

2 SHB 1721 - S COMM AMD

3 By Committee on Health & Human Services

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5 Strike everything after the enacting clause and insert the
6 following:

7 "Sec. 1. RCW 48.62.121 and 1991 sp.s. c 30 s 12 are each amended
8 to read as follows:

9 (1) No employee or official of a local government entity may
10 directly or indirectly receive anything of value for services rendered
11 in connection with the operation and management of a self-insurance
12 program other than the salary and benefits provided by his or her
13 employer or the reimbursement of expenses reasonably incurred in
14 furtherance of the operation or management of the program. No employee
15 or official of a local government entity may accept or solicit anything
16 of value for personal benefit or for the benefit of others under
17 circumstances in which it can be reasonably inferred that the
18 employee's or official's independence of judgment is impaired with
19 respect to the management and operation of the program.

20 (2)(a) No local government entity may participate in a joint self-
21 insurance program in which local government entities do not retain
22 complete governing control. This prohibition does not apply to:

23 (i) Local government contribution to a self-insured employee health
24 and welfare benefits plan otherwise authorized and governed by state
25 statute ((not to));

26 (ii) Local government participation in a multistate joint program
27 where control is shared with local government entities from other
28 states; or

29 (iii) Local government contribution to a self-insured employee
30 health and welfare benefit trust in which the local government shares
31 governing control with their employees.

32 (b) If a local government self-insured health and welfare benefit
33 program, established by the local government as a trust, shares
34 governing control of the trust with its employees:

35 (i) The local government must maintain at least a fifty percent
36 voting control of the trust;

1 (ii) No more than one voting, nonemployee, union representative
2 selected by employees may serve as a trustee; and

3 (iii) The trust agreement must contain provisions for resolution of
4 any deadlock in the administration of the trust.

5 (3) Moneys made available and moneys expended by school districts
6 and educational service districts for self-insurance under this chapter
7 are subject to such rules of the superintendent of public instruction
8 as the superintendent may adopt governing budgeting and accounting.
9 However, the superintendent shall ensure that the rules are consistent
10 with those adopted by the state risk manager for the management and
11 operation of self-insurance programs.

12 (4) RCW 48.30.140, 48.30.150, 48.30.155, and 48.30.157 apply to the
13 use of agents and brokers by local government self-insurance programs.

14 (5) Every individual and joint local government self-insured health
15 and welfare benefits program that provides comprehensive coverage for
16 health care services shall include mandated benefits that the state
17 health care authority is required to provide under RCW 41.05.170 and
18 41.05.180. The state risk manager may adopt rules identifying the
19 mandated benefits.

20 (6) An employee health and welfare benefit program established as
21 a trust shall contain a provision that trust funds be expended only for
22 purposes of the trust consistent with statutes and rules governing the
23 local government or governments creating the trust.

24 NEW SECTION. Sec. 2. A new section is added to chapter 48.62 RCW
25 to read as follows:

26 No local government self-insured employee health and welfare
27 benefit program established as a trust by a local government entity or
28 entities prior to the effective date of this act may continue in
29 operation unless such program complies with the provisions of this
30 chapter within one hundred eighty days after the effective date of this
31 act. The state risk manager may extend such period if the risk manager
32 finds that such local government entity or entities are making a good
33 faith effort and taking all necessary steps to comply with this
34 chapter; however, in no event may the risk manager extend the period
35 required for compliance more than ninety days after the expiration of
36 the initial one hundred eighty-day period.

1 NEW SECTION. **Sec. 3.** If Engrossed Second Substitute Senate Bill
2 No. 5304 is enacted into law, the provisions of chapter 48.62 RCW shall
3 be reviewed to evaluate the extent to which health care trusts provide
4 benefits to certain individuals in the state; and to review the federal
5 laws that may constrain the organization or operation of these joint
6 employee-employer entities. The health services commission shall make
7 appropriate recommendations to the governor and the legislature as to
8 how these trusts can be brought under the provisions of Engrossed
9 Second Substitute Senate Bill No. 5304."

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13 On page 1, line 2 of the title, after "trusts;" strike the
14 remainder of the title and insert "amending RCW 48.62.121; adding a new
15 section to chapter 48.62 RCW; and creating a new section."

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