

CHAPTER 34

[House Bill No. 736]

STATE EMPLOYEES INSURANCE—MULTIPLE CARRIERS—INSURANCE
PROGRAM SURVEYS

AN ACT Relating to state employees' insurance; amending section 2, chapter 136, Laws of 1977 ex. sess. as last amended by section 2, chapter 120, Laws of 1980 and RCW 41.05.025; and amending section 5, chapter 39, Laws of 1970 ex. sess. as last amended by section 55, chapter 151, Laws of 1979 and RCW 41.05.050.

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

Section 1. Section 2, chapter 136, Laws of 1977 ex. sess. as last amended by section 2, chapter 120, Laws of 1980 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 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))~~ the board may but is not required to contract with more than one insurance carrier or health care service contractor ~~((shall be contracted with))~~ to provide ~~((the same plan of))~~ similar 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, 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.

(4) The board shall review plans proposed by insurance carriers who desire to offer property insurance and/or accident and casualty insurance to state employees through payroll deduction. The board may approve any such plan for payroll deduction by carriers holding a valid certificate of authority in the state of Washington and which the board determines to be in the best interests of employees and the state. The board shall promulgate rules setting forth criteria by which it shall evaluate the plans.

Sec. 2. Section 5, chapter 39, Laws of 1970 ex. sess. as last amended by section 55, chapter 151, Laws of 1979 and RCW 41.05.050 are each amended to read as follows:

(1) Every department, division, or separate agency of state government, and such county, municipal, or other political subdivisions as are covered by this chapter, shall provide contributions to insurance and health care plans for its employees and their dependents, the content of such plans to be determined by the state employees insurance board. Such contributions, which shall be paid by the county, the municipality, or other political subdivision for their employees, shall include an amount determined by the state employee's insurance board to pay the administrative expenses of the board and the salaries and wages and expenses of the benefits supervisor and other necessary personnel: PROVIDED, That this administrative service charge for state employees shall not result in an employer contribution in excess of the amount authorized by the governor and the legislature as prescribed in RCW 41.05.050(2), and that the sum of an employee's insurance premiums and administrative service charge in excess of such employer contribution shall be paid by the employee. All such contributions will be paid into the state employees insurance fund to be expended in accordance with RCW 41.05.030.

(2) The contributions of any department, division, or separate agency of the state government, and such county, municipal, or other political subdivisions as are covered by this chapter, shall be set by the state employees insurance board, subject to the approval of the governor for availability of funds as specifically appropriated by the legislature for that purpose: PROVIDED, That nothing herein shall be a limitation on employees employed under chapter 47.64 RCW: PROVIDED FURTHER, That provision for school district personnel shall not be made under this chapter.

(3) The trustee with the assistance of the department of personnel shall ((annually)) survey private industry and public employers in the state of

Washington to determine the average employer contribution and the average level of benefits for group insurance programs under the jurisdiction of the state employees insurance board. Such survey shall be conducted during each even-numbered year but may be conducted more frequently. The survey shall be reported to the board for its use in setting the amount of the recommended employer contribution to the employee insurance benefit program covered by this chapter. The board shall transmit a recommendation for the amount of the employer contribution to the governor and the director of financial management for inclusion in the proposed budgets submitted to the legislature.

Passed the House April 2, 1982.

Passed the Senate March 21, 1982.

Approved by the Governor April 9, 1982.

Filed in Office of Secretary of State April 9, 1982.

CHAPTER 35

[Engrossed Senate Bill No. 4250]

REVENUE AND TAXATION—SURCHARGE—FOOD TAX—ESTIMATED TAX PAYMENTS—TAX PREFERENCE REVIEW

AN ACT Relating to revenue and taxation; amending section 5, chapter 91, Laws of 1947 as last amended by section 1, chapter 42, Laws of 1967 and RCW 41.16.050; amending section 3, chapter 261, Laws of 1945 as last amended by section 26, chapter 3, Laws of 1981 and RCW 41.24.030; amending section .14.02, chapter 79, Laws of 1947 as last amended by section 2, chapter 233, Laws of 1979 ex. sess. and RCW 48.14.020; amending section 2, chapter 278, Laws of 1957 as last amended by section 2, chapter 366, Laws of 1977 ex. sess. and RCW 54.28.020; amending section 6, chapter 366, Laws of 1977 ex. sess. and RCW 54.28.025; amending section 4, chapter 278, Laws of 1957 as amended by section 31, chapter 278, Laws of 1975 1st ex. sess. and RCW 54.28.040; amending section 5, chapter 278, Laws of 1957 as last amended by section 8, chapter 154, Laws of 1980 and RCW 54.28.050; amending section 7, chapter 366, Laws of 1977 ex. sess. as amended by section 165, chapter 151, Laws of 1979 and RCW 54.28.055; amending section 73, chapter 62, Laws of 1933 ex. sess. as amended by section 1, chapter 6, Laws of 1961 ex. sess. and RCW 66.08.170; amending section 24—A added to chapter 62, Laws of 1933 ex. sess. by section 3, chapter 158, Laws of 1935 as last amended by section 12, chapter 5, Laws of 1981 1st ex. sess. and RCW 66.24.210; amending section 24, chapter 62, Laws of 1933 ex. sess. as last amended by section 16, chapter 5, Laws of 1981 1st ex. sess. and RCW 66.24.290; amending section 3, chapter 130, Laws of 1975—'76 2nd ex. sess. as amended by section 1, chapter 324, Laws of 1977 ex. sess. and RCW 82.04.2901; amending section 82.08.020, chapter 15, Laws of 1961 as last amended by section 1, chapter 8, Laws of 1981 2nd ex. sess. and RCW 82.08.020; amending section 82.08.100, chapter 15, Laws of 1961 as amended by section 50, chapter 278, Laws of 1975 1st ex. sess. and RCW 82.08.100; amending section 82.08.150, chapter 15, Laws of 1961 as last amended by section 25, chapter 5, Laws of 1981 1st ex. sess. and RCW 82.08.150; amending section 82.08.160, chapter 15, Laws of 1961 as last amended by section 26, chapter 5, Laws of 1981 1st ex. sess. and RCW 82.08.160; amending section 82.12.070, chapter 15, Laws of 1961 as amended by section 55, chapter 278, Laws of 1975 1st ex. sess. and RCW 82.12.070; amending section 82.16.020, chapter 15, Laws of 1961 as last amended by section 12, chapter 299, Laws of 1971 ex. sess. and RCW 82.16.020; amending section 82.16.030, chapter 15, Laws of 1961 and RCW 82.16.030; amending section 82.20.010, chapter 15, Laws of 1961 and RCW 82.20.010; amending section 82.24.020, chapter 15, Laws of 1961 as last amended by section 6, chapter 172, Laws of 1981 and RCW 82.24.020; amending section 82.26.020, chapter 15, Laws of 1961 as last amended by section 71,