

CERTIFICATION OF ENROLLMENT

HOUSE BILL 1042

Chapter 7, Laws of 2017

65th Legislature
2017 3rd Special Session

INSURANCE COMMISSIONER--SCHOOL DISTRICT AND EDUCATIONAL SERVICE
DISTRICT ANNUAL REPORT--ELIMINATION

EFFECTIVE DATE: PENDING

Passed by the House June 30, 2017
Yeas 94 Nays 0

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate June 30, 2017
Yeas 49 Nays 0

CYRUS HABIB

President of the Senate

Approved July 6, 2017 1:50 PM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 1042** as passed by House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

Chief Clerk

FILED

July 7, 2017

**Secretary of State
State of Washington**

HOUSE BILL 1042

Passed Legislature - 2017 3rd Special Session

State of Washington

65th Legislature

2017 Regular Session

By Representatives Springer, Harris, Jinkins, Fitzgibbon, Tharinger, and Sawyer; by request of Insurance Commissioner

Prefiled 12/15/16. Read first time 01/09/17. Referred to Committee on Appropriations.

1 AN ACT Relating to eliminating the office of the insurance
2 commissioner's school district or educational service district annual
3 report; amending RCW 28A.400.275; and repealing RCW 48.02.210 and
4 48.62.181.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 **Sec. 1.** RCW 28A.400.275 and 2012 2nd sp.s. c 3 s 4 are each
7 amended to read as follows:

8 (1) Any contract or agreement for employee benefits executed
9 after April 13, 1990, between a school district and a benefit
10 provider or employee bargaining unit is null and void unless it
11 contains an agreement to abide by state laws relating to school
12 district employee benefits. The term of the contract or agreement may
13 not exceed one year.

14 ~~(2) ((School districts and their benefit providers shall annually~~
15 ~~submit, by a date determined by the office of the insurance~~
16 ~~commissioner, the following information and data for the prior~~
17 ~~calendar year to the office of the insurance commissioner:~~

18 ~~(a) Progress by the district and its benefit providers toward~~
19 ~~greater affordability for full family coverage, health care cost~~
20 ~~savings, and significantly reduced administrative costs;~~

1 ~~(b) Compliance with the requirement to provide a high deductible~~
2 ~~health plan option with a health savings account;~~

3 ~~(c) An overall plan summary including the following:~~

4 ~~(i) The financial plan structure and overall performance of each~~
5 ~~health plan including:~~

6 ~~(A) Total premium expenses;~~

7 ~~(B) Total claims expenses;~~

8 ~~(C) Claims reserves; and~~

9 ~~(D) Plan administration expenses, including compensation paid to~~
10 ~~brokers;~~

11 ~~(ii) A description of the plan's use of innovative health plan~~
12 ~~features designed to reduce health benefit premium growth and reduce~~
13 ~~utilization of unnecessary health services including but not limited~~
14 ~~to the use of enrollee health assessments or health coach services,~~
15 ~~care management for high cost or high risk enrollees, medical or~~
16 ~~health home payment mechanisms, and plan features designed to create~~
17 ~~incentives for improved personal health behaviors;~~

18 ~~(iii) Data to provide an understanding of employee health benefit~~
19 ~~plan coverage and costs, including: The total number of employees~~
20 ~~and, for each employee, the employee's full-time equivalent status,~~
21 ~~types of coverage or benefits received including numbers of covered~~
22 ~~dependents, the number of eligible dependents, the amount of the~~
23 ~~district's contribution to premium, additional premium costs paid by~~
24 ~~the employee through payroll deductions, and the age and sex of the~~
25 ~~employee and each dependent;~~

26 ~~(iv) Data necessary for school districts to more effectively and~~
27 ~~competitively manage and procure health insurance plans for~~
28 ~~employees. The data must include, but not be limited to, the~~
29 ~~following:~~

30 ~~(A) A summary of the benefit packages offered to each group of~~
31 ~~district employees, including covered benefits, employee deductibles,~~
32 ~~coinsurance, and copayments, and the number of employees and their~~
33 ~~dependents in each benefit package;~~

34 ~~(B) Aggregated employee and dependent demographic information,~~
35 ~~including age band and gender, by insurance tier and by benefit~~
36 ~~package;~~

37 ~~(C) Total claim payments by benefit package, including premiums~~
38 ~~paid, inpatient facility claims paid, outpatient facility claims~~
39 ~~paid, physician claims paid, pharmacy claims paid, capitation amounts~~
40 ~~paid, and other claims paid;~~

1 ~~(D) Total premiums paid by benefit package;~~

2 ~~(E) A listing of large claims defined as annual amounts paid in~~
3 ~~excess of one hundred thousand dollars including the amount paid, the~~
4 ~~member enrollment status, and the primary diagnosis.~~

5 ~~(3) Annually, school districts and their benefit providers shall~~
6 ~~jointly report to the office of the insurance commissioner on their~~
7 ~~health insurance related efforts and achievements to:~~

8 ~~(a) Significantly reduce administrative costs for school~~
9 ~~districts;~~

10 ~~(b) Improve customer service;~~

11 ~~(c) Reduce differential plan premium rates between employee only~~
12 ~~and family health benefit premiums;~~

13 ~~(d) Protect access to coverage for part-time K-12 employees.~~

14 ~~(4) The information and data shall be submitted in a format and~~
15 ~~according to a schedule established by the office of the insurance~~
16 ~~commissioner under RCW 48.02.210 to enable the commissioner to meet~~
17 ~~the reporting obligations under that section.~~

18 ~~(5)) Any benefit provider offering a benefit plan by contract or~~
19 ~~agreement with a school district under subsection (1) of this section~~
20 ~~shall make available to the school district the benefit plan~~
21 ~~descriptions and, where available, the demographic information on~~
22 ~~plan subscribers that the district and benefit provider are required~~
23 ~~to report to the office of the insurance commissioner under this~~
24 ~~section.~~

25 ~~((6) This section shall not apply to benefit plans offered in~~
26 ~~the 1989-90 school year.))~~

27 NEW SECTION. **Sec. 2.** The following acts or parts of acts are
28 each repealed:

29 (1) RCW 48.02.210 (School district health insurance benefits—
30 Annual report) and 2012 2nd sp.s. c 3 s 5; and

31 (2) RCW 48.62.181 (School district or educational service
32 district self-insured health and welfare benefits programs—
33 Noncompliance—Notification—Termination) and 2012 2nd sp.s. c 3 s 9.

Passed by the House June 30, 2017.

Passed by the Senate June 30, 2017.

Approved by the Governor July 6, 2017.

Filed in Office of Secretary of State July 7, 2017.

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