

# SENATE BILL REPORT

## SB 6241

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As of January 24, 2018

**Title:** An act relating to the January 1, 2020, implementation of the school employees' benefits board program.

**Brief Description:** Concerning the January 1, 2020, implementation of the school employees' benefits board program.

**Sponsors:** Senators Hobbs, Fain, Mullet and Keiser; by request of Health Care Authority.

**Brief History:**

**Committee Activity:** Ways & Means: 1/24/18.

**Brief Summary of Bill**

- Makes various changes related to the administration of the School Employees Benefits Board (SEBB) by the Health Care Administration (HCA).

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### SENATE COMMITTEE ON WAYS & MEANS

**Staff:** Amanda Cecil (786-7460)

**Background:** EHB 2242 was enacted in 2017 creating a nine-member SEBB within the HCA. Under this bill, beginning January 1, 2020, all public schools must provide health care benefits to eligible employees through the SEBB program.

Board membership includes:

- two members representing classified employees;
- two members representing certificated employees;
- four members with expertise in employee health benefits policy and administration, including one member that is nominated by the Washington Association of School Board Officials; and
- the director of HCA.

SEBB responsibilities include:

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- developing school employee benefit plans that include comprehensive, evidence-based health care benefits;
- authorizing premium contributions, including employee share of the cost for family coverage that does not exceed the required employee share of the cost for employee-only coverage;
- determining the terms of employee and dependent eligibility criteria and enrollment policies, subject to the condition that employees must work at least 630 hours per year to qualify for coverage;
- determining the terms for participation in the SEBB plans, and the penalties for failing to comply with participation criteria;
- participating with the HCA and in coordination with the Public Employees Benefits Board (PEBB) in the selection of carriers to provide health and dental plans; and
- reporting to legislative policy and fiscal committees by November 30, 2021, regarding whether the provisions of the act have resulted in cost savings to the state.

In addition to consolidating health care purchasing for school district employees, EHB 2242 also removed medical, dental, vision, and other basic and optional insurance benefits from the scope of local bargaining. Similarly to how state employees bargain for health care, health benefit provisions will be bargained between the Governor or the Governor's designee and one coalition of all the exclusive bargaining representatives impacted by benefit purchasing with the SEBB. Bargaining must be initiated after July 1, 2018.

**Summary of Bill:** The following changes are made, which relate to the administration of SEBB by HCA:

- HCA may provide funding for substitute teachers to back fill for a SEBB member while they are carrying out their board duties.
- Health care premiums for full-family coverage may not exceed three times the premiums for an employee purchasing single coverage.
- A school employee must be anticipated to work at least 630 hours per school year in order to be eligible for coverage.
- School employees must choose a health care plan developed by SEBB or waive coverage under conditions set by SEBB.
- School employees are eligible to participate in the pre-tax deduction plans, including flexible spending accounts and the dependent care assistance program.
- Public school employers must make contributions for employee health care even when the employee has waived coverage.
- Various accounts are created in the custody of the state treasurer to allow for the administration of the benefits.
- Existing health care contracts are exempted from the one-year limit on health care contracts, but only to the extent that is needed to ensure that coverage is provided through December 31, 2019.
- The date that information must be submitted to HCA for initial benefits plan procurement is moved forward from January 1, 2019 to April 1, 2018.
- Charter schools are subject to the requirement to provide health care through SEBB unless HCA receives guidance from the Internal Revenue Service that this jeopardizes the pre-tax status of the plan.
- Charter schools are directed to provide the same data as is required by other public schools.

- Provisions that allow a public school employer to opt in to Public Employee Benefit Board coverage are limited to December 31, 2019.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** The bill contains several effective dates. Please refer to the bill.