, and December 1st of each year
25 thereafter, the commissioner shall submit a report to the governor, the
26 health care authority, and the legislature on school district health
27 insurance benefits. The report shall be available to the public on the
28 commissioner's web site. The confidentiality of personally
29 identifiable district employee data shall be safeguarded consistent
30 with the provisions of RCW 42.56.400(21).

31 (b) The report shall include a summary of each school district's
32 health insurance benefit plans and each district's aggregated financial
33 data and other information as required in RCW 28A.400.275.

34 (3) The commissioner shall collect data from school districts or
35 their benefit providers to fulfill the requirements of this section.
36 The commissioner may adopt rules necessary to implement the data
37 submission requirements under this section and RCW 28A.400.275,

1 including, but not limited to, the format, timing of data reporting,
2 data elements, data standards, instructions, definitions, and data
3 sources.

4 (4) In fulfilling the duties under this act, the commissioner shall
5 consult with school district representatives to ensure that the data
6 and reports from benefit providers will give individual school
7 districts sufficient information to enhance districts' ability to
8 understand, manage, and seek competitive alternatives for health
9 insurance coverage for their employees.

10 (5) If the commissioner determines that a school district has not
11 substantially complied with the reporting requirements of RCW
12 28A.400.275, and the failure is due to the action or inaction of the
13 school district, the commissioner will inform the superintendent of
14 public instruction of the noncompliance.

15 (6) Data, information, and documents, other than those described in
16 subsection (2) of this section, that are provided by a school district
17 or an entity providing coverage pursuant to this section are exempt
18 from public inspection and copying under this act and chapters 42.17A
19 and 42.56 RCW.

20 (7) If a school district or benefit provider does not comply with
21 the data reporting requirements of this section or RCW 28A.400.275, and
22 the failure is due to the actions of an entity providing coverage
23 authorized under Title 48 RCW, the commissioner may take enforcement
24 actions under this chapter.

25 (8) The commissioner may enter into one or more personal services
26 contracts with third-party contractors to provide services necessary to
27 accomplish the commissioner's responsibilities under this act.

28 NEW SECTION. **Sec. 6.** A new section is added to chapter 41.05 RCW
29 to read as follows:

30 By June 1, 2015, the health care authority must report to the
31 governor, legislature, and joint legislative audit and review committee
32 the following duties and analyses, based on two years of reports on
33 school district health benefits submitted to it by the office of the
34 insurance commissioner:

35 (1) The director shall establish a specific target to realize the
36 goal of greater equity between premium costs for full family coverage
37 and employee only coverage for the same health benefit plan. In

1 developing this target, the director shall consider the appropriateness
2 of the three-to-one ratio of employee premium costs between full family
3 coverage and employee only coverage, and consider alternatives based on
4 the data and information received from the office of the insurance
5 commissioner.

6 (2) The director shall also study and report the advantages and
7 disadvantages to the state, local school districts, and district
8 employees:

9 (a) Whether better progress on the legislative goals could be
10 achieved through consolidation of school district health insurance
11 purchasing through a single consolidated school employee health
12 benefits purchasing plan;

13 (b) Whether better progress on the legislative goals could be
14 achieved by consolidating K-12 health insurance purchasing through the
15 public employees' benefits board program, and whether consolidation
16 into the public employees' benefits board program would be preferable
17 to the creation of a consolidated school employee health benefits
18 purchasing plan;

19 (c) Whether certificated or classified employees, as separate
20 groups, would be better served by purchasing health insurance through
21 a single consolidated school employee health benefits purchasing plan
22 or through participation in the public employees' benefits board
23 program; and

24 (d) Analyses shall include implications of taking any of the
25 actions described in (a) through (c) of this subsection to include, at
26 a minimum, the following: The costs for the state and school
27 employees, impacts for existing purchasing programs, a proposed
28 timeline for the implementation of any recommended actions.

29 NEW SECTION. **Sec. 7.** A new section is added to chapter 44.28 RCW
30 to read as follows:

31 (1) By December 31, 2015, the joint committee must review the
32 reports on school district health benefits submitted to it by the
33 office of the insurance commissioner and the health care authority and
34 report to the legislature on the progress by school districts and their
35 benefit providers in meeting the following legislative goals to:

36 (a) Improve the transparency of health benefit plan claims and

1 financial data to assure prudent and efficient use of taxpayers' funds
2 at the state and local levels;

3 (b) Create greater affordability for full family coverage and
4 greater equity between premium costs for full family coverage and
5 employee only coverage for the same health benefit plan;

6 (c) Promote health care innovations and cost savings and
7 significantly reduce administrative costs.

8 (2) The joint committee shall also make a recommendation regarding
9 a specific target to realize the goal in subsection (1)(b) of this
10 section.

11 (3) The joint committee shall report on the status of individual
12 school districts' progress in achieving the goals in subsection (1) of
13 this section.

14 (4)(a) In the 2015-2016 school year, the joint committee shall
15 determine which school districts have met the requirements of RCW
16 28A.400.350 (5) and (6), and shall rank order these districts from
17 highest to lowest in term of their performance in meeting the
18 requirements.

19 (b) The joint committee shall then allocate performance grants to
20 the highest performing districts from a performance fund of five
21 million dollars appropriated by the legislature for this purpose.
22 Performance grants shall be used by school districts only to reduce
23 employee health insurance copayments and deductibles. In determining
24 the number of school districts to receive awards, the joint committee
25 must consider the impact of the award on district employee copayments
26 and deductibles in such a manner that the award amounts have a
27 meaningful impact.

28 (5) If the joint committee determines that districts and their
29 benefit providers have not made adequate progress, in the judgment of
30 the joint committee, in achieving one or more of the legislative goals
31 in subsection (1) of this section, the joint committee report to the
32 legislature must contain advantages, disadvantages, and recommendations
33 on the following:

34 (a) Why adequate progress has not been made, to the extent the
35 joint committee is able to determine the reason or reasons for the
36 insufficient progress;

37 (b) What legislative or agency actions would help remove barriers
38 to improvement;

1 (c) Whether school district health insurance purchasing should be
2 accomplished through a single consolidated school employee health
3 benefits purchasing plan;

4 (d) Whether school district health insurance purchasing should be
5 accomplished through the public employees' benefits board program, and
6 whether consolidation into the public employees' benefits board program
7 would be preferable to the creation of a consolidated school employee
8 health benefits purchasing plan; and

9 (e) Whether certificated or classified employees, as separate
10 groups, would be better served by purchasing health insurance through
11 a single consolidated school employee health benefits purchasing plan
12 or through participation in the public employees' benefits board
13 program.

14 (6) The report shall contain any legislation necessary to implement
15 the recommendations of the joint committee.

16 (7) The legislature shall take all steps necessary to implement the
17 recommendations of the joint committee unless the legislature adopts
18 alternative strategies to meet its goals during the 2016 session.

19 **Sec. 8.** RCW 42.56.400 and 2012 c 222 s 2 are each amended to read
20 as follows:

21 The following information relating to insurance and financial
22 institutions is exempt from disclosure under this chapter:

23 (1) Records maintained by the board of industrial insurance appeals
24 that are related to appeals of crime victims' compensation claims filed
25 with the board under RCW 7.68.110;

26 (2) Information obtained and exempted or withheld from public
27 inspection by the health care authority under RCW 41.05.026, whether
28 retained by the authority, transferred to another state purchased
29 health care program by the authority, or transferred by the authority
30 to a technical review committee created to facilitate the development,
31 acquisition, or implementation of state purchased health care under
32 chapter 41.05 RCW;

33 (3) The names and individual identification data of either all
34 owners or all insureds, or both, received by the insurance commissioner
35 under chapter 48.102 RCW;

36 (4) Information provided under RCW 48.30A.045 through 48.30A.060;

1 (5) Information provided under RCW 48.05.510 through 48.05.535,
2 48.43.200 through 48.43.225, 48.44.530 through 48.44.555, and 48.46.600
3 through 48.46.625;

4 (6) Examination reports and information obtained by the department
5 of financial institutions from banks under RCW 30.04.075, from savings
6 banks under RCW 32.04.220, from savings and loan associations under RCW
7 33.04.110, from credit unions under RCW 31.12.565, from check cashers
8 and sellers under RCW 31.45.030(3), and from securities brokers and
9 investment advisers under RCW 21.20.100, all of which is confidential
10 and privileged information;

11 (7) Information provided to the insurance commissioner under RCW
12 48.110.040(3);

13 (8) Documents, materials, or information obtained by the insurance
14 commissioner under RCW 48.02.065, all of which are confidential and
15 privileged;

16 (9) Confidential proprietary and trade secret information provided
17 to the commissioner under RCW 48.31C.020 through 48.31C.050 and
18 48.31C.070;

19 (10) Data filed under RCW 48.140.020, 48.140.030, 48.140.050, and
20 7.70.140 that, alone or in combination with any other data, may reveal
21 the identity of a claimant, health care provider, health care facility,
22 insuring entity, or self-insurer involved in a particular claim or a
23 collection of claims. For the purposes of this subsection:

24 (a) "Claimant" has the same meaning as in RCW 48.140.010(2).

25 (b) "Health care facility" has the same meaning as in RCW
26 48.140.010(6).

27 (c) "Health care provider" has the same meaning as in RCW
28 48.140.010(7).

29 (d) "Insuring entity" has the same meaning as in RCW 48.140.010(8).

30 (e) "Self-insurer" has the same meaning as in RCW 48.140.010(11);

31 (11) Documents, materials, or information obtained by the insurance
32 commissioner under RCW 48.135.060;

33 (12) Documents, materials, or information obtained by the insurance
34 commissioner under RCW 48.37.060;

35 (13) Confidential and privileged documents obtained or produced by
36 the insurance commissioner and identified in RCW 48.37.080;

37 (14) Documents, materials, or information obtained by the insurance
38 commissioner under RCW 48.37.140;

1 (15) Documents, materials, or information obtained by the insurance
2 commissioner under RCW 48.17.595;

3 (16) Documents, materials, or information obtained by the insurance
4 commissioner under RCW 48.102.051(1) and 48.102.140 (3) and (7)(a)(ii);

5 (17) Documents, materials, or information obtained by the insurance
6 commissioner in the commissioner's capacity as receiver under RCW
7 48.31.025 and 48.99.017, which are records under the jurisdiction and
8 control of the receivership court. The commissioner is not required to
9 search for, log, produce, or otherwise comply with the public records
10 act for any records that the commissioner obtains under chapters 48.31
11 and 48.99 RCW in the commissioner's capacity as a receiver, except as
12 directed by the receivership court;

13 (18) Documents, materials, or information obtained by the insurance
14 commissioner under RCW 48.13.151;

15 (19) Data, information, and documents provided by a carrier
16 pursuant to section 1, chapter 172, Laws of 2010; (~~and~~)

17 (20) Information in a filing of usage-based insurance about the
18 usage-based component of the rate pursuant to RCW 48.19.040(5)(b); and

19 (21) Data, information, and documents, other than those described
20 in section 5(2) of this act, that are submitted to the office of the
21 insurance commissioner by an entity providing health care coverage
22 pursuant to RCW 28A.400.275 and section 5 of this act.

23 NEW SECTION. Sec. 9. A new section is added to chapter 48.62 RCW
24 to read as follows:

25 If an individual or joint local government self-insured health and
26 welfare benefits program formed by a school district or educational
27 service district does not comply with the data reporting requirements
28 of RCW 28A.400.275 and section 5 of this act, the self-insured health
29 and welfare benefits program is no longer authorized to operate in the
30 state. The state risk manager shall notify the state auditor and the
31 attorney general of the violation and the attorney general, on behalf
32 of the state risk manager, must take all necessary action to terminate
33 the operation of the self-insured health and welfare benefits program.

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