

SHB 2985 - S COMM AMD

By Committee on Health & Long-Term Care

ADOPTED 03/11/2004

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 41.04.208 and 2002 c 319 s 2 are each amended to read
4 as follows:

5 (1) Unless the context clearly requires otherwise, the definitions
6 in this subsection apply throughout this section.

7 (a) "Disabled employee" means (~~(an individual)~~) a person eligible
8 to receive a disability retirement allowance from the Washington law
9 enforcement officers' and fire fighters' retirement system plan 2 and
10 the public employees' retirement system.

11 (b) "Health plan" means a contract, policy, fund, trust, or other
12 program established jointly or individually by a county, municipality,
13 or other political subdivision of the state that provides for all or a
14 part of hospitalization or medical aid for its employees and their
15 dependents under RCW 41.04.180.

16 (c) "Retired employee" means a public employee meeting the
17 retirement eligibility, years of service requirements, and other
18 criteria (~~(set forth in)~~) of the Washington law enforcement officers'
19 and fire fighters' retirement system plan 2 and the public employees'
20 retirement system.

21 (2) A county, municipality, or other political subdivision that
22 provides a health plan for its employees shall permit retired and
23 disabled employees and their dependents to continue participation in a
24 plan subject to the exceptions, limitations, and conditions set forth
25 in this section. However, this section does not apply to a county,
26 municipality, or other political subdivision participating in an
27 insurance program administered under chapter 41.05 RCW if retired and
28 disabled employees and their dependents of the participating county,
29 municipality, or other political subdivision are covered under an
30 insurance program administered under chapter 41.05 RCW. Nothing in

1 this subsection or chapter 319, Laws of 2002 precludes the local
2 government employer from offering retired or disabled employees a
3 health plan with a benefit structure, copayment, deductible,
4 coinsurance, lifetime benefit maximum, and other plan features which
5 differ from those offered through a health plan provided to active
6 employees. Further, nothing in this subsection precludes a local
7 government employer from joining with other public agency employers,
8 including interjurisdictional benefit pools and multi-employer
9 associations or consortiums, to fulfill its obligations under chapter
10 319, Laws of 2002.

11 (3) A county, municipality, or other political subdivision has full
12 authority to require a person who requests continued participation in
13 a health plan under subsection (2) of this section to pay the full cost
14 of such participation, including any amounts necessary for
15 administration. However, this subsection does not require an employer
16 who is currently paying for all or part of a health plan for its
17 retired and disabled employees to discontinue those payments.

18 (4) Payments for continued participation in a former employer's
19 health plan may be assigned to the underwriter of the health plan from
20 public pension benefits or may be paid to the former employer, as
21 determined by the former employer, so that an underwriter of the health
22 plan that is an insurance company, health care service contractor, or
23 health maintenance organization is not required to accept individual
24 payments from persons continuing participation in the employer's health
25 plan.

26 (5) After an initial open enrollment period of ninety days after
27 January 1, 2003, an employer may not be required to permit a person to
28 continue participation in the health plan if the person is responsible
29 for a lapse in coverage under the plan. In addition, an employer may
30 not be required to permit a person to continue participation in the
31 employer's health plan if the employer offered continued participation
32 in a health plan that meets the requirements of chapter 319, Laws of
33 2002.

34 (6) If a person continuing participation in the former employer's
35 health plan has medical coverage available through another employer,
36 the medical coverage of the other employer is the primary coverage for

1 purposes of coordination of benefits as provided for in the former
2 employer's health plan.

3 (7) If a person's continued participation in a health plan was
4 permitted because of the person's relationship to a retired or disabled
5 employee of the employer providing the health plan and the retired or
6 disabled employee dies, then that person is permitted to continue
7 participation in the health plan for a period of not more than six
8 months after the death of the retired or disabled employee. However,
9 the employer providing the health plan may permit continued
10 participation beyond that time period.

11 (8) An employer may offer one or more health plans different from
12 that provided for active employees and designed to meet the needs of
13 persons requesting continued participation in the employer's health
14 plan. An employer, in designing or offering continued participation in
15 a health plan, may utilize terms or conditions necessary to administer
16 the plan to the extent the terms and conditions do not conflict with
17 this section.

18 (9) If an employer changes the underwriter of a health plan, the
19 replaced underwriter has no further responsibility or obligation to
20 persons who continued participation in a health plan of the replaced
21 underwriter. However, the employer shall permit those persons to
22 participate in any new health plan.

23 (10) The benefits granted under this section are not considered a
24 matter of contractual right. Should the legislature, a county,
25 municipality, or other political subdivision of the state revoke or
26 change any benefits granted under this section, an affected person is
27 not entitled to receive the benefits as a matter of contractual right.

28 (11) This section does not affect any health plan contained in a
29 collective bargaining agreement in existence as of January 1, 2003.
30 However, any plan contained in future collective bargaining agreements
31 shall conform to this section. In addition, this section does not
32 affect any health plan contract or policy in existence as of January 1,
33 2003. However, any renewal of the contract or policy shall conform to
34 this section.

35 (12) Counties, municipalities, and other political subdivisions
36 that make a documented good faith effort to comply with the provisions
37 of subsections (2) through (11) of this section and are unable to

1 provide access to a fully insured group health benefit plan are
2 discharged from any obligations under subsections (2) through (11) of
3 this section but shall assist disabled employees and retired employees
4 in applying for health insurance. Assistance may include developing
5 and distributing standardized information on the availability and cost
6 of individual health benefit plans, application packages, and health
7 benefit fairs.

8 (13) The office of the insurance commissioner shall make available
9 to counties, municipalities, and other political subdivisions
10 information regarding individual health benefit plans, including a list
11 of carriers offering individual coverage, the rates charged, and how to
12 apply for coverage.

13 NEW SECTION. Sec. 2. 2002 c 319 s 5 (uncodified) is repealed.

14 NEW SECTION. Sec. 3. This act is necessary for the immediate
15 preservation of the public peace, health, or safety, or support of the
16 state government and its existing public institutions, and takes effect
17 immediately."

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18 On page 1, line 2 of the title, after "employees;" strike the
19 remainder of the title and insert "amending RCW 41.04.208; repealing
20 2002 c 319 s 5 (uncodified); and declaring an emergency."

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