

SENATE BILL REPORT

SB 6094

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

Title: An act relating to aligning statutory language concerning the retired state employee and retired or disabled school employee health insurance subsidy with the historical interpretation and implementation of the relevant subsidy language in the operating budget.

Brief Description: Aligning statutory language concerning the retired state employee and retired or disabled school employee health insurance subsidy with the historical interpretation and implementation of the relevant subsidy language in the operating budget.

Sponsors: Senator Robinson; by request of Health Care Authority.

Brief History:

Committee Activity: Ways & Means: 1/15/24, 1/23/24 [DP].

Brief Summary of Bill

- Expands uses of the retiree drug subsidy available to certain retired public employees to include both medical and prescription drug premiums.
- Removes language authorizing the Health Care Authority to establish a separate subsidy to reduce the premiums for Medicare supplements.

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

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.

Wege, Wagoner and Wellman.

Staff: Amanda Cecil (786-7460)

Background: The Public Employee Benefits Board, within the Health Care Authority (HCA), offers eligible retired and disabled employees with optional retiree health care. The cost of retiree premiums is reduced by up to 50 percent of the total cost by the prescription drug subsidy. The amount of the subsidy is set by the Legislature and is currently set at up to \$183 per member per month. This subsidy is currently applied to all the Medicare eligible plans available to retirees, including the Medicare supplements.

Summary of Bill: The prescription drug subsidy is expanded to reduce the cost of both medical and prescription drug premiums. Language authorizing HCA to establish a separate subsidy to reduce the premiums for Medicare supplements is removed.

These changes are consistent with how the retiree health care subsidy is currently administered.

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: This bill cleans up differences between statutory and budget language related to the retiree health care subsidy. HCA has administered this subsidy to apply to all the Medicare plans and this bill clarifies that. This bill does not change plan access for retirees.

Persons Testifying: PRO: David Iseminger, Washington State Health Care Authority.

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