

(Effective January 1, 2025)

WAC 182-30-215 Employer group participation requirements. This section applies to an employer group as defined in WAC 182-30-020 that is approved to purchase insurance for its employees through a contract with the health care authority (HCA).

(1) Prior to enrollment in school employees benefits board (SEBB) insurance coverage the employer group must:

(a) Remit to the authority the required start-up fee in the amount publicized by the SEBB program;

(b) Sign a contract with the authority;

(c) Determine employee and dependent eligibility and terms of enrollment for SEBB insurance coverage by the criteria outlined in this chapter and chapter 182-31 WAC unless otherwise approved by the authority in the employer group's contract with the authority;

(d) Determine eligibility in order to ensure the SEBB program's continued status as a governmental plan under Section 3(32) of the Employee Retirement Income Security Act of 1974 (ERISA) as amended. This means the employer group may only consider employees whose services are substantially all in the performance of essential governmental functions, but not in the performance of commercial activities, whether or not those activities qualify as essential governmental functions to be eligible; and

(e) Ensure SEBB insurance coverage is the only employer-sponsored coverage available to groups of employees eligible for SEBB insurance coverage under the contract.

(2) Pay premiums under its contract with the authority. The premium rate structure for employer groups will be a tiered rate based on health plan election and family enrollment. Employer groups must collect an amount equal to the premium surcharges applied to an employee's account by the authority from their employees and include the funds in their payment to the authority.

(3) If an employer group wants to make subsequent changes to the contract, the changes must be submitted to the authority for approval.

(4) The employer group must maintain participation in SEBB insurance coverage for at least one full year. An employer group may only end participation at the end of a plan year unless the authority approves a mid-year termination. To end participation, an employer group must provide written notice to the SEBB program at least 60 days before the requested termination date. If an employer group terminates participation in SEBB insurance coverage, they must:

(a) Notify all their school employees and dependents who are enrolled in SEBB insurance coverage 45 days prior to the employer group's date of termination; and

(b) Retirees enrolled in SEBB retiree insurance coverage must be notified 45 days prior to the employer group's date of termination.

(5) Upon approval to purchase insurance through a contract with the authority, the employer group must provide a list of school employees and dependents that are enrolled in Consolidated Omnibus Budget Reconciliation Act (COBRA) coverage and the remaining number of months available to them based on their qualifying event. These school employees and dependents may enroll in a SEBB health plan as COBRA subscribers for the remainder of the months available to them based on their qualifying event.

(6) Enrollees in SEBB insurance coverage under one of the continuation of coverage provisions allowed under chapter 182-31 WAC or retirees included in the transfer unit as allowed under WAC 182-30-205

cease to be eligible as of the last day of the contract and may not continue enrollment beyond the end of the month in which the contract is terminated.

Exception: If an employer group ends participation, retired and disabled school employees who are enrolled in public employees benefits board (PEBB) retiree insurance coverage cease to be eligible under WAC 182-12-171, but may continue health plan enrollment as described in WAC 182-12-232.

(7) Employer groups that enter into a contractual agreement with the authority on or after May 4, 2023, and whose contractual agreement is subsequently terminated, shall make a one-time payment to the authority for each of the employer group's retired or disabled employees who continue their participation in insurance plans and contracts under WAC 182-12-232.

(a) For each of the employer group's retired or disabled employees who will be continuing their participation, the authority shall determine the one-time payment by:

(i) Calculating the difference in cost between the rate charged to retired or disabled employees as described in RCW 41.05.080(2); and

(ii) The actuarially determined value of the medical benefits for retired and disabled employees who are not eligible for parts A and B of medicare; and

(iii) Multiplying that difference by the number of months until the retired or disabled employee would become eligible for medicare.

(b) Employer groups shall not be entitled to any refund of the amount paid to the authority as described in this subsection.

(8) Employer groups eligible for SEBB benefits are subject to the terms and conditions set forth by the HCA. Employer groups are subject to the same rules as SEBB organizations in chapters 182-30, 182-31, and 182-32 WAC, except for rules governing SEBB benefits that are not available to school employees of an employer group.

(9) School employees of an employer group are subject to the same rules as school employees of a SEBB organization in chapters 182-30, 182-31, and 182-32 WAC, except for rules governing SEBB benefits that are not available to school employees of an employer group.

[Statutory Authority: RCW 41.05.021, 41.05.160, 41.05.740, 2023 c 13 § 2, and 2023 c 51 § 3. WSR 24-15-107 (Admin #2024-01), § 182-30-215, filed 7/22/24, effective 1/1/25.]