



Survivor Health Care Insurance

Preliminary Report

**WASHINGTON STATE
Law Enforcement Officers' and Fire Fighters'
Plan 2 Retirement Board**

November 16, 2005

Survivor Health Care Insurance

- Access
- Cost
- Benefits in Other States
- Policy Option

Access

- Access to PEBB health insurance provided to survivors
 - 2001 Legislation
 - LEOFF Plan 2 killed in line of duty

Cost

- Benefits costs paid by survivor
- PEBB Retiree Costs - Family Coverage
 - Pre- Medicare \$1003 to \$1238
 - With Medicare \$397 to \$1159

Benefits in Other States

- Concerns of Police Survivors, Inc. Study
- 21 states provide access
 - 7 pay full cost
 - 3 pay part of cost
 - 11 pay none of cost (survivor pays all cost)

Policy Option

- Pay for survivor health care insurance
 - Paid from pension fund
 - Includes past, current, and future survivors

Review

- Current Provisions
- Benefits in Other States
- Policy Option

Questions?

LAW ENFORCEMENT OFFICERS' AND FIRE FIGHTERS' PLAN 2 RETIREMENT BOARD

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1. Issue

At the October 2005 meeting the Board requested additional information regarding health care insurance coverage for the survivors of members killed in the line of duty.

2. Staff

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3. Members Impacted

The Office of State Actuary has projected that duty-related deaths in LEOFF Plan 2 will occur at a rate of 2 per year on fiscal notes for previous legislation.

4. Current Situation

A LEOFF Plan 2 member that dies before retirement is entitled to a standard death benefit that ranges from a refund of contributions up to a Joint and 100 percent survivor benefit paid to a surviving spouse or minor child. The amount of the benefit is determined by the number of years the member has in the system. If a member dies as a result of an "injury" sustained in the course of employment, a \$150,000 special death benefit may also be paid to the designated beneficiary. Additional State Workers' Compensation and Federal Public Safety Officer Benefits may be available when a member is killed in the line of duty.

Access to health insurance is provided to surviving spouses and dependent children of emergency service personnel killed in the line of duty. All benefit costs are paid by the surviving spouses and dependent children.

5. Background Information and Policy Issues

Survivors Health Care Access

In 2001 the Legislature passed House Bill 1371 which requires the Public Employees Benefits Board (PEBB) to provide access to health insurance to surviving spouses and dependent children of emergency service personnel killed in the line of duty on or after January 1, 1998, including those who die as a result of injuries sustained in the course of employment as determined by the Department of Labor and Industries under Title 51 RCW.

The bill defines "Emergency service personnel" as members of the Law Enforcement Officers' and Fire Fighters' Retirement system and members of the Volunteer Fire Fighters' and Reserve Officers' Relief and Pensions system. Under this bill, all benefit costs are paid by the surviving spouses and dependent children.

PEBB Health Care Costs

Retired or disabled employees of the state, school districts, and participating political subdivisions may purchase health care benefits from the Public Employees' Benefits Board. This coverage is purchased at full cost based on a risk pool, and it includes an additional administrative fee for each participant. Participants eligible for Medicare parts A and B are placed in one risk pool. All other retired or disabled participants are placed in a risk pool with active employees. Both groups are charged based on the per capita costs incurred by the appropriate risk pool, minus a subsidy in the case of Medicare eligible participants.

In 2006, PEBB retiree medical rates, without Medicare coverage, will range from \$1,003 to \$1,238 per month for full family coverage, depending on the medical plan selected. PEBB retiree medical rates, with Medicare coverage, will range from \$397 to \$1,159 per month for full family coverage, depending on the medical plan selected and the number of family members eligible for Medicare. See Appendix A for complete list of 2006 PEBB retiree medical costs.

Labor & Industries Fatality Claims

A report provided by the Department of Labor and Industries stated that between January 1995 and March 2004, there were 26 fatality claims for Law Enforcement Officers and Fire Fighters in Washington State.

Survivor Health Insurance Rights Under Cobra¹

The Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA) guarantees that the employer of a deceased person must make available to the surviving spouse and their dependent children the same type of health insurance as was provided prior to the person's

¹ "An Employee's Guide to Health Benefits Under Cobra", <http://www.dol.gov/ebsa/pdf/cobraemployee.pdf>, Viewed 11/2/05

death. Coverage is available for up to 36 months and must be paid by the survivor. There is no provision in the law for the employer to pay for the health insurance.

COBRA eligibility also extends to workers in state and local government, as well as to workers classified as independent contractors. However, the law grants an exemption to the District of Columbia, federal employees, certain church-related organizations and firms employing fewer than 20 people. The IRS has said that employers must figure part-time workers into their employee total to determine if they can claim exemption. Employers with self-funded health plans (generally large corporations) are exempt from state regulation of their plans. Employers that are exempt from federal law because of the number of employees may fall under a state law; sometimes known as “mini-COBRA” that grants broader rights in determining eligibility for coverage.

The deceased officer and the survivors must have actually been covered under an employee health plan at the time of the death to be eligible for COBRA. Coverage offered under COBRA must be identical to the coverage prior to the death. However, employers can offer to let the survivors drop such non-core benefits as dental and vision care to reduce the premium cost. Additionally, if the employer changes its health insurance plan for its current employees, survivors who elected coverage under COBRA will receive the benefits of the new plan. If the COBRA recipient relocates out of the COBRA health plan’s coverage area, COBRA benefits will be lost as the employer is not required to offer a plan in the new area. Premiums under COBRA can be increased only if the cost of the health plan increases for everyone at the workplace and the plan must allow that the premiums can be paid on a monthly basis.

Survivor Health Insurance in Other States

The Concerns of Police Survivors, Inc (COPS) conducted a state by state study of line of duty death benefits available to the survivors of Law Enforcement Officers killed in the line of duty.

According to the study twenty-one states, including Washington State, have mandates to provide health insurance access to survivors. In seven of the twenty-one states, the state or employer is required to pay the full cost of the health insurance coverage and in three states the benefits are paid for in part by the state or employer. The other eleven states require the survivor to pay the full cost of health insurance coverage. In twenty-six states the report indicated that health insurance coverage for survivors varied depending on the benefits available at the local government level. Three states did not have any mandate for survivor health insurance.

Several of the states did have explicit restrictions that a surviving spouse’s benefits would cease upon remarriage or upon coverage by other health care. The restrictions for dependent (children) coverage were usually age based providing health care insurance until a specific age usually in the twenties, coverage by other health care, or marriage. See Appendix B for a comparison table of survivor health insurance in each state.

6. Policy Options

Policy Option 1: Pay for survivor health care insurance from pension fund.

This option would provide the survivors of LEOFF Plan 2 members who are killed in the line of duty with health care insurance from the Public Employees' Benefit Board (PEBB) which would be paid for from the LEOFF Plan 2 pension fund. This option would include survivors who are currently paying for survivor health care insurance from PEBB, future survivors who would be entitled to PEBB health care insurance, and survivors that existed prior to the 2001 legislation providing survivor health care access.

7. Supporting Information

Appendix A: 2006 PEBB Retiree Monthly Rates

Appendix B: Survivor Health Insurance Comparison

Appendix A: 2006 PEBB Retiree Monthly Rates

Source: <http://www.pebb.hca.wa.gov/oe/rates/51-275.shtml>, Viewed 11/7/05

Retiree Medical Rates (without Medicare)

Medical Plans	Subscriber	Subscriber & Spouse or SSDP	Subscriber & Child(ren)	Full Family
Community Health Plan of Washington	\$430.26	\$852.88	\$747.23	\$1,169.85
Group Health Cooperative	409.05	810.46	710.11	1,111.52
Group Health Options, Inc.	455.18	902.72	790.84	1,238.38
Kaiser Foundation Health Plan of the Northwest	412.53	817.42	716.20	1,121.09
PacifiCare of Washington, Inc.	488.82	970.00	849.71	1,330.89
Regence BlueShield	493.87	980.10	858.54	1,344.77
UMP Neighborhood	369.51	731.38	640.91	1,002.78
Uniform Medical Plan PPO	371.69	735.74	644.73	1,008.78

Retiree Medical rates (with Medicare)

Medical Plans	Sub- scriber	Subscriber & Spouse or SSDP		Subscriber & Child(ren)		Full Family		
		Number eligible for Medicare						
		1	2	1	2	1	2	3
Community Health Plan of Washington	\$228.53	\$651.15	\$449.42	\$545.50	\$449.42	\$968.12	\$766.39	\$670.31
Group Health Cooperative	185.45	586.86	363.26	486.51	363.26	887.92	664.32	541.07
Group Health Options, Inc.	278.16	725.70	548.68	613.82	548.68	1,061.36	884.34	819.20
Kaiser Foundation Health Plan of the Northwest	137.41	542.30	267.18	441.08	267.18	845.97	570.85	396.95
PacifiCare of Washington, Inc.	165.43	646.61	323.22	526.32	323.22	1,007.50	684.11	481.01
Regence BlueShield	308.45	794.68	609.26	673.12	609.26	1,159.35	973.93	910.07
UMP Neighborhood	194.04	555.91	380.44	465.44	380.44	827.31	651.84	566.84
Uniform Medical Plan PPO	194.04	558.09	380.44	467.08	380.44	831.13	653.48	566.84

Appendix B: Survivor Health Insurance Comparison

Source: Concerns of Police Survivors, Inc.; <http://www.nationalcops.org/deathbenefits.htm>, Viewed 11/2/05

1. Alabama	Varied depending upon local government employer benefits.
2. Alaska	<p>Besides the other benefits described, major medical insurance coverage is available to survivors who are receiving monthly PERS benefits and their dependents. This coverage ends when the benefit recipient dies or is no longer eligible to receive monthly PERS benefits.</p> <p>Members first hired under the PERS after June 30, 1986, and their survivors can obtain the coverage for themselves and their spouses and eligible dependents by electing to be covered and paying the full monthly premium, if the member or survivor is under age 60; or one-half of the monthly premium, if the member or survivor is over age 60, but under age 65.</p> <p>Coverage is provided at no cost for members and their survivors if they were first hired under PERS before July 1, 1986. Additional insurance may be purchased for Dental-Vision-Audio coverage and/or Long Term Care coverage.</p>
3. Arizona	<p><u>Health Insurance Premium Subsidy (A.R.S. §38-857)</u></p> <p>For PSPRS retirees or survivors who have elected group health and accident insurance coverage provided and administered by this state or another PSPRS employer, the PSPRS may pay up to \$320 for single coverage and \$730 for family coverage depending on service area, retirement eligibility, and Medicare eligibility.</p>
4. Arkansas	Varied depending upon local government employer benefits.
5. California	<p>Provides that the employing agency will continue to provide the same health benefits to survivors as those they received while their officer was alive. Children will be covered until age 22. The state or agency will pay the required employer contributions. The survivor pays the total cost of benefits less the amount contributed by the employer.</p>
6. Colorado	Varied depending upon local government employer benefits.
7. Connecticut	<p>Connecticut provides health insurance coverage for the surviving spouse and dependent children of any law enforcement officer killed in the line of duty. Children's coverage terminates at age 18; remarriage will not terminate spousal coverage. The group medical plans offered to survivors are the same plans that are available to state retirees. Currently, available plans range from no cost to nominal cost.</p>
8. Delaware	<p>Varied depending upon local government employer benefits.</p> <p>As of July, 2005, Delaware provides a survivor of a state trooper killed in the line of duty with health insurance coverage. Coverage is handled through the Pension office.</p>

9. Florida	F.S. 112.19(h)1. Any employer who employs a full-time law enforcement, correctional, or correctional probation officer who, on or after January 1, 1995, suffers a catastrophic injury, in the line of duty shall pay the entire premium of the employer's health insurance plan for the injured employee, the injured employee's spouse, and for each dependent child of the injured employee until the child reaches the age of majority or until the end of the calendar year in which the child reaches the age of 25 if the child continues to be dependent for support, or the child is a full-time or part-time student and is dependent for support. The term "health insurance plan" does not include supplemental benefits that are not part of the basic group health insurance plan. If the injured employee subsequently dies, the employer shall continue to pay the entire health insurance premium for the surviving spouse until remarried, and for the dependent children, under the conditions outlined in this paragraph.
10. Georgia	Varied depending upon local government employer benefits.
11. Hawaii	The state health fund benefits are earned or paid for benefits. Benefits are dependent upon the monies paid in by the officer.
12. Idaho	Varied depending upon local government employer benefits.
13. Illinois	<p>The 1997 Regular Session of the Illinois Legislature enacted Public Act 90-535 also known as the Public Safety Employee Benefits Act.</p> <p>Section 10. Required health coverage benefits.</p> <p>a) An employer who employs a full-time law enforcement, correctional, or correctional probation officer, or firefighter, who, on or after the effective date of this Act suffers a catastrophic injury or is killed in the line of duty shall pay the entire premium of the employer's health insurance plan for the injured employee, the injured employee's spouse, and for each dependent child of the injured employee until the child reaches the age of majority or until the end of the calendar year in which the child reaches the age of 25 if the child continues to be dependent for support or the child is a full-time or part-time student and is dependent for support. If the injured employee subsequently dies, the employer shall continue to pay the entire health insurance premium for the surviving spouse until remarried and for the dependent children under the conditions established in this section.</p> <p>However:</p> <p>1) Health insurance benefits payable from any other source shall reduce benefits payable under this section.</p> <p>b) In order for the law enforcement, correctional or correctional probation officer, firefighter, spouse, or dependent children to be eligible for insurance coverage under this Act, the injury or death must have occurred as the result of the officer's response to fresh pursuit, the officer or firefighter's response to what is reasonably believed to be an emergency, an unlawful act perpetrated by another, or during the investigation of a criminal act.</p>
14. Indiana	Varied depending upon local government employer benefits.

15. Iowa	All health care benefits cease upon death. Survivors can elect to stay in group health plan until age 65. The premiums would be paid by the surviving family.
16. Kansas	Varied depending upon local government employer benefits.
17. Kentucky	Varied depending upon local government employer benefits.
18. Louisiana	Varied depending upon local government employer benefits.
19. Maine	Health benefits are offered to the surviving spouse and dependent children, but the survivors would pay the premiums.
20. Maryland	Spouses of state and county officers may elect to continue to participate in the same benefit program in effect at the time of the officer's death.
21. Massachusetts	M.G.L. 32B Sec. 9G To continue Group Health and Dental Insurance, surviving spouse must pay 50% of the premium, the Governmental unit shall contribute the remaining 50% of said premium. MSP and some Municipalities Dental benefits are covered by the union and not State coverage. Benefits will continue until the remarriage or death of the surviving spouse.
22. Michigan	Varied, depending upon the individual municipal or county department. Benefits for spouse and children may expire within days of an officer's death.
23. Minnesota	Varied depending upon local government employer benefits.
24. Mississippi	Health benefits are not supplemented by state to surviving spouse, and/or dependent children.
25. Missouri	Varied depending upon local government employer benefits.
26. Montana	Statute Reference: 7-32-4117 If a law enforcement officer dies in the line of duty, the surviving spouse may remain on the employer's group health plan on a self-pay basis.
27. Nebraska	Varied depending upon local government employer benefits.
28. Nevada	In 1999 Nevada Revised Statute 287.021 and 287.0477 were passed which requires Nevada Police and Fire Agencies to offer continued insurance coverage for spouses and children after line-of-duty deaths. The agency is responsible for the entire cost of the premiums. This law also applies to the continued participation in the Nevada State Retirement System.
29. New Hampshire	Varied depending upon local government employer benefits.
30. New Jersey	Premiums are paid by the State for coverage of the member's surviving spouse and surviving children under the <i>Police and Firemen's Retirement System</i> or the <i>State Police Retirement System</i> . Actual health benefits depend on the department's health plan.
31. New Mexico	Varied depending upon local government employer benefits.

32. New York	<p>Varied depending upon local government employer benefits.</p> <p>The surviving family of members of the New York State Police will have health coverage extended at no cost for 3 months. At the end of this time period the family will be offered to continue the coverage at local city's group rate which is substantially lower than an individual rate.</p>
33. North Carolina	Varied depending upon local government employer benefits.
34. North Dakota	Varied depending upon local government employer benefits.
35. Ohio	Surviving spouses and dependent children are eligible to receive health care benefits on a self-pay basis.
36. Oklahoma	Varied depending upon local government employer benefits.
37. Oregon	<p>O.R.S. 243.005 requires that every police officer in service of a public employer in the State of Oregon be issued a life insurance certificate in the amount of \$10,000 on his life, covering death caused by "injury or disease" sustained during working hours as a police officer, firefighter or volunteer firefighter, or death resulting from such an "injury or disease" within 365 days. This coverage shall be provided by the public employer at no expense to each police officer, firefighter, and volunteer firefighter not later than July 1, 1973.</p> <p>In addition to providing the required coverage, an option is available for each police officer, firefighter, or volunteer firefighter to expand the job related occupational disease and injury death benefits to full Group Term Life Insurance. In addition, an option to purchase Dependents Life Insurance is also available. The additional premium for this coverage will be paid by the employee through the public employer.</p>
38. Pennsylvania	<p>Varied depending upon local government employer benefits.</p> <p>State Police Survivor benefits: Eligible dependents of State Police members retain Blue Cross, Blue Shield, Major Medical, prescription drug, dental, vision, doctor office visit and emergency counseling and referral benefits for a period of five years after a member is killed in the line of duty. A spouse loses the benefits if they remarry within the five year period.</p>
39. Rhode Island	Varied depending upon local government employer benefits.
40. South Carolina	<p>On June 27, 2003, Governor Sanford signed a bill that extends health insurance benefits for survivors of a law enforcement officer killed in the line of duty.</p> <p>New paragraph F of Section 1-11-730 states: "A spouse or dependent of a person covered by the (state health and dental insurance) plans who is killed in the line of duty after December 31, 2001 shall receive equivalent coverage under the plans for a period of twelve months and the State shall be responsible for paying the full premium costs. After the twelve-month period, a spouse or dependent is eligible for state-paid premiums. A spouse is eligible for state-paid premiums under this subsection <i>until the spouse remarries</i>. A dependent is eligible for state-paid premiums under this subsection until the dependent's eligibility for coverage under the plans <i>would ordinarily terminate</i>."</p>

41. South Dakota	Varied depending upon local government employer benefits.
42. Tennessee	Varied depending upon local government employer benefits.
43. Texas	<p>The surviving spouse and surviving dependents of Texas law enforcement officers killed in the line of duty are entitled to purchase continued health insurance benefits. The surviving spouse is entitled to continue to purchase health insurance coverage until the earlier of:</p> <p>(1) the date the surviving spouse remarries; (2) the date the surviving spouse becomes eligible for group health insurance through another employers; or (3) the date the surviving spouse becomes eligible for federal Medicare benefits.</p> <p>Surviving dependent minor children are entitled to continue health insurance coverage until the dependent: (1) reaches the age of 21 years; or (2) becomes eligible for group health insurance through another employer.</p> <p>Surviving dependents who are not minor children are entitled to continue health insurance coverage until the earlier of: (1) the date the dependent marries; (2) the date the dependent becomes eligible for group health insurance through another employer; or (3) the date the dependent becomes eligible for federal Medicare benefits.</p> <p>Survivors may elect to continue coverage at any level of benefits currently offered by the employing entity to dependents of an active employee. Eligible survivors who are entitled to continued coverage are entitled to purchase the coverage at the group rate for that coverage that exists at the time of payment.</p>
44. Utah	Effective May 1, 2000, the survivors of law enforcement officers employed by the State of Utah have health insurance provided by the State. The surviving spouse is entitled to coverage until remarriage and coverage is provided for unmarried children to the age of 26. This benefit is retro-active to all survivors who meet these qualifications regardless of the officer's date of death. County and local agencies <i>may</i> provide this benefit but are not required to.
45. Vermont	Health and Dental coverage normally terminates, but can be continued under COBRA with the beneficiary paying the full premium.

46. Virginia	<p>Survivors of all Virginia law enforcement officers killed in the line of duty on or after April 8, 1972, are entitled to health insurance coverage. For spouses, continued health insurance will terminate upon such spouse's death or coverage by alternate health insurance. For dependent children, coverage will terminate upon the dependent's death, marriage, coverage by alternate health insurance, or 21st birthday. Continued health care insurance will be provided beyond the dependent's 21st birthday if the dependent is a full-time college student and will continue until such time as the dependent ceases to be a full-time student or reaches his 25th birthday, whichever occurs first. Continued health care insurance shall also be provided beyond the dependent's 21st birthday if the dependent is mentally or physically disabled, and such coverage will continue until three months following the cessation of the disability.</p> <p>The State Comptroller will provide forms to law enforcement agencies so that survivors can make a claim for this benefit, which will be paid by the State. Reference Virginia State Statute 2.1-133.7:1.</p>
47. Washington	<p>The Public Employees Benefits Board (PEBB) provides access to health insurance to surviving spouses and dependent children of emergency service personnel killed in the line of duty on or after January 1, 1998, including those who die as a result of injuries sustained in the course of employment as determined by the Department of Labor and Industries under Title 51 RCW. "Emergency service personnel" means members of the Law Enforcement Officers' and Fire Fighters' Retirement system and members of the Volunteer Fire Fighters' and Reserve Officers' Relief and Pensions system. All benefit costs are paid by the surviving spouses and dependent children.</p>
48. West Virginia	<p>Varied depending upon local government employer benefits.</p>
49. Wisconsin	<p>Health insurance coverage will continue for surviving spouses if, at the time of death, the officer was an active employee and had family coverage in place. The spouse can continue the coverage, but must pay the insurance premiums.</p>
50. Wyoming	<p>Varied depending upon local government employer benefits.</p>