
HOUSE BILL 2861

State of Washington

53rd Legislature

1994 Regular Session

By Representatives Dyer, Horn, Van Luven, Casada, Long, Talcott, Brough, McMorris, L. Thomas, Wood, Brumsickle, Silver and Schoesler

Read first time 01/26/94. Referred to Committee on Health Care.

1 AN ACT Relating to employer participation in the health care
2 services act; and amending RCW 43.72.220.

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

4 **Sec. 1.** RCW 43.72.220 and 1993 c 494 s 3 are each amended to read
5 as follows:

6 (1) The legislature recognizes that small businesses play an
7 essential and increasingly important role in the state's economy. The
8 legislature further recognizes that many of the state's small business
9 owners provide health insurance to their employees through small group
10 policies at a cost that directly affects their profitability. Other
11 small business owners are prevented from providing health benefits to
12 their employees by the lack of access to affordable health insurance
13 coverage. The legislature intends that the provisions of chapter 492,
14 Laws of 1993 make health insurance more available and affordable to
15 small businesses in Washington state through strong cost control
16 mechanisms and the option to purchase health benefits through the basic
17 health plan, the Washington state group purchasing association, and
18 health insurance purchasing cooperatives.

1 (2) On July 1, 1995, every employer employing more than five
2 hundred qualified employees shall:

3 (a) Offer a choice of the uniform benefits package as provided by
4 at least three available certified health plans, one of which shall be
5 the lowest cost available package within their geographic region, and
6 for employers who have established a registered employer health plan,
7 one of which may be its own registered employer health plan, to all
8 qualified employees. The employer shall be required to pay no less
9 than fifty percent of the premium cost of the lowest cost available
10 package within their geographic region. On July 1, 1996, all
11 dependents of qualified employees of these firms shall be offered a
12 choice of packages as provided in this section with the employer paying
13 no less than fifty percent of the premium of the lowest cost package
14 within their geographic region.

15 (b) For employees who work fewer than thirty hours during a week or
16 one hundred twenty hours during a calendar month, three hundred sixty
17 hours during a calendar quarter or one thousand four hundred forty
18 hours during a calendar year, and their dependents, pay, for the period
19 of time adopted by the employer under this subsection, the amount
20 resulting from application of the following formula: The number of
21 hours worked by the employee in a month is multiplied by the amount of
22 a qualified employee's premium, and that amount is then divided by one
23 hundred twenty.

24 (c) If an employee under (b) of this subsection is the dependent of
25 a qualified employee, and is therefore covered as a dependent by the
26 qualified employee's employer, then the employer of the employee under
27 (b) of this subsection shall not be required to participate in the cost
28 of the uniform benefits package for that employee.

29 (d) If an employee working on a seasonal basis is a qualified
30 employee of another employer, and therefore has uniform benefits
31 package coverage through that primary employer, then the seasonal
32 employer of the employee shall not be required to participate in the
33 cost of the uniform benefits package for that employee.

34 (3) By July 1, 1996, every employer employing more than one hundred
35 qualified employees shall:

36 (a) Offer a choice of the uniform benefits package as provided by
37 at least three available certified health plans, one of which shall be
38 the lowest cost available package within their geographic region, to
39 all qualified employees. The employer shall be required to pay no less

1 than fifty percent of the premium cost of the lowest cost available
2 package within their geographic region. On July 1, 1997, all
3 dependents of qualified employees in these firms shall be offered a
4 choice of packages as provided in this section with the employer paying
5 no less than fifty percent of the premium of the lowest cost package
6 within their geographic region.

7 (b) For employees who work fewer than thirty hours during a week or
8 one hundred twenty hours during a calendar month, three hundred sixty
9 hours during a calendar quarter or one thousand four hundred forty
10 hours during a calendar year, and their dependents, pay, for the period
11 of time adopted by the employer under this subsection, the amount
12 resulting from application of the following formula: The number of
13 hours worked by the employee in a month is multiplied by the amount of
14 a qualified employee's premium, and that amount is then divided by one
15 hundred twenty.

16 (c) If an employee under (b) of this subsection is the dependent of
17 a qualified employee, and is therefore covered as a dependent by the
18 qualified employee's employer, then the employer of the employee under
19 (b) of this subsection shall not be required to participate in the cost
20 of the uniform benefits package for that employee.

21 (d) If an employee working on a seasonal basis is a qualified
22 employee of another employer, and therefore has uniform benefits
23 package coverage through that primary employer, then the seasonal
24 employer of the employee shall not be required to participate in the
25 cost of the uniform benefits package for that employee.

26 (4) By July 1, 1997, every employer shall:

27 (a) Offer a choice of the uniform benefits package as provided by
28 at least three available certified health plans, one of which shall be
29 the lowest cost available package within their geographic region, to
30 all qualified employees. The employer shall be required to pay no less
31 than fifty percent of the premium cost of the lowest cost available
32 package within their geographic region. On July 1, 1999, all
33 dependents of qualified employees in all firms shall be offered a
34 choice of packages as provided in this section with the employer paying
35 no less than fifty percent of the premium of the lowest cost package
36 within their geographic region.

37 (b) For employees who work fewer than thirty hours during a week or
38 one hundred twenty hours during a calendar month, three hundred sixty
39 hours during a calendar quarter or one thousand four hundred forty

1 hours during a calendar year, and their dependents, pay, for the period
2 of time adopted by the employer under this subsection, the amount
3 resulting from application of the following formula: The number of
4 hours worked by the employee in a month is multiplied by the amount of
5 a qualified employee's premium, and that amount is then divided by one
6 hundred twenty.

7 (c) If an employee under (b) of this subsection is the dependent of
8 a qualified employee, and is therefore covered as a dependent by the
9 qualified employee's employer, then the employer of the employee under
10 (b) of this subsection shall not be required to participate in the cost
11 of the uniform benefits package for that employee.

12 (d) If an employee working on a seasonal basis is a qualified
13 employee of another employer, and therefore has uniform benefits
14 package coverage through that primary employer, then the seasonal
15 employer of the employee shall not be required to participate in the
16 cost of the uniform benefits package for that employee.

17 (5) Employers with ten or fewer qualified employees are exempt from
18 the requirements of this section.

19 (6) This employer participation requirement shall be waived if
20 imposition of the requirement would constitute a violation of the
21 freedom of religion provisions of the First Amendment of the United
22 States Constitution or Article I, section 11, of the state
23 Constitution. In such case the employer shall, pursuant to commission
24 rules, set aside an amount equal to the applicable employer
25 contribution level in a manner that would permit his or her employee to
26 fully comply with the requirements of this chapter.

27 ((+6)) (7) In lieu of offering the uniform benefits package to
28 employees and their dependents through direct contracts with certified
29 health plans, an employer may combine the employer contribution with
30 that of the employee's contribution and enroll in the basic health plan
31 as provided in chapter 70.47 RCW or a health insurance purchasing
32 cooperative established under RCW 43.72.080 and 48.43.160. Any subsidy
33 that may be provided according to the provisions of chapter 70.47 RCW
34 shall not lessen the employer's obligation to pay a minimum of fifty
35 percent of the premium and the full amount of the direct subsidy shall
36 be for the benefit of the employee or the dependent.

37 ((+7)) (8) For purposes of determining the financial obligation of
38 an employer who enrolls employees or employees and their adult
39 dependents in the basic health plan, the premium shall be the per

1 adult, per month, cost of coverage in the plan, including
2 administration.

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