
Appropriations Committee

HB 1868

Brief Description: Providing access to health insurance for certain law enforcement officers' and firefighters' plan 2 members catastrophically disabled in the line of duty.

Sponsors: Representatives Freeman, Goodman, Van De Wege, Appleton, Morrell, Tarleton, Tharinger, Ryu, Maxwell, Bergquist and Pollet.

Brief Summary of Bill

- Expands eligibility for reimbursement of medical insurance premium costs for members of the Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2 totally disabled in the line of duty.
- Includes reimbursement for any medical insurance premiums up to the amounts authorized by the federal Consolidated Omnibus Budget Reconciliation Act of 1985.

Hearing Date: 2/19/13

Staff: David Pringle (786-7310).

Background:

A member of the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 2 who is totally disabled in the line of duty is entitled to a disability allowance equal to 70 percent of final average salary. The total disability benefit is reduced to the extent that in combination with certain workers' compensation payments and Social Security disability benefits, the disabled member would receive more than 100 percent of final average salary.

The disability allowance of a LEOFF Plan 2 member that is totally disabled in the line of duty includes reimbursement for any payments made for employer-provided medical insurance. This includes medical insurance offered under the federal Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) and Medicare Parts A and B.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) health benefit provisions were enacted in 1981 to provide continuation of group health coverage that otherwise might be terminated, including for involuntary terminations such as those due to disablement. The COBRA allows individuals to continue their health insurance benefits for up to 18 months. During the time that an individual is covered by COBRA, they are responsible for paying 102 percent of the total health insurance premium, including any portion of the premium that may have been paid by the employer. If an individual has a Social Security-approved disability that started within 60 days of when COBRA benefits were elected, the individual is then eligible to continue health insurance benefits for an additional 11 months, for a total of 29 months.

While Medicare is available to most workers upon reaching age 65, it is also available to workers who become permanently and completely disabled, preventing them from further gainful employment and have been receiving Social Security Disability benefits for 24 months. This is the same standard of disability as LEOFF Plan 2's provision on total disability in the line of duty.

There are 139 local governments in Washington that have opted out of coverage by Social Security for all or a portion of their employees over time. Some local governments that opted out of these federal programs make employer contributions equal to or larger than those that would have gone to the federal government on behalf of their employees to alternative retirement programs, some of which may include medical benefits.

Prior to April 1986, some Washington government employers also opted out of Medicare. However, starting on April 1, 1986, all employers were required to participate in Medicare for those employees hired after that date. This meant that these employees who were hired prior to April 1986 and who have worked continuously since are not covered by Medicare and could only qualify for Medicare benefits through: (1) working for another employer for 10 years (40 quarters); or (2) if a referendum authorized by their employer approved of coverage. No data is currently available about how many members exist in the 1986 no-coverage group.

Summary of Bill:

Eligibility for reimbursement of medical insurance premium costs for members of the LEOFF Plan 2 totally disabled in the line of duty is expanded from employer-provided insurance and COBRA to include any medical insurance premiums up to the amounts authorized by the federal Consolidated Omnibus Budget Reconciliation Act of 1985.

Appropriation: None.

Fiscal Note: Requested on February 17, 2013.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.