

SENATE BILL REPORT

HB 1220

As Reported by Senate Committee On:
State Government, Tribal Relations & Elections, March 29, 2019

Title: An act relating to adding a nonvoting representative from the office of the insurance commissioner to the public employees' benefits board.

Brief Description: Adding a nonvoting representative from the office of the insurance commissioner to the public employees' benefits board.

Sponsors: Representatives Dolan, Volz, Cody, Ormsby, Stanford, Appleton and Tharinger.

Brief History: Passed House: 3/07/19, 96-1.

Committee Activity: State Government, Tribal Relations & Elections: 3/27/19, 3/29/19 [DP].

Brief Summary of Bill

- Adds the insurance commissioner or the commissioner's designee as a non-voting member of the Public Employees' Benefits Board.

SENATE COMMITTEE ON STATE GOVERNMENT, TRIBAL RELATIONS & ELECTIONS

Majority Report: Do pass.

Signed by Senators Hunt, Chair; Kuderer, Vice Chair; Zeiger, Ranking Member; Hasegawa and Takko.

Staff: Melissa Van Gorkom (786-7491)

Background: 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 employees 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 PEBB vote to approve contracts and benefits for the PEBB program.

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 PEBB currently has nine members appointed by the Governor:

- two representatives of state employees, one representing an employee union, and one representing an organized group of retired public employees;
- two representatives of school district employees, one representing an organized group of retired school employees; and one nonvoting member representing an association of school employees;
- four members with experience in health benefit management and cost containment, one of whom is nonvoting; and
- the director of the HCA, who serves as chair of the PEBB.

After December 31, 2019, the number of PEBB members is reduced to eight, seven of whom are voting members, when the representative of an association of school employees' term expires.

Summary of Bill: Effective December 31, 2019, the insurance commissioner or the commissioner's designee is added as a non-voting member of PEBB. This maintains the number of PEBB members at nine, seven of whom are voting members.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill takes effect on December 31, 2019.

Staff Summary of Public Testimony: PRO: This bill adds the insurance commission on PEBB as a nonvoting member, and is a great idea. We are concerned about increasing health care costs to retired members of the PEBB. Information is very valuable and we believe the Office of the Insurance Commissioner (OIC) can provide valuable information for decision making of the PEBB. Given the increasing uncertainty of the existing health care policy at the federal level and the growing complexity faced by plan providers, the OIC can lend their expertise to PEBB to ensure affordable coverage for retired employees.

Persons Testifying: PRO: Representative Laurie Dolan, Prime Sponsor; Denny Johnston, Retired Public Employees Council; Emily Murphy, Retired Public Employees Council.

Persons Signed In To Testify But Not Testifying: No one.