
HOUSE BILL 2655

State of Washington 65th Legislature 2018 Regular Session

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

Read first time 01/11/18. Referred to Committee on Appropriations.

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

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

4 **Sec. 1.** RCW 41.05.740 and 2017 3rd sp.s. c 13 s 801 are each
5 amended to read as follows:

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

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

12 (a) Two members from associations representing certificated
13 employees;

14 (b) Two members from associations representing classified
15 employees;

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

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

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

1 from two candidates nominated by the Washington association of school
2 administrators.

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

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

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

14 (6) The board shall:

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

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

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

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

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

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

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

36 (vi) Effective coordination of benefits; and

37 (vii) Minimum standards for insuring entities;

38 (c) Authorize premium contributions for an employee and the
39 employee's dependents in a manner that encourages the use of cost-
40 efficient health care systems. For participating employees, the

1 required employee share of the cost for family coverage under a plan
2 may not exceed the required employee share of the cost for employee-
3 only coverage;

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

8 (i) The effective date of coverage following hire;

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

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

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

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

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

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

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