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**HOUSE BILL 2655**

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**State of Washington 65th Legislature 2018 Regular Session**

**By** Representatives Dolan, Harris, Kilduff, Robinson, and Santos

AN ACT Relating to adding members to the school employees' benefits board; and amending RCW 41.05.740.

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

**Sec.**  RCW 41.05.740 and 2017 3rd sp.s. c 13 s 801 are each amended to read as follows:

(1) The school employees' benefits board is created within the authority. The function of the board is to design and approve insurance benefit plans for school employees and to establish eligibility criteria for participation in insurance benefit plans.

(2) ((~~By September 30, 2017,~~)) The governor shall appoint the following voting members to the board as follows:

(a) Two members from associations representing certificated employees;

(b) Two members from associations representing classified employees;

(c) Four members with expertise in employee health benefits policy and administration, one of which is nominated by an association representing school business officials; ((~~and~~))

(d) The director of the authority or his or her designee; and

(e) By July 7, 2018, one member from two candidates nominated by the Washington state school directors' association and one member from two candidates nominated by the Washington association of school administrators.

(3) Initial members of the board shall serve staggered terms not to exceed four years. Members appointed thereafter shall serve two-year terms.

(4) Members of the board must be compensated in accordance with RCW 43.03.250 and must be reimbursed for their travel expenses while on official business in accordance with RCW 43.03.050 and 43.03.060.

(5) The director of the authority or his or her designee shall be the chair and another member shall be selected by the board as vice chair. The chair shall conduct meetings of the board. The vice chair shall preside over meetings in the absence of the chair. The board shall develop bylaws for the conduct of its business.

(6) The board shall:

(a) Study all matters connected with the provision of health care coverage, life insurance, liability insurance, accidental death and dismemberment, and disability insurance, or any of, or combination of, the enumerated types of insurance for eligible employees and their dependents on the best basis possible with relation both to the welfare of the employees and the state. However, liability insurance should not be made available to dependents;

(b) Develop employee benefit plans that include comprehensive, evidence-based health care benefits for employees. In developing these plans, the board shall consider the following elements:

(i) Methods of maximizing cost containment while ensuring access to quality health care;

(ii) Development of provider arrangements that encourage cost containment and ensure access to quality care including, but not limited to, prepaid delivery systems and prospective payment methods;

(iii) Wellness, preventive care, chronic disease management, and other incentives that focus on proven strategies;

(iv) Utilization review procedures to support cost-effective benefits delivery;

(v) Ways to leverage efficient purchasing by coordinating with the public employees' benefits board;

(vi) Effective coordination of benefits; and

(vii) Minimum standards for insuring entities;

(c) Authorize premium contributions for an employee and the employee's dependents in a manner that encourages the use of cost-efficient health care systems. For participating employees, the required employee share of the cost for family coverage under a plan may not exceed the required employee share of the cost for employee-only coverage;

(d) Determine the terms and conditions of employee and dependent eligibility criteria, enrollment policies, and scope of coverage. At a minimum, the eligibility criteria established by the board shall address the following:

(i) The effective date of coverage following hire;

(ii) An employee must work at least six hundred thirty hours per year to qualify for coverage; and

(iii) Coverage for dependents, including criteria for legal spouses; children up to age twenty-six; children of any age with disabilities, mental illness, or intellectual or other developmental disabilities; and state registered domestic partners, as defined in RCW 26.60.020, and others authorized by the legislature;

(e) Determine the terms and conditions of purchasing system participation, consistent with chapter 13, Laws of 2017 3rd sp. sess., including establishment of criteria for employing districts and individual employees;

(f) Establish penalties to be imposed when the employing district fails to comply with established participation criteria; and

(g) Participate with the authority in the preparation of specifications and selection of carriers contracted for employee benefit plan coverage of eligible employees in accordance with the criteria set forth in rules. To the extent possible, the board shall leverage efficient purchasing by coordinating with the public employees' benefits board.

(7) By November 30, 2021, the authority shall review the benefit plans provided through the school employees' benefits board, complete an analysis of the benefits provided and the administration of the benefits plans, and determine whether provisions in chapter 13, Laws of 2017 3rd sp. sess. have resulted in cost savings to the state. The authority shall submit a report to the relevant legislative policy and fiscal committees summarizing the results of the review and analysis.

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