
SUBSTITUTE HOUSE BILL 1045

State of Washington

52nd Legislature

1991 Regular Session

By House Committee on State Government (originally sponsored by Representatives Fraser, Belcher, Basich, R. Meyers and Winsley).

Read first time February 19, 1991.

1 AN ACT Relating to the state employees' benefits board; and
2 amending RCW 41.05.055 and 41.05.065.

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

4 **Sec. 1.** RCW 41.05.055 and 1989 c 324 s 1 are each amended to read
5 as follows:

6 (1) The state employees' benefits board is created within the
7 authority. The function of the board is to design and approve
8 insurance benefit plans for state employees.

9 (2) The board shall be composed of ~~((seven))~~ eight members
10 appointed by the governor as follows:

11 (a) ~~((Three))~~ Four representatives of state employees, one of whom
12 shall represent an employee association certified as exclusive
13 representative of at least one bargaining unit of classified employees,
14 ~~((one))~~ two of whom shall represent ~~((an employee union certified as~~

1 ~~exclusive representative of at least one bargaining unit of classified~~
2 ~~employees,))~~ at least two employee unions certified as exclusive
3 representatives of bargaining units of classified employees and one of
4 whom is retired, is covered by a program under the jurisdiction of the
5 board, and represents an organized group of retired public employees;

6 (b) Three members with experience in health benefit management and
7 cost containment; and

8 (c) The administrator.

9 (3) The governor shall appoint the initial members of the board to
10 staggered terms not to exceed four years. Members appointed thereafter
11 shall serve two-year terms. Members of the board shall be compensated
12 in accordance with RCW 43.03.250 and shall be reimbursed for their
13 travel expenses while on official business in accordance with RCW
14 43.03.050 and 43.03.060. The board shall prescribe rules for the
15 conduct of its business. The administrator shall serve as chair of the
16 board. Meetings of the board shall be at the call of the chair.

17 **Sec. 2.** RCW 41.05.065 and 1988 c 107 s 8 are each amended to read
18 as follows:

19 (1) The board shall study all matters connected with the provision
20 of health care coverage, life insurance, liability insurance,
21 accidental death and dismemberment insurance, and disability income
22 insurance or any of, or a combination of, the enumerated types of
23 insurance for employees and their dependents on the best basis possible
24 with relation both to the welfare of the employees and to the state:
25 PROVIDED, That liability insurance shall not be made available to
26 dependents.

27 (2) The state employees' benefits board shall develop employee
28 benefit plans that include comprehensive health care benefits for all

1 employees. In developing these plans, the board shall consider the
2 following elements:

3 (a) Methods of maximizing cost containment while ensuring access to
4 quality health care;

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

8 (c) Wellness incentives that focus on proven strategies, such as
9 smoking cessation, exercise, and automobile and motorcycle safety;

10 (d) Utilization review procedures including, but not limited to
11 prior authorization of services, hospital inpatient length of stay
12 review, requirements for use of outpatient surgeries and second
13 opinions for surgeries, review of invoices or claims submitted by
14 service providers, and performance audit of providers; and

15 (e) Effective coordination of benefits.

16 (3) The board shall design benefits and determine the terms and
17 conditions of employee participation and coverage, including
18 establishment of eligibility criteria.

19 (4) The board may authorize premium contributions for an employee
20 and the employee's dependents. Such authorization shall require a vote
21 of (~~five~~) six members of the board for approval.

22 (5) Employees may choose participation in only one of the health
23 care benefit plans developed by the board.

24 (6) The board shall review plans proposed by insurance carriers
25 that desire to offer property insurance and/or accident and casualty
26 insurance to state employees through payroll deduction. The board may
27 approve any such plan for payroll deduction by carriers holding a valid
28 certificate of authority in the state of Washington and which the board
29 determines to be in the best interests of employees and the state. The
30 board shall promulgate rules setting forth criteria by which it shall

1 evaluate the plans.