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HOUSE BILL 1424

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State of Washington                      58th Legislature                      2003 Regular Session

By Representatives Fromhold, Cox, Cooper, Delvin, O'Brien, Linville, Hunt, Sullivan, Conway and Eickmeyer

Read first time 01/27/2003. Referred to Committee on Appropriations.

1            AN ACT Relating to subsidies for health benefit premiums; amending  
2 RCW 41.05.085; adding a new section to chapter 41.05 RCW; creating a  
3 new section; and declaring an emergency.

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

5            NEW SECTION.    **Sec. 1.** The legislature finds that the current  
6 practice of providing health care premium subsidies for retired or  
7 disabled school and state employees does not provide the fairness or  
8 certainty necessary for family financial planning. In addition, the  
9 current system makes it difficult for the legislature to obtain the  
10 accurate and timely information necessary for appropriating funds.  
11 Therefore, it is the intent of the legislature to establish a method of  
12 determining subsidy amounts based on actual costs that provides  
13 predictability for budget purposes and fairness and certainty for  
14 families.

15            **Sec. 2.** RCW 41.05.085 and 1994 c 153 s 8 are each amended to read  
16 as follows:

17            Beginning with the appropriations act for the ((1995-1997)) 2003-  
18 2005 biennium, the legislature shall establish as part of both the

1 state employees' and the school and educational service district  
2 employees' insurance benefit allocation the portion of the allocation  
3 to be used to provide a subsidy, determined under section 3 of this  
4 act, to reduce the health care insurance premiums charged to retired or  
5 disabled school district and educational service district employees, or  
6 retired state employees, who are eligible for parts A and B of  
7 medicare. The amount of any premium reduction shall be established by  
8 the board in the manner set forth under section 3 of this act, but  
9 shall not result in a premium reduction of more than fifty percent.  
10 The board may also determine the amount of any subsidy to be available  
11 to spouses and dependents.

12 NEW SECTION. Sec. 3. A new section is added to chapter 41.05 RCW  
13 to read as follows:

14 (1)(a) Beginning January 1, 2004, and each January 1st thereafter,  
15 a subsidy shall be provided to disabled or retired employees under RCW  
16 41.05.085 as set forth in (b) of this subsection.

17 (b) The subsidy provided each January 1st shall be based on the  
18 average of the actual costs from the preceding two years.

19 (c) The subsidy calculated under (b) of this subsection for any  
20 fiscal year may never be lower than the subsidy for the preceding  
21 fiscal year.

22 (2) In a manner prescribed by the authority, by rule, school  
23 districts and educational service districts shall remit to the  
24 authority for deposit into the public employees' and retirees'  
25 insurance account an amount determined by the authority, by rule, for  
26 each part-time and full-time employee.

27 NEW SECTION. Sec. 4. This act is necessary for the immediate  
28 preservation of the public peace, health, or safety, or support of the  
29 state government and its existing public institutions, and takes effect  
30 immediately.

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