

SSB 5696 - H COMM AMD
By Committee on Appropriations

NOT CONSIDERED 01/02/2024

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 41.05.080 and 2018 c 260 s 15 are each amended to
4 read as follows:

5 (1) Under the qualifications, terms, conditions, and benefits set
6 by the public employees' benefits board:

7 (a) (i) Retired or disabled state employees, retired or disabled
8 school employees, retired or disabled employees of (~~county,~~
9 ~~municipal, or other political subdivisions, or retired or disabled~~
10 ~~employees of tribal governments~~) employer groups covered by this
11 chapter may continue their participation in insurance plans and
12 contracts after retirement or disablement.

13 (ii) The retired or disabled employees of employer groups whose
14 contractual agreement with the authority terminates may continue
15 their participation in insurance plans and contracts after the
16 contractual agreement is terminated. The retired or disabled
17 employees of employer groups whose contractual agreement with the
18 authority terminates are not eligible for any subsidy provided under
19 RCW 41.05.085;

20 (b) Separated employees may continue their participation in
21 insurance plans and contracts if participation is selected
22 immediately upon separation from employment;

23 (c) Surviving spouses, surviving state registered domestic
24 partners, and dependent children of emergency service personnel
25 killed in the line of duty may participate in insurance plans and
26 contracts.

27 (2) Rates charged surviving spouses and surviving state
28 registered domestic partners of emergency service personnel killed in
29 the line of duty, retired or disabled employees, separated employees,
30 spouses, or dependent children who are not eligible for parts A and B
31 of medicare shall be based on the experience of the community-rated
32 risk pool established under RCW 41.05.022.

1 (3) Rates charged to surviving spouses and surviving state
2 registered domestic partners of emergency service personnel killed in
3 the line of duty, retired or disabled employees, separated employees,
4 spouses, or children who are eligible for parts A and B of medicare
5 shall be calculated from a separate experience risk pool comprised
6 only of individuals eligible for parts A and B of medicare; however,
7 the premiums charged to medicare-eligible retirees and disabled
8 employees shall be reduced by the amount of the subsidy provided
9 under RCW 41.05.085, except as provided in subsection (1)(a)(ii) of
10 this section.

11 (4) Surviving spouses, surviving state registered domestic
12 partners, and dependent children of emergency service personnel
13 killed in the line of duty and retired or disabled and separated
14 employees shall be responsible for payment of premium rates developed
15 by the authority which shall include the cost to the authority of
16 providing insurance coverage including any amounts necessary for
17 reserves and administration in accordance with this chapter. These
18 self pay rates will be established based on a separate rate for the
19 employee, the spouse, state registered domestic partners, and the
20 children.

21 (5) The term "retired state employees" for the purpose of this
22 section shall include but not be limited to members of the
23 legislature whether voluntarily or involuntarily leaving state
24 office.

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

27 (1) Employer groups that enter into a contractual agreement with
28 the authority after the effective date of this act and whose
29 contractual agreement with the authority is subsequently terminated,
30 shall make a one-time payment as calculated in subsection (2) of this
31 section to the authority for each of the employer group's retired or
32 disabled employees who continue their participation in insurance
33 plans and contracts under RCW 41.05.080(1)(a)(ii).

34 (2) For each of the employer group's retired or disabled
35 employees who will be continuing their participation, the authority
36 shall determine the one-time payment amount by calculating the
37 difference in cost between the rate charged to retired or disabled
38 employees under RCW 41.05.080(2) and the actuarially determined value
39 of the medical benefits for retired and disabled employees who are

1 not eligible for parts A and B of medicare, and then multiplying that
2 difference by the number of months until the retired or disabled
3 employee would become eligible for medicare.

4 (3) Employer groups shall not be entitled to any refund of the
5 amount paid to the authority under this section.

6 NEW SECTION. **Sec. 3.** Any retired or disabled employee whose
7 participation in insurance plans or contracts under RCW
8 41.05.080(1)(a)(ii) ended due to the termination of the contractual
9 agreement between the authority and an employer group on or before
10 January 1, 2023, must be allowed to return and participate in
11 insurance plans and contracts as described in RCW 41.05.080(1)(a)(ii)
12 so long as the retired or disabled employee notifies the health care
13 authority in writing by December 31, 2023, after which participation
14 will begin on the first day of the month following the date the
15 authority receives the retired or disabled employee's written notice.

16 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
17 preservation of the public peace, health, or safety, or support of
18 the state government and its existing public institutions, and takes
19 effect immediately."

20 Correct the title.

EFFECT: Changes references to counties, municipalities, tribal
governments or other political subdivisions to instead refer to
"employer groups," the definition of which includes these
governmental organizations.

Adds that employer groups that contract to participate in the
public employees' benefits board program (PEBB) after the effective
date of the act and subsequently withdraw from PEBB must make a one-
time payment into the program. Specifies this payment is for the
actuarial cost of monthly subsidies for premedicare retirees that
will continue to be eligible for PEBB retiree coverage under the
terms of the bill.

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