

SENATE BILL REPORT

SB 5385

As of February 27, 1995

Title: An act relating to health care authority contracts with school districts.

Brief Description: Changing health care authority scope regarding K-12 insurance.

Sponsors: Senators Quigley, Franklin, C. Anderson and Wojahn; by request of Health Care Authority.

Brief History:

Committee Activity: Health & Long-Term Care: 2/3/95.

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Staff: Don Sloma (786-7319)

Background: Current practice is that the Legislature appropriates funds for fringe benefits to the Superintendent of Public Instruction for distribution to the state's school districts and educational service districts. Districts may purchase health, disability, life and other insurance from any source at their discretion.

Under current law, the Health Care Authority (HCA) is designated as state government's consolidated health care purchasing agent. Beginning in October 1995, health, disability, life, accident, disability income and other insurance coverage for school district and educational service employees may only be provided by contracts with the HCA.

The change in purchasing arrangements was included in the Health Services Act of 1993 as a way of helping to contain health care costs and of ensuring that all district employees and their families received coverage that met state standards.

Some districts and district employees object to the change, claiming that their health and other insurance benefits will be adversely affected.

By this agency request legislation, the HCA is requesting that the date of the merger be moved to accommodate the calendar year and the expiration dates of existing contracts.

Summary of Bill: The date for the merger of school district and educational service district health benefits purchasing into the HCA is moved from October 1995 to January 1996. The requirement that HCA be the sole purchaser for district accidental death and dismemberment, disability, life, dental, liability, and disability income insurance is removed from current law.

Until the HCA begins purchasing health insurance for a district or educational service district, they must remit 4.7 percent of the insurance allocation amount in the State Appropriations Act to the public employees' and retirees' insurance account.

Appropriation: None.

Fiscal Note: Available.

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