

(b) Option 2. Upon his death his adjusted retirement allowance shall be continued throughout the life of and paid to such person as he shall have nominated by written designation duly executed and filed with the board of trustees at the time of his retirement.

(c) Option 3. Upon his death one-half of his adjusted retirement allowance shall be continued throughout the life of and paid to such person as he shall have nominated by written designation executed and filed with the board of trustees at the time of his retirement.

(d) Option 4. In addition to the other options provided under this subsection, the member may also elect to receive the maximum retirement allowance or a retirement allowance based on options 1, 2, or 3 which also includes the benefit provided under RCW 41.32.770. This retirement allowance option shall also be calculated so as to be actuarially equivalent to the maximum retirement allowance and to options 1, 2, and 3 as provided in this subsection.

NEW SECTION. Sec. 2. This act shall take effect June 30, 1988.

Passed the House February 15, 1988.

Passed the Senate March 6, 1988.

Approved by the Governor March 18, 1988.

Filed in Office of Secretary of State March 18, 1988.

CHAPTER 117

[House Bill No. 1559]

TEACHERS' RETIREMENT—TERMINATION OR REESTABLISHMENT OF MEMBERSHIP REVISED

AN ACT Relating to termination of membership for members of the teachers' retirement system plan II; amending RCW 41.32.820 and 41.32.825; and providing an effective date.

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

Sec. 1. Section 15, chapter 293, Laws of 1977 ex. sess. as amended by section 17, chapter 52, Laws of 1982 1st ex. sess. and RCW 41.32.820 are each amended to read as follows:

A member who ceases to be an employee of an employer except by service or disability retirement may request a refund of the member's accumulated contributions. The refund shall be made within ninety days following the receipt of the request and notification of termination through the contribution reporting system by the employer; except that in the case of death, an initial payment shall be made within thirty days of receipt of request for such payment and notification of termination through the contribution reporting system by the employer. A member who files a request for refund and subsequently enters into employment with another employer prior to the refund being made shall not be eligible for a refund. The refund

of accumulated contributions shall terminate membership and all benefits under the provisions of RCW 41.32.755 through 41.32.825.

Sec. 2. Section 16, chapter 293, Laws of 1977 ex. sess. and RCW 41.32.825 are each amended to read as follows:

A member, who had left service and withdrawn the member's accumulated contributions, shall, upon reestablishment of membership under RCW 41.32.240, receive service credit for such prior service if the member restores all withdrawn accumulated contributions together with interest since the time of withdrawal as determined by the department. The restoration of such funds must be completed within five years of the resumption of service or prior to retirement, whichever occurs first.

NEW SECTION. Sec. 3. This act shall take effect July 1, 1988.

Passed the House February 15, 1988.

Passed the Senate March 5, 1988.

Approved by the Governor March 18, 1988.

Filed in Office of Secretary of State March 18, 1988.

CHAPTER 118

[Engrossed House Bill No. 2046]

HOSPITAL RATES NEGOTIATED WITH THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—RATE REVIEW PROCESS REVISED

AN ACT Relating to hospital reimbursement; amending RCW 70.39.140; and declaring an emergency.

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

Sec. 1. Section 15, chapter 5, Laws of 1973 1st ex. sess. as last amended by section 14, chapter 288, Laws of 1984 and RCW 70.39.140 are each amended to read as follows:

(1)(a) From and after a date not less than twelve months but not more than twenty-four months after the adoption of the uniform system of accounting and financial reporting required by RCW 70.39.100, as the commission may direct, the commission shall have the power to initiate such reviews or investigations as may be necessary to assure all purchasers of health care services that the total costs of a hospital are reasonably related to the total services offered by that hospital, that costs do not exceed those that are necessary for prudently and reasonably managed hospitals, that the hospital's rates are reasonably related to the hospital's aggregate costs; and that rates are set equitably among all purchasers or classes of purchasers of services without undue discrimination or preference. Effective July 1, 1985, this chapter does not preclude any hospital from negotiating with and charging any particular payer or purchaser rates that are less than those approved by the commission, if: