

RCW 41.05.740 School employees' benefits board. (1) The school employees' benefits board is created within the authority. The function of the school employees' benefits board is to design and approve insurance benefit plans for school employees and to establish eligibility criteria for participation in insurance benefit plans.

(2) By September 30, 2017, the governor shall appoint the following voting members to the school employees' benefits board as follows:

(a) Two members from associations representing certificated employees;

(b) Two members from associations representing classified employees;

(c) Four members with expertise in employee health benefits policy and administration, one of which is nominated by an association representing school business officials; and

(d) The director of the authority or his or her designee.

(3) Initial members of the school employees' benefits board shall serve staggered terms not to exceed four years. Members appointed thereafter shall serve two-year terms.

(4) Compensation and reimbursement related to school employees' benefits board member service are as follows:

(a) Members of the school employees' benefits board must be compensated in accordance with RCW 43.03.250 and must be reimbursed for their travel expenses while on official business in accordance with RCW 43.03.050 and 43.03.060.

(b) While school employees' benefits board members are carrying out their powers and duties under this chapter, if the service of any certificated or classified employee results in a need for a school employees' benefits board organization to employ a substitute for such certificated or classified employee during such service, payment for such a substitute may be made by the authority from funds appropriated by the legislature for the school employees' benefits board program. If such substitute is paid by the authority, no deduction shall be made from the salary of the certificated or classified employee. In no event shall a school employees' benefits board organization deduct from the salary of a certificated or classified employee serving on the school employees' benefits board more than the amount paid the substitute employed by the school employees' benefits board organization.

(5) The director of the authority or his or her designee shall be the chair and another member shall be selected by the school employees' benefits board as vice chair. The chair shall conduct meetings of the school employees' benefits board. The vice chair shall preside over meetings in the absence of the chair. The school employees' benefits board shall develop bylaws for the conduct of its business.

(6) The school employees' benefits board shall:

(a) Study all matters connected with the provision of health care coverage, life insurance, liability insurance, accidental death and dismemberment, and disability insurance, or any of, or combination of, the enumerated types of insurance for eligible school employees and their dependents on the best basis possible with relation both to the welfare of the school employees and the state. However, liability insurance should not be made available to dependents;

(b) Develop school employee benefit plans that include comprehensive, evidence-based health care benefits for school

employees. In developing these plans, the school employees' benefits board shall consider the following elements:

- (i) Methods of maximizing cost containment while ensuring access to quality health care;

- (ii) Development of provider arrangements that encourage cost containment and ensure access to quality care including, but not limited to, prepaid delivery systems and prospective payment methods;

- (iii)(A) Wellness, preventive care, chronic disease management, and other initiatives that focus on proven strategies.

- (B)(I) As of January 1, 2028, the school employees' benefits board shall no longer offer the smart health program, which includes the wellness incentive and the smart health online portal.

- (II) Employees who have met the eligibility requirements to receive a wellness incentive by December 31, 2027, will still receive the wellness incentive in plan year 2028.

- (III) Employees are not eligible to earn a wellness incentive as of January 1, 2028;

- (iv) Utilization review procedures to support cost-effective benefits delivery;

- (v) Ways to leverage efficient purchasing by coordinating with the public employees' benefits board;

- (vi) Effective coordination of benefits; and

- (vii) Minimum standards for insuring entities;

- (c) Authorize premium contributions for a school employee and the employee's dependents in a manner that encourages the use of cost-efficient health care systems. For participating school employees, the required school employee share of the cost for family coverage premiums may not exceed three times the premiums for a school employee purchasing single coverage for the same coverage plan;

- (d) Determine the terms and conditions of school employee and dependent eligibility criteria, enrollment policies, and scope of coverage. Employer groups obtaining benefits through contractual agreement with the authority for school employees defined in RCW 41.05.011(6)(b)(iv) may contractually agree with the authority to benefits eligibility criteria which differs from that determined by the school employees' benefits board. At a minimum, the eligibility criteria established by the school employees' benefits board shall address the following:

- (i) The effective date of coverage following hire;

- (ii) The benefits eligibility criteria, but the school employees' benefits board's criteria shall be no more restrictive than requiring that a school employee be anticipated to work at least six hundred thirty hours per school year to be benefits eligible; and

- (iii) Coverage for dependents, including criteria for legal spouses; children up to age twenty-six; children of any age with disabilities, mental illness, or intellectual or other developmental disabilities; and state registered domestic partners, as defined in RCW 26.60.020, and others authorized by the legislature;

- (e) Establish terms and conditions for a school employees' benefits board organization to have the ability to locally negotiate eligibility criteria for a school employee who is anticipated to work less than six hundred thirty hours in a school year. A school employees' benefits board organization that elects to use a lower threshold of hours for benefits eligibility must use benefits authorized by the school employees' benefits board and shall do so as an enrichment to the state's definition of basic education;

(f) Establish penalties to be imposed when a school employees' benefits board organization fails to comply with established participation criteria; and

(g) Participate with the authority in the preparation of specifications and selection of carriers contracted for school employee benefit plan coverage of eligible school employees in accordance with the criteria set forth in rules. To the extent possible, the school employees' benefits board shall leverage efficient purchasing by coordinating with the public employees' benefits board.

(7) School employees shall choose participation in one of the health care benefit plans developed by the school employees' benefits board. Individual school employees eligible for benefits under subsection (6)(d) of this section may be permitted to waive coverage under terms and conditions established by the school employees' benefits board.

(8) By November 30, 2021, the authority shall review the benefit plans provided through the school employees' benefits board, complete an analysis of the benefits provided and the administration of the benefits plans, and determine whether provisions in chapter 13, Laws of 2017 3rd sp. sess. have resulted in cost savings to the state. The authority shall submit a report to the relevant legislative policy and fiscal committees summarizing the results of the review and analysis. [2025 c 396 s 2; 2023 c 13 s 7; 2018 c 260 s 1; 2017 3rd sp.s. c 13 s 801.]

Finding—Intent—2023 c 13: See note following RCW 41.05.011.

Effective date—2017 3rd sp.s. c 13 ss 102, 505, and 801: See note following RCW 28A.400.205.

Intent—2017 3rd sp.s. c 13: See note following RCW 28A.150.410.

Collective bargaining agreements not impaired—2017 3rd sp.s. c 13: See note following RCW 41.56.139.