

SENATE BILL REPORT

SB 6461

As of January 24, 2018

Title: An act relating to employee benefits provided by the school employees' benefits board.

Brief Description: Addressing employee benefits provided by the school employees' benefits board.

Sponsors: Senators Conway, Padden, Chase, O'Ban, Baumgartner and Miloscia.

Brief History:

Committee Activity: Ways & Means: 1/24/18.

Brief Summary of Bill

- Provides an exemption to school districts and education service districts from the requirements to provide health care coverage through the School Employees' Benefits Board (SEBB) if certain requirements are met.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Amanda Cecil (786-7460)

Background: In 2017, EHB 2242 was enacted creating a nine-member SEBB within the Health Care Authority (HCA). Under this bill, beginning January 1, 2020, all public schools must provide health care benefits to eligible employees through the SEBB program.

Board membership includes:

- two members representing classified employees;
- two members representing certificated employees;
- four members with expertise in employee health benefits policy and administration, including one member that is nominated by the Washington Association of School Board Officials; and
- the director of HCA.

SEBB responsibilities include:

- developing school employee benefit plans that include comprehensive, evidence-based health care benefits;

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- authorizing premium contributions, including employee share of the cost for family coverage that does not exceed the required employee share of the cost for employee-only coverage;
- determining the terms of employee and dependent eligibility criteria and enrollment policies, subject to the condition that employees must work at least 630 hours per year to qualify for coverage;
- determining the terms for participation in the SEBB plans, and the penalties for failing to comply with participation criteria;
- participating with the HCA and in coordination with the Public Employees' Benefits Board (PEBB) in the selection of carriers to provide health and dental plans; and
- reporting whether the provisions of the act have resulted in cost savings to the state, to legislative policy and fiscal committees by November 30, 2021.

In addition to consolidating health care purchasing for school district employees, EHB 2242 also removed medical, dental, vision, and other basic and optional insurance benefits from the scope of local bargaining. Similarly to how state employees bargain for health care, health benefit provisions will be bargained between the Governor or the Governor's designee and one coalition of all the exclusive bargaining representatives impacted by benefit purchasing with the SEBB. Bargaining must be initiated after July 1, 2018.

Summary of Bill: In order for the requirement that public school employers provide health care benefits through SEBB to go into effect, the requirements is EHB 2242 must first be met.

A school district or education service district may be exempt from the requirements to provide health care coverage through SEBB if the following requirements are met:

- benefits offered are in compliance with the benefits offered by PEBB;
- benefits offered are generally equivalent in value and cost; and
- the district has more than 1000 eligible employees or purchases benefits through a trust, interlocal, or association plan with greater than 10,000 subscribers.

Appropriation: None.

Fiscal Note: Available.

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

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