

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE HOUSE BILL 1790

Chapter 269, Laws of 2011

62nd Legislature
2011 Regular Session

SCHOOL DISTRICTS--BENEFITS--DIRECT PRACTICE AGREEMENTS

EFFECTIVE DATE: 07/22/11

Passed by the House April 15, 2011
Yeas 96 Nays 0

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate April 8, 2011
Yeas 49 Nays 0

BRAD OWEN

President of the Senate

Approved May 5, 2011, 10:20 a.m.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 1790** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER

Chief Clerk

FILED

May 6, 2011

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE HOUSE BILL 1790

AS AMENDED BY THE SENATE

Passed Legislature - 2011 Regular Session

State of Washington 62nd Legislature 2011 Regular Session

By House Ways & Means (originally sponsored by Representatives
Dammeier, Sullivan, Hinkle, Green, and Ormsby)

READ FIRST TIME 02/25/11.

1 AN ACT Relating to school district contracts with direct practice
2 health providers; and amending RCW 28A.400.280 and 28A.400.350.

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

4 **Sec. 1.** RCW 28A.400.280 and 1990 1st ex.s. c 11 s 6 are each
5 amended to read as follows:

6 (1) Except as provided in subsection (2) of this section, school
7 districts may provide employer fringe benefit contributions after
8 October 1, 1990, only for basic benefits. However, school districts
9 may continue payments under contracts with employees or benefit
10 providers in effect on April 13, 1990, until the contract expires.

11 (2) School districts may provide employer contributions after
12 October 1, 1990, for optional benefit plans, in addition to basic
13 benefits, only for employees included in pooling arrangements under
14 this subsection. Optional (~~benefit-plans~~) benefits may include
15 direct agreements as defined in chapter 48.150 RCW, but may not include
16 employee beneficiary accounts that can be liquidated by the employee on
17 termination of employment. Optional benefit plans may be offered only
18 if:

1 (a) The school district pools benefit allocations among employees
2 using a pooling arrangement that includes at least one employee
3 bargaining unit and/or all nonbargaining group employees;

4 (b) Each full-time employee included in the pooling arrangement is
5 offered basic benefits, including coverage for dependents, without a
6 payroll deduction for premium charges;

7 (c) Each full-time employee included in the pooling arrangement,
8 regardless of the number of dependents receiving basic coverage,
9 receives the same additional employer contribution for other coverage
10 or optional benefits; and

11 (d) For part-time employees included in the pooling arrangement,
12 participation in optional benefit plans shall be governed by the same
13 eligibility criteria and/or proration of employer contributions used
14 for allocations for basic benefits.

15 (3) Savings accruing to school districts due to limitations on
16 benefit options under this section shall be pooled and made available
17 by the districts to reduce out-of-pocket premium expenses for employees
18 needing basic coverage for dependents. School districts are not
19 intended to divert state benefit allocations for other purposes.

20 **Sec. 2.** RCW 28A.400.350 and 2001 c 266 s 2 are each amended to
21 read as follows:

22 (1) The board of directors of any of the state's school districts
23 or educational service districts may make available liability, life,
24 health, health care, accident, disability, and salary protection or
25 insurance, direct agreements as defined in chapter 48.150 RCW, or any
26 one of, or a combination of the ((enumerated)) types of ((insurance))
27 employee benefits enumerated in this subsection, or any other type of
28 insurance or protection, for the members of the boards of directors,
29 the students, and employees of the school district or educational
30 service district, and their dependents. Such coverage may be provided
31 by contracts with private carriers, with the state health care
32 authority after July 1, 1990, pursuant to the approval of the authority
33 administrator, or through self-insurance or self-funding pursuant to
34 chapter 48.62 RCW, or in any other manner authorized by law. Any
35 direct agreement must comply with RCW 48.150.050.

36 (2) Whenever funds are available for these purposes the board of
37 directors of the school district or educational service district may

1 contribute all or a part of the cost of such protection or insurance
2 for the employees of their respective school districts or educational
3 service districts and their dependents. The premiums on such liability
4 insurance shall be borne by the school district or educational service
5 district.

6 After October 1, 1990, school districts may not contribute to any
7 employee protection or insurance other than liability insurance unless
8 the district's employee benefit plan conforms to RCW 28A.400.275 and
9 28A.400.280.

10 (3) For school board members, educational service district board
11 members, and students, the premiums due on such protection or insurance
12 shall be borne by the assenting school board member, educational
13 service district board member, or student. The school district or
14 educational service district may contribute all or part of the costs,
15 including the premiums, of life, health, health care, accident or
16 disability insurance which shall be offered to all students
17 participating in interschool activities on the behalf of or as
18 representative of their school, school district, or educational service
19 district. The school district board of directors and the educational
20 service district board may require any student participating in
21 extracurricular interschool activities to, as a condition of
22 participation, document evidence of insurance or purchase insurance
23 that will provide adequate coverage, as determined by the school
24 district board of directors or the educational service district board,
25 for medical expenses incurred as a result of injury sustained while
26 participating in the extracurricular activity. In establishing such a
27 requirement, the district shall adopt regulations for waiving or
28 reducing the premiums of such coverage as may be offered through the
29 school district or educational service district to students
30 participating in extracurricular activities, for those students whose
31 families, by reason of their low income, would have difficulty paying
32 the entire amount of such insurance premiums. The district board shall
33 adopt regulations for waiving or reducing the insurance coverage
34 requirements for low-income students in order to assure such students
35 are not prohibited from participating in extracurricular interschool
36 activities.

37 (4) All contracts for insurance or protection written to take
38 advantage of the provisions of this section shall provide that the

1 beneficiaries of such contracts may utilize on an equal participation
2 basis the services of those practitioners licensed pursuant to chapters
3 18.22, 18.25, 18.53, 18.57, and 18.71 RCW.

Passed by the House April 15, 2011.

Passed by the Senate April 8, 2011.

Approved by the Governor May 5, 2011.

Filed in Office of Secretary of State May 6, 2011.