

SENATE BILL REPORT

SB 5632

As of February 3, 2023

Title: An act relating to protecting the health care of workers exercising their right to participate in a labor dispute.

Brief Description: Protecting the health care of workers participating in a labor dispute.

Sponsors: Senators Keiser, Cleveland, Conway, Hasegawa, Hunt, Kuderer, Lovelett, Stanford, Valdez and Wilson, C..

Brief History:

Committee Activity: Health & Long Term Care: 2/02/23 [w/oRec-LC].

Labor & Commerce: 2/06/23.

Brief Summary of Bill

- Requires the Health Benefit Exchange to administer a health care premium assistance program for employees who lose employer-provided health care coverage as a result of a labor dispute.

SENATE COMMITTEE ON LABOR & COMMERCE

Staff: Jarrett Sacks (786-7448)

Background: The Affordable Care Act and the Washington Healthplanfinder. Under the federal Patient Protection and Affordable Care Act (ACA), each state must establish a health benefit exchange through which consumers may compare and purchase individual and small group coverage, access premium and cost-sharing subsidies, and apply for Medicaid coverage. Qualified health plans (QHPs) sold in an exchange must meet certain standardized actuarial values. The tiers of coverage are based on how much of the health care costs the insurer is required to cover: Bronze—60 percent, Silver—70 percent, Gold—80 percent, and Platinum—90 percent. Washington’s health benefit exchange, the Washington Healthplanfinder, is a public-private partnership governed by a board

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consisting of members with expertise in the health care system and health care coverage.

The ACA also requires all United States citizens and legal residents to have health insurance coverage or pay a tax penalty. However, the tax penalty was repealed by subsequent federal legislation. Minimum essential coverage is any health plan that meets the ACA's requirements for having health coverage.

In general, under the ACA, employers with 50 or more full-time employees are required to offer minimum essential coverage to their full-time employees.

Health Insurance Coverage and Labor Disputes. In general, there is no requirement that an employer continue health insurance coverage for striking employees. Under National Labor Relations Board precedent, employers are prohibited from unilaterally changing the terms of employee health insurance for striking employees, but the employer is not obligated to provide compensation, such as insurance coverage, during a strike. However, the employer must maintain any accrued benefits to strikers once they return to work.

The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) requires employers with more than 20 employees who provide group health insurance to give employees the option to purchase continued coverage for a limited time under the plan if they are separated from work. Under COBRA, the employee pays the full premium. The employer may charge the employee up to 102 percent of the cost of the plan, 2 percent of which covers administrative costs.

Summary of Bill: By January 1, 2024, the Health Benefit Exchange must administer a worker health care premium assistance program for Washingtonians who lose employer-provided health care coverage as a result of a labor dispute.

Subject to the availability of state funding appropriated for this purpose, a worker is eligible for the program if the individual:

- provides a self-attestation regarding loss of minimal essential health care coverage from an employer or joint labor management trust fund as a result of a strike, lockout, or other labor dispute;
- enrolls in a Silver standardized health care plan through the exchange;
- applies for and accepts all federal advance premium tax credits for which they may be eligible before receiving any state premium assistance;
- is ineligible for minimum essential coverage through Medicare, a federal or state medical assistance program administered by the Health Care Authority, or Compact of Free Association premium assistance; and
- eligible to purchase a qualified health plan through the Health Benefit Exchange.

Subject to state funding appropriated for the bill, the Health Benefit Exchange must pay the total premium for individuals eligible for the worker health care premium assistance established by the bill, after all applicable federal and state subsidies are applied.

The Health Benefit Exchange may disqualify a participant from the program if the participant:

- no longer meets the eligibility criteria for premium assistance;
- fails, without good cause, to comply with procedural documentation requirements established by the Health Benefit Exchange under the bill;
- fails, without good cause, to notify the Health Benefit Exchange of a change in address in a timely manner;
- voluntarily withdraws from the program; or
- performs an act, practice, or omission that constitutes fraud.

The Health Benefit Exchange must establish procedural and documentation requirements for the premium assistance program, as well as procedural requirements for facilitating payments to and from carriers.

Appropriation: The bill contains a section or sections to limit implementation to the availability of amounts appropriated for that specific purpose.

Fiscal Note: Requested on January 31, 2023.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.