

October 27,2020

Aaron Gutierrez
Office of the State Actuary
Olympia, Wa. 98505

Dear Aaron,

I would like to address the issue currently before the SPP regarding LEOFF 1 members paying out of pocket medical expenses and then seeking reimbursement from their local board/employer.

- (1) We all seem to acknowledge that some Boards require members to pay some expenses upfront then seek reimbursement. This has been the case for the 50 years that LEOFF 1 has been in existence and has never been addressed as a problem looking for a solution.
- (2) To say that requiring the member to pay some expenses upfront was not the legislative intent is really an unknown. RCW 41.26 makes it very clear it is the employers responsibility to pay the members medically necessary expenses. The RCW does not say how or when those expenses are to be paid.
- (3) No one in the hearings to date has come forward and provided a specific situation whereby a member's medical expenses were not paid. The issue raised is not if but rather when and how those expenses are paid. If there were situations that were problematic it could be assumed that the problem was resolved between the member and his/her local board.
- (4) Trying to mandate that no member should have to pay any upfront expenses is very complicated and may cause more problems than it solves. The stated problem is not as straight forward as it is being presented and finding a solution is not an easy fix.

(5) Mr. Warbrouck has stated there could be exceptions to when it would be appropriate to have a member pay out of pocket then seek reimbursement. I'm not sure how exceptions could be written into the RCW or WAC. The only way I see that happening would be to allow the local boards to use discretion and that is exactly where we are currently. RCW 41.26 is clear that it is up to local boards to make decisions.

Why not defer this until the 2021 SCPP meetings and look at the issue more in depth and see if a solution can be found. Some possible solutions have been presented one being discussion with the State Insurance Commission. I see no emergency in trying to solve anything now. As I said previously LEOFF 1 has been in existence for 50 years and one more year isn't going to create that serious a problem. As I testified previously I believe this to be a Board education issue and should be addressed as such. The local boards have the authority to resolve any problems that may exist and creating new legislation is not the answer.

Thank you,
Ken Crowder
LEOFF 1 Board Member