

SENATE BILL REPORT

HB 2481

As Reported by Senate Committee On:
Ways & Means, February 23, 2024

Title: An act relating to waiving health benefit premiums in the public employees' benefits board.

Brief Description: Waiving health benefit premiums in the public employees' benefits board.

Sponsors: Representatives Volz, Bergquist, Robertson and Macri.

Brief History: Passed House: 2/13/24, 97-0.

Committee Activity: Ways & Means: 2/20/24, 2/23/24 [DP].

Brief Summary of Bill

- Waives the payment of premiums during the month of death for retired participants in the Public Employees' Benefits Board health coverage program.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Robinson, Chair; Mullet, Vice Chair, Capital; Nguyen, Vice Chair, Operating; Wilson, L., Ranking Member, Operating; Gildon, Assistant Ranking Member, Operating; Schoesler, Ranking Member, Capital; Rivers, Assistant Ranking Member, Capital; Warnick, Assistant Ranking Member, Capital; Billig, Boehnke, Braun, Conway, Dhingra, Hasegawa, Hunt, Keiser, Muzzall, Pedersen, Randall, Saldaña, Torres, Van De Wege, Wagoner and Wellman.

Staff: Amanda Cecil (786-7460)

Background: Retirees from state agencies, school districts, and some local government entities receive health benefit coverage from the Public Employees' Benefits Board (PEBB)

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

program administered by the Health Care Authority (HCA). About 80,000 retired employees subscribe to PEBB retiree health benefit coverage, most of which pay retiree premiums through monthly deductions from retirement benefits paid by the Department of Retirement Systems (DRS).

Retirement benefits in the month that a retiree dies are prorated to the date of death. If a full monthly benefit was paid, DRS takes back the entire pension payment for the final month, including the health benefit premium remitted to HCA, calculates the correct payment for the final month, and deposits the corrected amount in the member's bank account. DRS does not resend premium payments for health benefit premiums to the HCA. Typically DRS makes benefits payments during the later part of each month, so a typical repayment required of the deceased member's estate is for three or four days' worth of benefits.

Summary of Bill: During the month that a retired participant in the PEBB health coverage program dies, HCA must waive the payment of premiums. HCA must enroll any eligible surviving dependents in the same plan effective on the first day of the month in which the death occurred, and require those survivors to pay the applicable premiums.

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.

Staff Summary of Public Testimony: PRO: On average, 150 retirees pass away each month and some of those accounts end up in healthcare limbo when the payment is withdrawn. If the members estate does not remit the payment to PEBB, the coverage is withdrawn and healthcare benefit will not be covered for the month that a member passed away. Please pass this bill so that the loved ones of a member that passes away are not left with a bill for benefits that should be covered. This situation can be shocking and humiliating for the family during an already difficult time.

Persons Testifying: PRO: Nancy Heley, Retired Public Employees Council of Washington; Dave Iseminger, Washington State Health Care Authority; Fred Yancey, WA. State School Retirees' Assn.

Persons Signed In To Testify But Not Testifying: No one.