
SENATE BILL 5612

State of Washington

62nd Legislature

2011 Regular Session

By Senators Hobbs, Tom, and Schoesler

Read first time 02/01/11. Referred to Committee on Early Learning & K-12 Education.

1 AN ACT Relating to requiring school districts or educational
2 service districts to purchase employee health insurance coverage
3 through the state health care authority; amending RCW 28A.400.270,
4 28A.400.275, 28A.400.350, 41.05.011, 41.05.021, and 41.05.050; and
5 creating a new section.

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

7 **Sec. 1.** RCW 28A.400.270 and 1990 1st ex.s. c 11 s 4 are each
8 amended to read as follows:

9 Unless the context clearly requires otherwise, the definitions in
10 this section apply throughout RCW 28A.400.275 and 28A.400.280.

11 (1) "School district employee benefit plan" means the overall plan
12 used by the district for distributing fringe benefit subsidies to
13 employees, including the method of determining employee coverage and
14 the amount of employer contributions, as well as the characteristics of
15 benefit providers and the specific benefits or coverage offered. It
16 shall not include coverage offered to district employees for which
17 there is no contribution from public funds.

18 (2) "Fringe benefit" does not include liability coverage, old-age

1 survivors' insurance, workers' compensation, unemployment compensation,
2 retirement benefits under the Washington state retirement system, or
3 payment for unused leave for illness or injury under RCW 28A.400.210.

4 (3) "Basic benefits" are determined through local bargaining until
5 September 1, 2013, and are limited to medical, dental, vision, group
6 term life, and group long-term disability insurance coverage.
7 Beginning September 1, 2013, basic benefits are determined by the
8 public employees' benefits board and administered by the Washington
9 state health care authority.

10 (4) "Benefit providers" include insurers, third party claims
11 administrators, direct providers of employee fringe benefits, health
12 maintenance organizations, health care service contractors, and the
13 Washington state health care authority or any plan offered by the
14 authority.

15 (5) "Group term life insurance coverage" means term life insurance
16 coverage provided for, at a minimum, all full-time employees in a
17 bargaining unit or all full-time nonbargaining group employees.

18 (6) "Group long-term disability insurance coverage" means long-term
19 disability insurance coverage provided for, at a minimum, all full-time
20 employees in a bargaining unit or all full-time nonbargaining group
21 employees.

22 **Sec. 2.** RCW 28A.400.275 and 1990 1st ex.s. c 11 s 5 are each
23 amended to read as follows:

24 (1) Any contract for employee benefits executed after April 13,
25 1990, between a school district and a benefit provider or employee
26 bargaining unit is null and void unless it contains an agreement to
27 abide by state laws relating to school district employee benefits. The
28 term of the contract may not exceed one year. Beginning September 1,
29 2013, any contract for employee benefits between a school district and
30 a bargaining unit is null and void unless basic benefits are provided
31 through plans administered by the Washington state health care
32 authority.

33 (2) School districts shall (~~annually~~) submit to the Washington
34 state health care authority (~~summary descriptions of all benefits~~
35 ~~offered under the district's employee benefit plan.~~) all information
36 deemed necessary by the health care authority for the administration of
37 the employee benefit plans provided to school district employees,

1 including all information requested between the effective date of this
2 section and September 1, 2013, requested for preparing for the
3 enrollment of school district employees in benefit plans administered
4 by the Washington state health care authority. Until September 1,
5 2013, the districts shall also submit data to the health care authority
6 specifying the total number of employees and, for each employee, types
7 of coverage or benefits received including numbers of covered
8 dependents, the number of eligible dependents, the amount of the
9 district's contribution, additional premium costs paid by the employee
10 through payroll deductions, and the age and sex of the employee and
11 each dependent. The plan descriptions and the data shall be submitted
12 in a format and according to a schedule established by the health care
13 authority.

14 (3) Any benefit provider offering a benefit plan by contract with
15 a school district under subsection (1) of this section shall agree to
16 make available to the school district the benefit plan descriptions
17 and, where available, the demographic information on plan subscribers
18 that the district is required to report to the Washington state health
19 care authority under this section.

20 (4) This section shall not apply to benefit plans offered in the
21 1989-90 school year.

22 **Sec. 3.** RCW 28A.400.350 and 2001 c 266 s 2 are each amended to
23 read as follows:

24 (1)(a) The board of directors of any of the state's school
25 districts or educational service districts may make available
26 liability, life, health, health care, accident, disability and salary
27 protection or insurance or any one of, or a combination of the
28 enumerated types of insurance, or any other type of insurance or
29 protection, for the members of the boards of directors, the students,
30 and employees of the school district or educational service district,
31 and their dependents. Except as provided in (b) of this subsection,
32 such coverage may be provided by contracts with private carriers, with
33 the state health care authority after July 1, 1990, pursuant to the
34 approval of the authority administrator, or through self-insurance or
35 self-funding pursuant to chapter 48.62 RCW, or in any other manner
36 authorized by law.

1 (b) Beginning September 1, 2013, a school district or educational
2 service district shall purchase basic benefits as defined in RCW
3 28A.400.270 for employees and dependents through the state health care
4 authority, except that the coverage may be purchased through other
5 parties if required by any collective bargaining agreement signed
6 before the effective date of this section. Upon the expiration of such
7 a collective bargaining agreement, the school district or educational
8 service district shall purchase coverage through the state health care
9 authority.

10 (2) Whenever funds are available for these purposes the board of
11 directors of the school district or educational service district may
12 contribute all or a part of the cost of such protection or insurance
13 for the employees of their respective school districts or educational
14 service districts and their dependents. The premiums on such liability
15 insurance shall be borne by the school district or educational service
16 district.

17 After October 1, 1990, school districts may not contribute to any
18 employee protection or insurance other than liability insurance unless
19 the district's employee benefit plan conforms to RCW 28A.400.275 and
20 28A.400.280.

21 (3) For school board members, educational service district board
22 members, and students, the premiums due on such protection or insurance
23 shall be borne by the assenting school board member, educational
24 service district board member, or student. The school district or
25 educational service district may contribute all or part of the costs,
26 including the premiums, of life, health, health care, accident or
27 disability insurance which shall be offered to all students
28 participating in interschool activities on the behalf of or as
29 representative of their school, school district, or educational service
30 district. The school district board of directors and the educational
31 service district board may require any student participating in
32 extracurricular interschool activities to, as a condition of
33 participation, document evidence of insurance or purchase insurance
34 that will provide adequate coverage, as determined by the school
35 district board of directors or the educational service district board,
36 for medical expenses incurred as a result of injury sustained while
37 participating in the extracurricular activity. In establishing such a
38 requirement, the district shall adopt regulations for waiving or

1 reducing the premiums of such coverage as may be offered through the
2 school district or educational service district to students
3 participating in extracurricular activities, for those students whose
4 families, by reason of their low income, would have difficulty paying
5 the entire amount of such insurance premiums. The district board shall
6 adopt regulations for waiving or reducing the insurance coverage
7 requirements for low-income students in order to assure such students
8 are not prohibited from participating in extracurricular interschool
9 activities.

10 (4) All contracts for insurance or protection written to take
11 advantage of the provisions of this section shall provide that the
12 beneficiaries of such contracts may utilize on an equal participation
13 basis the services of those practitioners licensed pursuant to chapters
14 18.22, 18.25, 18.53, 18.57, and 18.71 RCW.

15 **Sec. 4.** RCW 41.05.011 and 2009 c 537 s 3 are each amended to read
16 as follows:

17 The definitions in this section apply throughout this chapter
18 unless the context clearly requires otherwise.

19 (1) "Administrator" means the administrator of the authority.

20 (2) "State purchased health care" or "health care" means medical
21 and health care, pharmaceuticals, and medical equipment purchased with
22 state and federal funds by the department of social and health
23 services, the department of health, the basic health plan, the state
24 health care authority, the department of labor and industries, the
25 department of corrections, the department of veterans affairs, and
26 local school districts.

27 (3) "Authority" means the Washington state health care authority.

28 (4) "Insuring entity" means an insurer as defined in chapter 48.01
29 RCW, a health care service contractor as defined in chapter 48.44 RCW,
30 or a health maintenance organization as defined in chapter 48.46 RCW.

31 (5) "Flexible benefit plan" means a benefit plan that allows
32 employees to choose the level of health care coverage provided and the
33 amount of employee contributions from among a range of choices offered
34 by the authority.

35 (6) "Employee" includes all employees of the state, whether or not
36 covered by civil service; elected and appointed officials of the
37 executive branch of government, including full-time members of boards,

1 commissions, or committees; justices of the supreme court and judges of
2 the court of appeals and the superior courts; and members of the state
3 legislature. Pursuant to contractual agreement with the authority,
4 "employee" may also include: (a) Employees of a county, municipality,
5 or other political subdivision of the state and members of the
6 legislative authority of any county, city, or town who are elected to
7 office after February 20, 1970, if the legislative authority of the
8 county, municipality, or other political subdivision of the state seeks
9 and receives the approval of the authority to provide any of its
10 insurance programs by contract with the authority, as provided in RCW
11 41.04.205 and 41.05.021(1)(g); (b) employees of employee organizations
12 representing state civil service employees, at the option of each such
13 employee organization, and, effective October 1, 1995, employees of
14 employee organizations currently pooled with employees of school
15 districts for the purpose of purchasing insurance benefits, at the
16 option of each such employee organization; (c) employees of a school
17 district or educational service district, except that prior to
18 September 1, 2013, only if the authority agrees to provide any of the
19 school districts' insurance programs by contract with the authority as
20 provided in RCW 28A.400.350; and (d) employees of a tribal government,
21 if the governing body of the tribal government seeks and receives the
22 approval of the authority to provide any of its insurance programs by
23 contract with the authority, as provided in RCW 41.05.021(1) (f) and
24 (g). "Employee" does not include: Adult family homeowners; unpaid
25 volunteers; patients of state hospitals; inmates; employees of the
26 Washington state convention and trade center as provided in RCW
27 41.05.110; students of institutions of higher education as determined
28 by their institution; and any others not expressly defined as employees
29 under this chapter or by the authority under this chapter.

30 (7) "Seasonal employee" means an employee hired to work during a
31 recurring, annual season with a duration of three months or more, and
32 anticipated to return each season to perform similar work.

33 (8) "Faculty" means an academic employee of an institution of
34 higher education whose workload is not defined by work hours but whose
35 appointment, workload, and duties directly serve the institution's
36 academic mission, as determined under the authority of its enabling
37 statutes, its governing body, and any applicable collective bargaining
38 agreement.

1 (9) "Board" means the public employees' benefits board established
2 under RCW 41.05.055.

3 (10) "Retired or disabled school employee" means:

4 (a) Persons who separated from employment with a school district or
5 educational service district and are receiving a retirement allowance
6 under chapter 41.32 or 41.40 RCW as of September 30, 1993;

7 (b) Persons who separate from employment with a school district or
8 educational service district on or after October 1, 1993, and
9 immediately upon separation receive a retirement allowance under
10 chapter 41.32, 41.35, or 41.40 RCW;

11 (c) Persons who separate from employment with a school district or
12 educational service district due to a total and permanent disability,
13 and are eligible to receive a deferred retirement allowance under
14 chapter 41.32, 41.35, or 41.40 RCW.

15 (11) "Premium payment plan" means a benefit plan whereby state and
16 public employees may pay their share of group health plan premiums with
17 pretax dollars as provided in the salary reduction plan under this
18 chapter pursuant to 26 U.S.C. Sec. 125 or other sections of the
19 internal revenue code.

20 (12) "Salary" means a state employee's monthly salary or wages.

21 (13) "Participant" means an individual who fulfills the eligibility
22 and enrollment requirements under the salary reduction plan.

23 (14) "Plan year" means the time period established by the
24 authority.

25 (15) "Separated employees" means persons who separate from
26 employment with an employer as defined in:

27 (a) RCW 41.32.010(~~((+11))~~) (17) on or after July 1, 1996; or

28 (b) RCW 41.35.010 on or after September 1, 2000; or

29 (c) RCW 41.40.010 on or after March 1, 2002;

30 and who are at least age fifty-five and have at least ten years of
31 service under the teachers' retirement system plan 3 as defined in RCW
32 41.32.010(~~((+40))~~) (33), the Washington school employees' retirement
33 system plan 3 as defined in RCW 41.35.010, or the public employees'
34 retirement system plan 3 as defined in RCW 41.40.010.

35 (16) "Emergency service personnel killed in the line of duty" means
36 law enforcement officers and firefighters as defined in RCW 41.26.030,
37 members of the Washington state patrol retirement fund as defined in
38 RCW 43.43.120, and reserve officers and firefighters as defined in RCW

1 41.24.010 who die as a result of injuries sustained in the course of
2 employment as determined consistent with Title 51 RCW by the department
3 of labor and industries.

4 (17) "Employer" means the state of Washington.

5 (18) "Employing agency" means a division, department, or separate
6 agency of state government, including an institution of higher
7 education; a county, municipality, school district, educational service
8 district, or other political subdivision; and a tribal government
9 covered by this chapter.

10 (19) "Tribal government" means an Indian tribal government as
11 defined in section 3(32) of the employee retirement income security act
12 of 1974, as amended, or an agency or instrumentality of the tribal
13 government, that has government offices principally located in this
14 state.

15 (20) "Dependent care assistance program" means a benefit plan
16 whereby state and public employees may pay for certain employment
17 related dependent care with pretax dollars as provided in the salary
18 reduction plan under this chapter pursuant to 26 U.S.C. Sec. 129 or
19 other sections of the internal revenue code.

20 (21) "Salary reduction plan" means a benefit plan whereby state and
21 public employees may agree to a reduction of salary on a pretax basis
22 to participate in the dependent care assistance program, medical
23 flexible spending arrangement, or premium payment plan offered pursuant
24 to 26 U.S.C. Sec. 125 or other sections of the internal revenue code.

25 (22) "Medical flexible spending arrangement" means a benefit plan
26 whereby state and public employees may reduce their salary before taxes
27 to pay for medical expenses not reimbursed by insurance as provided in
28 the salary reduction plan under this chapter pursuant to 26 U.S.C. Sec.
29 125 or other sections of the internal revenue code.

30 **Sec. 5.** RCW 41.05.021 and 2009 c 537 s 4 are each amended to read
31 as follows:

32 (1) The Washington state health care authority is created within
33 the executive branch. The authority shall have an administrator
34 appointed by the governor, with the consent of the senate. The
35 administrator shall serve at the pleasure of the governor. The
36 administrator may employ up to seven staff members, who shall be exempt
37 from chapter 41.06 RCW, and any additional staff members as are

1 necessary to administer this chapter. The administrator may delegate
2 any power or duty vested in him or her by this chapter, including
3 authority to make final decisions and enter final orders in hearings
4 conducted under chapter 34.05 RCW. The primary duties of the authority
5 shall be to: Administer state and school district employees' insurance
6 benefits and retired or disabled (~~school~~) employees' insurance
7 benefits; administer the basic health plan pursuant to chapter 70.47
8 RCW; study state-purchased health care programs in order to maximize
9 cost containment in these programs while ensuring access to quality
10 health care; implement state initiatives, joint purchasing strategies,
11 and techniques for efficient administration that have potential
12 application to all state-purchased health services; and administer
13 grants that further the mission and goals of the authority. The
14 authority's duties include, but are not limited to, the following:

15 (a) To administer health care benefit programs for state and school
16 district employees and retired or disabled state and school employees
17 as specifically authorized in RCW 41.05.065 and in accordance with the
18 methods described in RCW 41.05.075, 41.05.140, and other provisions of
19 this chapter;

20 (b) To analyze state-purchased health care programs and to explore
21 options for cost containment and delivery alternatives for those
22 programs that are consistent with the purposes of those programs,
23 including, but not limited to:

24 (i) Creation of economic incentives for the persons for whom the
25 state purchases health care to appropriately utilize and purchase
26 health care services, including the development of flexible benefit
27 plans to offset increases in individual financial responsibility;

28 (ii) Utilization of provider arrangements that encourage cost
29 containment, including but not limited to prepaid delivery systems,
30 utilization review, and prospective payment methods, and that ensure
31 access to quality care, including assuring reasonable access to local
32 providers, especially for employees residing in rural areas;

33 (iii) Coordination of state agency efforts to purchase drugs
34 effectively as provided in RCW 70.14.050;

35 (iv) Development of recommendations and methods for purchasing
36 medical equipment and supporting services on a volume discount basis;

37 (v) Development of data systems to obtain utilization data from
38 state-purchased health care programs in order to identify cost centers,

1 utilization patterns, provider and hospital practice patterns, and
2 procedure costs, utilizing the information obtained pursuant to RCW
3 41.05.031; and

4 (vi) In collaboration with other state agencies that administer
5 state purchased health care programs, private health care purchasers,
6 health care facilities, providers, and carriers:

7 (A) Use evidence-based medicine principles to develop common
8 performance measures and implement financial incentives in contracts
9 with insuring entities, health care facilities, and providers that:

10 (I) Reward improvements in health outcomes for individuals with
11 chronic diseases, increased utilization of appropriate preventive
12 health services, and reductions in medical errors; and

13 (II) Increase, through appropriate incentives to insuring entities,
14 health care facilities, and providers, the adoption and use of
15 information technology that contributes to improved health outcomes,
16 better coordination of care, and decreased medical errors;

17 (B) Through state health purchasing, reimbursement, or pilot
18 strategies, promote and increase the adoption of health information
19 technology systems, including electronic medical records, by hospitals
20 as defined in RCW 70.41.020(4), integrated delivery systems, and
21 providers that:

22 (I) Facilitate diagnosis or treatment;

23 (II) Reduce unnecessary duplication of medical tests;

24 (III) Promote efficient electronic physician order entry;

25 (IV) Increase access to health information for consumers and their
26 providers; and

27 (V) Improve health outcomes;

28 (C) Coordinate a strategy for the adoption of health information
29 technology systems using the final health information technology report
30 and recommendations developed under chapter 261, Laws of 2005;

31 (c) To analyze areas of public and private health care interaction;

32 (d) To provide information and technical and administrative
33 assistance to the board;

34 (e) To review and approve or deny applications from counties,
35 municipalities, and other political subdivisions of the state to
36 provide state-sponsored insurance or self-insurance programs to their
37 employees in accordance with the provisions of RCW 41.04.205 and (g) of

1 this subsection, setting the premium contribution for approved groups
2 as outlined in RCW 41.05.050;

3 (f) To review and approve or deny the application when the
4 governing body of a tribal government applies to transfer their
5 employees to an insurance or self-insurance program administered under
6 this chapter. In the event of an employee transfer pursuant to this
7 subsection (1)(f), members of the governing body are eligible to be
8 included in such a transfer if the members are authorized by the tribal
9 government to participate in the insurance program being transferred
10 from and subject to payment by the members of all costs of insurance
11 for the members. The authority shall: (i) Establish the conditions
12 for participation; (ii) have the sole right to reject the application;
13 and (iii) set the premium contribution for approved groups as outlined
14 in RCW 41.05.050. Approval of the application by the authority
15 transfers the employees and dependents involved to the insurance,
16 self-insurance, or health care program approved by the authority;

17 (g) To ensure the continued status of the employee insurance or
18 self-insurance programs administered under this chapter as a
19 governmental plan under section 3(32) of the employee retirement income
20 security act of 1974, as amended, the authority shall limit the
21 participation of employees of a county, municipal, school district,
22 educational service district, or other political subdivision, or a
23 tribal government, including providing for the participation of those
24 employees whose services are substantially all in the performance of
25 essential governmental functions, but not in the performance of
26 commercial activities;

27 (h) To establish billing procedures and collect funds from school
28 districts in a way that minimizes the administrative burden on
29 districts;

30 (i) Until September 1, 2013, to publish and distribute to
31 nonparticipating school districts and educational service districts by
32 October 1st of each year a description of health care benefit plans
33 available through the authority and the estimated cost if school
34 districts and educational service district employees were enrolled;

35 (j) To apply for, receive, and accept grants, gifts, and other
36 payments, including property and service, from any governmental or
37 other public or private entity or person, and make arrangements as to

1 the use of these receipts to implement initiatives and strategies
2 developed under this section;

3 (k) To issue, distribute, and administer grants that further the
4 mission and goals of the authority;

5 (l) To adopt rules consistent with this chapter as described in RCW
6 41.05.160 including, but not limited to:

7 (i) Setting forth the criteria established by the board under RCW
8 41.05.065 for determining whether an employee is eligible for benefits;

9 (ii) Establishing an appeal process in accordance with chapter
10 34.05 RCW by which an employee may appeal an eligibility determination;

11 (iii) Establishing a process to assure that the eligibility
12 determinations of an employing agency comply with the criteria under
13 this chapter, including the imposition of penalties as may be
14 authorized by the board.

15 (2) On and after January 1, 1996, the public employees' benefits
16 board may implement strategies to promote managed competition among
17 employee health benefit plans. Strategies may include but are not
18 limited to:

19 (a) Standardizing the benefit package;

20 (b) Soliciting competitive bids for the benefit package;

21 (c) Limiting the state's contribution to a percent of the lowest
22 priced qualified plan within a geographical area;

23 (d) Monitoring the impact of the approach under this subsection
24 with regards to: Efficiencies in health service delivery, cost shifts
25 to subscribers, access to and choice of managed care plans statewide,
26 and quality of health services. The health care authority shall also
27 advise on the value of administering a benchmark employer-managed plan
28 to promote competition among managed care plans.

29 **Sec. 6.** RCW 41.05.050 and 2009 c 537 s 5 are each amended to read
30 as follows:

31 (1) Every: (a) Department, division, or separate agency of state
32 government; (b) county, municipal, school district, educational service
33 district, or other political subdivisions; and (c) tribal governments
34 as are covered by this chapter, shall provide contributions to
35 insurance and health care plans for its employees and their dependents,
36 the content of such plans to be determined by the authority.
37 Contributions, paid by the county, the municipality, other political

1 subdivision, or a tribal government for their employees, shall include
2 an amount determined by the authority to pay such administrative
3 expenses of the authority as are necessary to administer the plans for
4 employees of those groups(~~(, except as provided in subsection (4) of~~
5 ~~this section)~~).

6 (2) If the authority at any time determines that the participation
7 of a county, municipal, other political subdivision, or a tribal
8 government covered under this chapter adversely impacts insurance rates
9 for state employees, the authority shall implement limitations on the
10 participation of additional county, municipal, other political
11 subdivisions, or a tribal government.

12 (3) The contributions of any: (a) Department, division, or
13 separate agency of the state government; (b) county, municipal, or
14 other political subdivisions; and (c) any tribal government as are
15 covered by this chapter, shall be set by the authority, subject to the
16 approval of the governor for availability of funds as specifically
17 appropriated by the legislature for that purpose. Insurance and health
18 care contributions for ferry employees shall be governed by RCW
19 47.64.270.

20 (4)(a) The authority shall collect from each participating school
21 district and educational service district an amount equal to the
22 composite rate charged to state agencies, plus an amount equal to the
23 employee premiums by plan and family size as would be charged to state
24 employees(~~(, for groups of district employees enrolled in authority~~
25 ~~plans. The authority may collect these amounts in accordance with the~~
26 ~~district fiscal year, as described in RCW 28A.505.030.~~

27 ~~(b) For all groups of district employees enrolling in authority~~
28 ~~plans for the first time after September 1, 2003, the authority shall~~
29 ~~collect from each participating school district an amount equal to the~~
30 ~~composite rate charged to state agencies, plus an amount equal to the~~
31 ~~employee premiums by plan and by family size as would be charged to~~
32 ~~state employees, only if the authority determines that this method of~~
33 ~~billing the districts will not result in a material difference between~~
34 ~~revenues from districts and expenditures made by the authority on~~
35 ~~behalf of districts and their employees. The authority may collect~~
36 ~~these amounts in accordance with the district fiscal year, as described~~
37 ~~in RCW 28A.505.030.~~

1 ~~(c) If the authority determines at any time that the conditions in~~
2 ~~(b) of this subsection cannot be met, the authority shall offer~~
3 ~~enrollment to additional groups of district employees on a tiered rate~~
4 ~~structure until such time as the authority determines there would be no~~
5 ~~material difference between revenues and expenditures under a composite~~
6 ~~rate structure for all district employees enrolled in authority plans.~~

7 ~~(d) The authority may charge districts a one-time set-up fee for~~
8 ~~employee groups enrolling in authority plans for the first time)).~~ The
9 authority may collect these amounts in accordance with the district
10 fiscal year.

11 ~~((e))~~ (b) For the purposes of this subsection(~~(+~~
12 ~~(i))~~) "district" means school district and educational service
13 district(~~(+and~~

14 ~~(ii) "Tiered rates" means the amounts the authority must pay to~~
15 ~~insuring entities by plan and by family size.~~

16 ~~(f) Notwithstanding this subsection and RCW 41.05.065(4), the~~
17 ~~authority may allow districts enrolled on a tiered rate structure prior~~
18 ~~to September 1, 2002, to continue participation based on the same rate~~
19 ~~structure and under the same conditions and eligibility criteria)).~~

20 (5) The authority shall transmit a recommendation for the amount of
21 the employer contribution to the governor and the director of financial
22 management for inclusion in the proposed budgets submitted to the
23 legislature.

24 (6) The authority shall explore opportunities to change the start
25 of the benefit year to September to accommodate the September 1, 2013,
26 merger of school districts and educational service districts.

27 NEW SECTION. Sec. 7. During the 2011-2013 fiscal biennium, the
28 legislature may reduce its appropriations for school district employee
29 health benefits by an amount that assumes that premium stabilization
30 funds in health plans operated by labor organizations representing
31 certificated instructional staff will be used to maintain the employee
32 health benefits.

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