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SENATE BILL 6363

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State of Washington

59th Legislature

2006 Regular Session

By Senators Keiser, Benson, Franklin, Poulsen, Thibaudeau, Kline and Parlette

Read first time 01/11/2006. Referred to Committee on Health & Long-Term Care.

1 AN ACT Relating to developing worksite health promotion programs;  
2 reenacting and amending RCW 41.05.065; adding a new section to chapter  
3 41.05 RCW; adding a new section to chapter 43.70 RCW; and creating a  
4 new section.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that:

7 (1) Washington state employers incur significant costs stemming  
8 from the poor health of some of their employees. Costs come in the  
9 form of increased health care premiums, lower productivity of  
10 employees, and higher absenteeism.

11 (2) The health benefits of worksite health promotion programs can  
12 include increased physical activity, improved nutrition, reduced rates  
13 of obesity, lower stress, decreased rates of smoking, reductions in  
14 other health risks, and increased self-management of chronic  
15 conditions.

16 (3) The financial benefits of worksite health promotion programs  
17 can include decreased absenteeism, reduction in medical costs, improved  
18 productivity, and improved employee satisfaction and loyalty leading to  
19 increased retention and short-term disability savings.

1        NEW SECTION.    **Sec. 2.**    A new section is added to chapter 41.05 RCW  
2 to read as follows:

3        (1) The authority shall develop an on-line health assessment tool  
4 that is available to state employees. The health assessment tool must:  
5 (a) Be voluntary; (b) be confidential; (c) enable participants to  
6 compare their personal health information with local and national data;  
7 and (d) generate recommendations about programs and actions most likely  
8 to improve individual health.

9        (2) The authority shall make the on-line health assessment tool  
10 available to private sector employers. The administrator may charge  
11 private sector employers an annual enrollment fee sufficient to offset  
12 the cost of administering the health assessment tool for private sector  
13 employers.

14        **Sec. 3.**    RCW 41.05.065 and 2005 c 518 s 920 and 2005 c 195 s 1 are  
15 each reenacted and amended to read as follows:

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

23        (2) The board shall develop employee benefit plans that include  
24 comprehensive health care benefits for all employees. In developing  
25 these plans, the board shall consider the following elements:

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

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

31        (c) Wellness incentives that focus on proven strategies, such as  
32 smoking cessation, injury and accident prevention, reduction of alcohol  
33 misuse, appropriate weight reduction, exercise, automobile and  
34 motorcycle safety, blood cholesterol reduction, and nutrition  
35 education;

36        (d) Utilization review procedures including, but not limited to a  
37 cost-efficient method for prior authorization of services, hospital

1 inpatient length of stay review, requirements for use of outpatient  
2 surgeries and second opinions for surgeries, review of invoices or  
3 claims submitted by service providers, and performance audit of  
4 providers;

5 (e) Effective coordination of benefits;

6 (f) Minimum standards for insuring entities; and

7 (g) Minimum scope and content of public employee benefit plans to  
8 be offered to enrollees participating in the employee health benefit  
9 plans. To maintain the comprehensive nature of employee health care  
10 benefits, employee eligibility criteria related to the number of hours  
11 worked and the benefits provided to employees shall be substantially  
12 equivalent to the state employees' health benefits plan and eligibility  
13 criteria in effect on January 1, 1993. Nothing in this subsection  
14 (2)(g) shall prohibit changes or increases in employee point-of-service  
15 payments or employee premium payments for benefits.

16 (3) The board shall design benefits and determine the terms and  
17 conditions of employee and retired employee participation and coverage,  
18 including establishment of eligibility criteria. The same terms and  
19 conditions of participation and coverage, including eligibility  
20 criteria, shall apply to state employees and to school district  
21 employees and educational service district employees.

22 (4) The board may authorize premium contributions for an employee  
23 and the employee's dependents in a manner that encourages the use of  
24 cost-efficient managed health care systems. During the 2005-2007  
25 fiscal biennium, the board may only authorize premium contributions for  
26 an employee and the employee's dependents that are the same, regardless  
27 of an employee's status as represented or nonrepresented by a  
28 collective bargaining unit under the personnel system reform act of  
29 2002. The board shall require participating school district and  
30 educational service district employees to pay at least the same  
31 employee premiums by plan and family size as state employees pay.

32 (5) The board shall develop a health incentives program that  
33 provides participating employees with lower out-of-pocket expenditures,  
34 which may include reduced copays, deductibles, and coinsurance. The  
35 health incentives program may include an annual health assessment, a  
36 recommended plan of action designed to improve the participant's  
37 health, and a method that allows participants to track their efforts at  
38 achieving their goals. The board may create different levels of

1 reduced out-of-pocket expenditures for participants based on  
2 participants' levels of participation in the program. The program  
3 shall be voluntary, and the information provided by participants shall  
4 be confidential.

5 (6) Employees shall choose participation in one of the health care  
6 benefit plans developed by the board and may be permitted to waive  
7 coverage under terms and conditions established by the board.

8 ((+6+)) (7) The board shall review plans proposed by insuring  
9 entities that desire to offer property insurance and/or accident and  
10 casualty insurance to state employees through payroll deduction. The  
11 board may approve any such plan for payroll deduction by insuring  
12 entities holding a valid certificate of authority in the state of  
13 Washington and which the board determines to be in the best interests  
14 of employees and the state. The board shall promulgate rules setting  
15 forth criteria by which it shall evaluate the plans.

16 ((+7+)) (8) Before January 1, 1998, the public employees' benefits  
17 board shall make available one or more fully insured long-term care  
18 insurance plans that comply with the requirements of chapter 48.84 RCW.  
19 Such programs shall be made available to eligible employees, retired  
20 employees, and retired school employees as well as eligible dependents  
21 which, for the purpose of this section, includes the parents of the  
22 employee or retiree and the parents of the spouse of the employee or  
23 retiree. Employees of local governments and employees of political  
24 subdivisions not otherwise enrolled in the public employees' benefits  
25 board sponsored medical programs may enroll under terms and conditions  
26 established by the administrator, if it does not jeopardize the  
27 financial viability of the public employees' benefits board's long-term  
28 care offering.

29 (a) Participation of eligible employees or retired employees and  
30 retired school employees in any long-term care insurance plan made  
31 available by the public employees' benefits board is voluntary and  
32 shall not be subject to binding arbitration under chapter 41.56 RCW.  
33 Participation is subject to reasonable underwriting guidelines and  
34 eligibility rules established by the public employees' benefits board  
35 and the health care authority.

36 (b) The employee, retired employee, and retired school employee are  
37 solely responsible for the payment of the premium rates developed by  
38 the health care authority. The health care authority is authorized to

1 charge a reasonable administrative fee in addition to the premium  
2 charged by the long-term care insurer, which shall include the health  
3 care authority's cost of administration, marketing, and consumer  
4 education materials prepared by the health care authority and the  
5 office of the insurance commissioner.

6 (c) To the extent administratively possible, the state shall  
7 establish an automatic payroll or pension deduction system for the  
8 payment of the long-term care insurance premiums.

9 (d) The public employees' benefits board and the health care  
10 authority shall establish a technical advisory committee to provide  
11 advice in the development of the benefit design and establishment of  
12 underwriting guidelines and eligibility rules. The committee shall  
13 also advise the board and authority on effective and cost-effective  
14 ways to market and distribute the long-term care product. The  
15 technical advisory committee shall be comprised, at a minimum, of  
16 representatives of the office of the insurance commissioner, providers  
17 of long-term care services, licensed insurance agents with expertise in  
18 long-term care insurance, employees, retired employees, retired school  
19 employees, and other interested parties determined to be appropriate by  
20 the board.

21 (e) The health care authority shall offer employees, retired  
22 employees, and retired school employees the option of purchasing long-  
23 term care insurance through licensed agents or brokers appointed by the  
24 long-term care insurer. The authority, in consultation with the public  
25 employees' benefits board, shall establish marketing procedures and may  
26 consider all premium components as a part of the contract negotiations  
27 with the long-term care insurer.

28 (f) In developing the long-term care insurance benefit designs, the  
29 public employees' benefits board shall include an alternative plan of  
30 care benefit, including adult day services, as approved by the office  
31 of the insurance commissioner.

32 (g) The health care authority, with the cooperation of the office  
33 of the insurance commissioner, shall develop a consumer education  
34 program for the eligible employees, retired employees, and retired  
35 school employees designed to provide education on the potential need  
36 for long-term care, methods of financing long-term care, and the  
37 availability of long-term care insurance products including the  
38 products offered by the board.

1 (h) By December 1998, the health care authority, in consultation  
2 with the public employees' benefits board, shall submit a report to the  
3 appropriate committees of the legislature, including an analysis of the  
4 marketing and distribution of the long-term care insurance provided  
5 under this section.

6 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.70 RCW  
7 to read as follows:

8 To the extent funds are appropriated specifically for this purpose,  
9 the department shall develop a healthy worksite grant program designed  
10 to assist employers seeking to implement strategies to improve the  
11 health of their employees. The department shall adopt rules to  
12 implement the healthy worksite grant program that include:

13 (1) Eligibility criteria for employers to apply for grants that  
14 include limiting the program to employers with less than two hundred  
15 employees; and

16 (2) Criteria for evaluating grant applications that include an  
17 assessment of whether the proposed project incorporates worksite  
18 strategies known to be effective in increasing physical activity,  
19 improving diets, and reducing obesity among employees and the degree to  
20 which applicants commit to providing internal resources to implement a  
21 proposed strategy.

22 The department shall report to the appropriate policy and fiscal  
23 committees of the legislature by December 1, 2008, evaluating the grant  
24 program.

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