
Education Committee

HB 2458

Brief Description: Concerning optional benefits offered by school districts.

Sponsors: Representatives Stonier, Sells, Dolan, Schmick, Boehnke, Bergquist, Vick, Pollet and Wylie.

Brief Summary of Bill

- Specifies that school district optional benefits may not compete with any basic or optional benefits offered through the School Employee's Benefits Board.
- Grants school districts express authority to offer employee-paid, voluntary benefits to school employees that are paid by employees through a payroll deduction, and provides examples of those benefits.
- Includes intent language and a legislative finding that supplemental fixed payment insurance plans offer financial protection and do not conflict or compete with basic medical or disability plans.

Hearing Date: 1/20/20

Staff: Ethan Moreno (786-7386).

Background:

School Employees' Benefits Board/Offerings and Participation.

The School Employees' Benefits Board (SEBB) of the Washington State Health Care Authority (HCA) designs and approves insurance benefit plans for school employees and establishes criteria for participation in insurance benefit plans. Among other duties, the SEBB:

- develops school employee benefit plans that include comprehensive, evidence-based health care benefits for school employees;
- authorizes premium contributions for a school employee and the employee's dependents in a manner that encourages the use of cost-efficient health care systems; and
- determines the terms and conditions of school employee and dependent eligibility criteria, enrollment policies, and scope of coverage.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

School districts must offer all benefits offered by the SEBB. School employees must choose participation in one of the health care benefit plans developed by the SEBB. Individual school employees eligible for benefits may be permitted to waive coverage under terms and conditions established by the SEBB.

School districts are not intended to divert state basic benefit allocations for other purposes.

Optional Benefits Provided by School Districts.

School districts may provide employer contributions for optional benefit plans and basic benefits. School districts may provide optional benefits to employees, but those offered benefits must be outside the SEBB's authority.

Optional benefits provided by school districts may include direct agreements, a defined term meaning written agreements between qualifying practices and patients, and may include employee beneficiary accounts that can be liquidated by the employee upon termination of employment. Optional benefit plans may be offered by a district only if:

- each full-time employee, regardless of the number of dependents receiving basic coverage, receives the same additional employer contribution for other coverage or optional benefits; and
- for part-time employees, participation in optional benefit plans must be governed by the same eligibility criteria and/or proration of employer contributions used for allocations for basic benefits.

Any optional benefits offered by a school district are considered an enhancement to the state's statutory definition of basic education.

Annually on December 1, school district optional benefits must be reported to the SEBB and HCA. The SEBB must review the optional benefits offered by districts and determine if those benefits conflict with the SEBB's plans offering authority. If the SEBB determines that there is no conflict, the SEBB must evaluate whether to seek additional benefit offerings authority from the Legislature.

Summary of Bill:

Provisions governing the optional benefits that school districts may offer to employees are modified. Optional benefits offered by a school district, rather than being required to be outside the SEBB's authority, must instead not compete with any basic or optional benefits offered through the SEBB. School districts are granted express authority to offer employee-paid, voluntary benefits to school employees that are paid by employees through a payroll deduction. Examples of these benefits include:

- personal lines homeowners insurance;
- private passenger automobile insurance; and
- accident only, specified disease, and other fixed-payment benefit insurance.

The SEBB must review the optional benefits offered by districts and determine if those benefits conflict with the SEBB's benefit plan offerings, rather than the SEBB's plan offering authority. If

the SEBB determines that there is no conflict, it must evaluate whether to seek additional benefit offerings authority from the Legislature.

Provisions delineating optional benefits are modified to specify that optional benefits may include a benefit plan that provides reimbursement for medical expenses in accordance with specified requirements, and voluntary employees' beneficiary association accounts.

A statement of legislative findings is also provided. The Legislature finds that supplemental fixed payment insurance plans, including accident only and specified disease plans, offer financial protection and do not conflict nor compete with basic medical or disability plans.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.