

(4) Section 63, chapter 299, Laws of 1971 ex. sess. and RCW 82.50.480;

(5) Section 64, chapter 299, Laws of 1971 ex. sess. and RCW 82.50.490; and

(6) Section 65, chapter 299, Laws of 1971 ex. sess. and RCW 82.50.500.

Passed the Senate February 2, 1979.

Passed the House March 2, 1979.

Approved by the Governor March 26, 1979.

Filed in Office of Secretary of State March 26, 1979.

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CHAPTER 124

[Senate Bill No. 2479]

**BANKS AND TRUST COMPANIES—INVESTMENTS—STOCK IN SMALL  
BUSINESS INVESTMENT COMPANIES**

AN ACT Relating to banks and trust companies; and amending section 1, chapter 185, Laws of 1959 and RCW 30.04.126.

Be it enacted by the Legislature of the State of Washington:

Section 1. Section 1, chapter 185, Laws of 1959 and RCW 30.04.126 are each amended to read as follows:

Any bank, or trust company, or bank under the supervision of the supervisor may purchase and hold, for its own investment account, stock in small business investment companies licensed and regulated by the United States, as authorized by the Small Business Act, Public Law 85-536, 72 Statutes at Large 384, in an amount not to exceed ((one)) five percent of its paid-in capital and surplus.

Passed the Senate February 22, 1979.

Passed the House March 2, 1979.

Approved by the Governor March 26, 1979.

Filed in Office of Secretary of State March 26, 1979.

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CHAPTER 125

[Substitute House Bill No. 729]

**STATE EMPLOYEES' INSURANCE AND HEALTH CARE—BOARD  
MEMBERSHIP—PANEL MEDICINE PLAN PAYMENT—DEPENDENT'S  
INDIVIDUAL COVERAGE**

AN ACT Relating to state employees' insurance and health care; amending section 1, chapter 39, Laws of 1970 ex. sess. as last amended by section 2, chapter 106, Laws of 1975-'76 2nd ex. sess. and RCW 41.05.010; amending section 2, chapter 136, Laws of 1977 ex. sess. and RCW 41.05.025; adding a new section to chapter 41.05 RCW; and repealing section 1, chapter 190, Laws of 1977 ex. sess. and RCW 41.05.020.

Be it enacted by the Legislature of the State of Washington:

Section 1. Section 2, chapter 136, Laws of 1977 ex. sess. and RCW 41-.05.025 are each amended to read as follows:

(1) There is hereby created a state employees' insurance board to be composed of the members of the present board holding office on the day prior to July 1, 1977, which such members shall serve until the expiration of the period of time of the term for which they were appointed and until their successors are appointed and qualified. Thereafter the board shall be composed as follows: The governor or ((his)) the governor's designee; one administrative officer representing all of higher education to be appointed by the governor; two higher education faculty members to be appointed by the governor; the director of the department of personnel who shall act as trustee; one representative of an employee association certified as an exclusive representative of at least one bargaining unit of classified employees and one representative of an employee union certified as exclusive representative of at least one bargaining unit of classified employees, both to be appointed by the governor; one person who is retired and is covered by a program under the jurisdiction of the board, to be appointed by the governor; one member of the senate who shall be appointed by the president of the senate; and one member of the house of representatives who shall be appointed by the speaker of the house. The terms of office of the administrative officer representing higher education, the two higher education faculty members, the representative of an employee association, the retired person, and the representative of an employee union shall be for four years: PROVIDED, That the first term of one faculty member and one employee association or union representative member shall be for three years. Meetings of the board shall be at the call of the director of personnel. The board shall prescribe rules for the conduct of its business and shall elect a chairman and vice chairman annually. Members of the board shall receive no compensation for their services, but shall be paid for their travel expenses while on official business in accordance with RCW 43.03.050 and 43.03.060 as now existing or hereafter amended, and legislative members shall receive allowances provided for in RCW 44.04.120.

(2) The board shall study all matters connected with the providing of adequate health care coverage, life insurance, liability insurance, accidental death and dismemberment insurance, and disability income insurance or any one of, or a combination of, the enumerated types of insurance and health care plans for employees and their dependents on the best basis possible with relation both to the welfare of the employees and to the state: PROVIDED, That liability insurance shall not be made available to dependents. The board shall design benefits, devise specifications, analyze carrier responses to advertisements for bids, determine the terms and conditions of employee participation and coverage, and decide on the award of contracts which shall be signed by the trustee on behalf of the board: PROVIDED, That all contracts for insurance, health care plans, including panel medicine

plans, or protection applying to employees covered by RCW 28B.10.660 and chapters 41.04 and 41.05 RCW shall provide that the beneficiaries of such insurance, health care plans, or protection may utilize on an equal participation basis the services of practitioners licensed pursuant to chapters 18.22, 18.25, 18.32, 18.53, 18.57, 18.71, 18.74, 18.83, and 18.88 RCW: PROVIDED FURTHER, That the boards of trustees and boards of regents of the several institutions of higher education shall retain sole authority to provide liability insurance as provided in RCW 28B.10.660. The board shall from time to time review and amend such plans. Contracts for all plans shall be rebid and awarded at least every five years.

(3) The board shall develop and provide as a part of the employee insurance benefit program an employee health care benefit plan which may be provided through a contract or contracts with regularly constituted insurance carriers or health care service contractors as defined in chapter 48.44 RCW, and a plan to be provided by a panel medicine plan in its service area only when approved by the board. The board may but shall not be required to pay more for health benefits under a panel medicine plan than it would otherwise be required to pay for health benefits by a contract with a regularly constituted insurance carrier or health care service contractor in effect at the time the panel medicine plan is included in the employee health care benefit plan. Except for panel medicine plans, no more than one insurance carrier or health care service contractor shall be contracted with to provide the same plan of benefits: PROVIDED, That employees may choose participation in only one of the health care benefit plans sponsored by the board. Active employees, as defined in RCW 41.05.020 (2), eligible for medicare benefits shall have the option of continuing participation in health care programs on the same basis as all other employees or participation in medicare supplemental programs as may be developed by the board. These health care benefit plans shall provide coverage for all officials and employees and their dependents without premium or subscription cost to the individual employees and officials(~~(-PROVIDED, That the employer contribution per employee for panel medicine plans shall not exceed the employer contribution provided for in the contract entered into with the regularly constituted insurance carrier or health care service contractor)),~~ unless the board approves a panel medicine plan at a subscription rate in excess of the premium of the regularly constituted insurance carrier or health care service contractor, in which circumstances an employee contribution may be authorized at an amount equal to such excess. Rates for self pay segments of state employee groups will be developed from the experience of the entire group. Such self pay rates will be established based on a separate rate for the employee, the spouse, and children.

Sec. 2. Section 1, chapter 39, Laws of 1970 ex. sess. as last amended by section 2, chapter 106, Laws of 1975-'76 2nd ex. sess. and RCW 41.05.010 are each amended to read as follows:

Unless the context clearly indicates otherwise, words used in this chapter have the following meaning:

(1) "Board" means the state employees' insurance board established under the provisions of RCW 41.05.020.

(2) "Employee" shall include all full time and career seasonal employees of the state, a county, a municipality, or other political subdivision of the state, whether or not covered by civil service; elected and appointed officials of the executive branch of government, including full time members of boards, commissions, or committees; and shall include any or all part time and temporary employees under the terms and conditions established by the board; justices of the supreme court and judges of the court of appeals and the superior courts; and members of the state legislature or of the legislative authority of any county, city, or town who are elected to office after February 20, 1970.

(3) "Panel medicine plan" means a health care plan which can be offered by a health care service contractor which itself furnishes the health care service contracted for by means of a group practice prepaid medical care plan, and also includes a health maintenance organization holding a valid certificate of registration under chapter 48.46 RCW.

(4) "Trustee" shall mean the director of personnel.

NEW SECTION. Sec. 3. There is added to chapter 41.05 RCW a new section to read as follows:

When a dependent becomes ineligible under the state plan and wishes to continue coverage on an individual basis with the same provider under the state plan, such dependent shall be entitled to immediately transfer and shall not be required to undergo any waiting period before obtaining individual coverage.

NEW SECTION. Sec. 4. Section 1, chapter 190, Laws of 1977 ex. sess. and RCW 41.05.020 are each repealed.

Passed the House March 8, 1979.

Passed the Senate March 1, 1979.

Approved by the Governor March 26, 1979.

Filed in Office of Secretary of State March 26, 1979.

## CHAPTER 126

[House Bill No. 149]

### COUNTY LAW LIBRARIES—FILING FEE COLLECTION

AN ACT Relating to law libraries; amending section 1, chapter 249, Laws of 1953 as last amended by section 3, chapter 141, Laws of 1971 ex. sess. and RCW 27.24.070; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington: