

Public Employees Benefits Board

February 2, 2023

Public Employees Benefits Board
February 2, 2023
9:00 a.m. – 4:00 p.m.

This meeting will be hybrid with attendance options both in person and via Zoom

Health Care Authority
 Sue Crystal A & B
 626 8th Avenue SE
 Olympia, Washington

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TAB 1

**Public Employees Benefits Board
February 2, 2023
9:00 a.m. – 4:00 p.m.**

This meeting will be hybrid with attendance options both in person and via Zoom

TO JOIN ZOOM MEETING – SEE INFORMATION BELOW

9:00 a.m.*	Welcome and Introductions		Sue Birch, Chair	
9:05 a.m.	Meeting Overview		Dave Iseminger, Director Employees & Retirees Benefits (ERB) Division	Information
9:10 a.m.	Focus on Health Literacy Panel Discussion	TAB 3	Facilitator: Emily Transue Panel Members: <ul style="list-style-type: none"> • Geoffrey Ankeney, MD Kaiser Permanente – Washington • Nicole Saint Clair, MD, FACOG WA-Regence BlueShield 	Information/ Discussion
10:25 a.m.	Break			
10:35 a.m.	Ending State COVID Emergency Impacts		Cade Walker, Manager Policy, Rules, and Compliance Section	Information/ Discussion
10:50 a.m.	PEBB Open Enrollment Summary Open Enrollment Plan Changes Benefit Update: Medical Flexible Spending Arrangements & Dependent Care Assistance Program	TAB 4	Alisa Richards, Manager Stacy Grof-Tisza, Customer Service Benefits Accounts Section Beth Heston, Procurement Manager ERB Division Marty Thies, Unit Manager Fully Insured Account Unit	Information/ Discussion
11:30 a.m.	Medicare Update	TAB 5	Ellen Wolfhagen, Senior Account Manager, ERB Division	Information/ Discussion
12:30 p.m.	<u>Working Lunch</u> Benefits 24/7 Application	TAB 6	Chatrina Pitsch, IT Project Manager Enterprise Technology Services Division	Information/ Discussion
1:30 p.m.	Pharmacy Network Utilization	TAB 7	Luke Dearden, Clinical Pharmacist Clinical Quality and Care Transformation	Information/ Discussion

1:45 p.m.	2023 Legislative Session and Legislative Reports Update	TAB 8	Cade Walker, Manager Policy, Rules, and Compliance Section	Information/ Discussion
2:00 p.m.	Governor's Proposed Budget Update and Collective Bargaining Agreement Update	TAB 9	Tanya Deuel, ERB Finance Manager Financial Services Division	Information/ Discussion
2:25 p.m.	Inflation Reduction Act (IRA) Overview	TAB 10	Emily Duchaine, Regulatory Analyst Policy, Rules, and Compliance Section ERB Division	Information/ Discussion
2:45 p.m.	Procurement and Benefit Planning Cycles	TAB 11	John Partin, Manager Benefit Strategy and Design Section ERB Division	Information/ Discussion
3:00 p.m.	Break			
3:10 p.m.	2023 Board Preview & Proposed PEB Board By-laws Amendment	TAB 12	Dave Iseminger, Director ERB Division	Information/ Discussion
3:20 p.m.	General Public Comment			
3:50 p.m.	Closing			
4:00 p.m.	Adjourn		Sue Birch, Chair	

*All Times Approximate

The Public Employees Benefits Board will meet Thursday, February 2, 2023 for its annual Retreat at the Washington State Health Care Authority, Sue Crystal Rooms A & B, 626 8th Avenue SE, Olympia, WA. You can attend this meeting in person or via Zoom. Masks are recommended.

The Board will consider all matters on the agenda plus any items that may normally come before them.

This notice is pursuant to the requirements of the Open Public Meeting Act, Chapter 42.30 RCW.

To provide public comment by email, direct e-mail to: board@hca.wa.gov.

Materials will be posted at <http://www.pebb.hca.wa.gov/board/> by close of business on January 30, 2023.

[Join Zoom Meeting](#)

Topic: PEB Board Retreat

Time: Feb 2, 2023 08:30 AM Pacific Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/84050847034?pwd=SnFhbKx4Z01NeENUUUlqSCTuQld3QT09>

Meeting ID: 840 5084 7034

Passcode: 856210

One tap mobile

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+12532158782,,84050847034#,,,,*856210# US (Tacoma)

Dial by your location

+1 253 205 0468 US
+1 253 215 8782 US (Tacoma)
+1 669 900 6833 US (San Jose)
+1 719 359 4580 US
+1 346 248 7799 US (Houston)
+1 669 444 9171 US
+1 301 715 8592 US (Washington DC)
+1 305 224 1968 US
+1 309 205 3325 US
+1 312 626 6799 US (Chicago)
+1 360 209 5623 US
+1 386 347 5053 US
+1 507 473 4847 US
+1 564 217 2000 US
+1 646 931 3860 US
+1 689 278 1000 US
+1 929 205 6099 US (New York)

Meeting ID: 840 5084 7034

Passcode: 856210

Find your local number: <https://us02web.zoom.us/j/84050847034?pwd=Zm5E9NZsYH>

PEB Board Members

Name	Representing
Sue Birch, Director Health Care Authority 626 8 th Ave SE PO Box 42713 Olympia WA 98504-2713 V 360-725-2104 sue.birch@hca.wa.gov	Chair
Kurt Spiegel WA Federation of State Employees 1212 Jefferson ST SE #300 Olympia WA 98501 V 833-622-9373 PEBBoard@hca.wa.gov	State Employees
Elyette Weinstein 5000 Orvas CT SE Olympia WA 98501-4765 V 360-705-8388 PEBBoard@hca.wa.gov	State Retirees
Tom MacRobert 4527 Waldrick RD SE Olympia WA 98501 V 360-264-4450 PEBBoard@hca.wa.gov	K-12 Retirees
Michaela Doelman Office of Financial Management 302 Sid Snyder Ave Olympia WA 98501 C 360-790-8315 PEBBoard@hca.wa.gov	Benefits Management/Cost Containment

PEB Board Members

Name	Representing
Monica McLemore 10002 Aurora Ave N Seattle WA 98125 V 510-239-7162 PEBBoard@hca.wa.gov	Benefits Management/Cost Containment
John Comerford* 121 Vine ST Unit 1205 Seattle, WA V 206-625-3200 PEBBoard@hca.wa.gov	Benefits Management/Cost Containment
Harry Bossi 19619 23 rd DR SE Bothell WA 98012 V 360-689-9275 PEBBoard@hca.wa.gov	Benefits Management/Cost Containment
Legal Counsel Michael Tunick, Assistant Attorney General 7141 Cleanwater DR SW PO Box 40124 Olympia WA 98504-0124 V 360-586-6495 MichaelT4@atg.wa.gov	

*non-voting members

1/27/23



Washington State Health Care Authority
Public Employees Benefits Board
P.O. Box 42713 • Olympia, Washington 98504-2713
360-725-0856 • TTY 711 • FAX 360-586-9551 • www.pebb.hca.wa.gov

PEB BOARD MEETING SCHEDULE

2023 Public Employees Benefits (PEB) Board Meeting Schedule

The PEB Board meetings will be held at the Health Care Authority, Sue Crystal Center, Rooms A & B, 626 8th Avenue SE, Olympia, WA 98501.

February 2, 2023 (Board Retreat) 9:00 a.m. – 4:00 p.m.

March 9, 2023 - 9:00 a.m. – 1:30 p.m.

April 13, 2023 - 9:00 a.m. – 1:30 p.m.

May 11, 2023 - 9:00 a.m. – 1:30 p.m.

June 8, 2023 - 9:00 a.m. – 1:30 p.m.

June 29, 2023 – 9:00 a.m. – 1:30 p.m.

July 12, 2023 - 9:00 a.m. – 12:00 p.m.

July 19, 2023 - 9:00 a.m. – 12:00 p.m.

July 26, 2023 - 9:00 a.m. – 12:00 p.m.

If you are a person with a disability and need a special accommodation, please contact Connie Bergener at 360-725-0856

7/5/22

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: July 12, 2022

TIME: 9:19 AM

WSR 22-15-022

TAB 2

PEB BOARD BY-LAWS

ARTICLE I

The Board and its Members

1. **Board Function**—The Public Employees Benefits Board (hereinafter “the PEBB” or “Board”) is created pursuant to RCW 41.05.055 within the Health Care Authority; the PEBB’s function is to design and approve insurance benefit plans and establish eligibility criteria for participation in insurance benefit plans for Higher Education and State employees, State retirees, and school retirees.
2. **Staff**—Health Care Authority staff shall serve as staff to the Board.
3. **Appointment**—The Members of the Board shall be appointed by the Governor in accordance with RCW 41.05.055. Board Members shall serve two-year terms. A Member whose term has expired but whose successor has not been appointed by the Governor may continue to serve until replaced.
4. **Non-Voting Member**—There shall be one non-voting Members appointed by the Governor because of their experience in health benefit management and cost containment.
5. **Privileges of Non-Voting Member**—The non-voting Member shall enjoy all the privileges of Board membership, except voting, including the right to sit with the Board, participate in discussions, and make and second motions.
6. **Board Compensation**—Members of the Board shall be compensated in accordance with RCW [43.03.250](#) and shall be reimbursed for their travel expenses while on official business in accordance with RCW [43.03.050](#) and [43.03.060](#).

ARTICLE II

Board Officers and Duties

1. **Chair of the Board**—The Health Care Authority Administrator shall serve as Chair of the Board and shall preside at all meetings of the Board and shall have all powers and duties conferred by law and the Board’s By-laws. If the Chair cannot attend a regular or special meeting, he or she shall designate a Chair Pro-Tem to preside during such meeting.
2. **Other Officers**—(*reserved*)

ARTICLE III
Board Committees

(RESERVED)

ARTICLE IV
Board Meetings

1. Application of Open Public Meetings Act—Meetings of the Board shall be at the call of the Chair and shall be held at such time, place, and manner to efficiently carry out the Board's duties. All Board meetings, except executive sessions *as permitted by law*, shall be conducted in accordance with the Open Public Meetings Act, Chapter 42.30 RCW.
2. Regular and Special Board Meetings—The Chair shall propose an annual schedule of regular Board meetings. The schedule of regular Board meetings, and any changes to the schedule, shall be filed with the State Code Reviser's Office in accordance with RCW 42.30.075. The Chair may cancel a regular Board meeting at his or her discretion, including the lack of sufficient agenda items. The Chair may call a special meeting of the Board at any time and proper notice must be given of a special meeting as provided by the Open Public Meetings Act, RCW 42.30.
3. No Conditions for Attendance—A member of the public is not required to register his or her name or provide other information as a condition of attendance at a Board meeting.
4. Public Access—Board meetings shall be held in a location that provides reasonable access to the public including the use of accessible facilities.
5. Meeting Minutes and Agendas—The agenda for an upcoming meeting shall be made available to the Board and the interested members of the public at least 24 hours prior to the meeting date or as otherwise required by the Open Public Meetings Act.

Agendas may be sent by electronic mail and shall also be posted on the HCA website. An audio recording (or other generally accepted electronic recording) shall be made of the meeting. HCA staff will provide minutes summarizing each meeting from the audio recording. Summary minutes shall be provided to the Board for review and adoption at a subsequent Board meeting.

6. Attendance—Board Members shall inform the Chair with as much notice as possible if unable to attend a scheduled Board meeting. Board staff preparing the minutes shall record the attendance of Board Members at the meeting for the minutes.

ARTICLE V
Meeting Procedures

1. Quorum—Five voting members of the Board shall constitute a quorum for the transaction of business. No final action may be taken in the absence of a quorum. The Chair may declare a meeting adjourned in the absence of a quorum necessary to transact business.
2. Order of Business—The order of business shall be determined by the agenda.
3. Teleconference Permitted—A Board Member may attend a meeting in person or, by special arrangement and advance notice to the Chair, by telephone conference call, or video conference when in-person attendance is impracticable.
4. Public Testimony—The Board actively seeks input from the public at large, from enrollees served by the PEBB Program, and from other interested parties. Time is reserved for public testimony at each regular meeting, generally at the end of the agenda. At the direction of the Chair, public testimony at Board meetings may also occur in conjunction with a public hearing or during the Board’s consideration of a specific agenda item. The Chair has authority to limit the time for public testimony, including the time allotted to each speaker, depending on the time available and the number of persons wishing to speak.
5. Motions and Resolutions—All actions of the Board shall be expressed by motion or resolution. No motion or resolution shall have effect unless passed by the affirmative votes of a majority of the Board Members present and eligible to vote, or in the case of a proposed amendment to the By-laws, a 2/3 majority of the Board.
6. Representing the Board’s Position on an Issue—No Board Member may endorse or oppose an issue purporting to represent the Board or the opinion of the Board on an issue unless the majority of the Board approve of such position.
7. Manner of Voting—On motions, resolutions, or other matters a voice vote may be used. At the discretion of the Chair, or upon request of a Board Member, a roll call vote may be conducted. Proxy votes are not permitted, but the prohibition of proxy votes does not prevent a Chair Pro-Tem designated by the Health Care Authority Director from voting.
8. Parliamentary Procedure—All rules of order not provided for in these By-laws shall be determined in accordance with the most current edition of Robert’s Rules of Order. Board staff shall provide a copy of *Robert’s Rules* at all Board meetings.
9. Civility—While engaged in Board duties, Board Members’ conduct shall demonstrate civility, respect, and courtesy toward each other, HCA staff, and the public and shall be guided by fundamental tenets of integrity and fairness.
10. State Ethics Law and Recusal—Board Members are subject to the requirements of the Ethics in Public Service Act, Chapter 42.52 RCW. A Board Member shall recuse himself or herself from casting a vote as necessary to comply with the Ethics in Public Service Act.

ARTICLE VI
Amendments to the By-Laws and Rules of Construction

1. Two-thirds majority required to amend—The PEBB By-laws may be amended upon a two-thirds (2/3) majority vote of the Board.
2. Liberal construction—All rules and procedures in these By-laws shall be liberally construed so that the public's health, safety and welfare shall be secured in accordance with the intents and purposes of applicable State laws and regulations.

Last Revised July 15, 2020

TAB 3



Focus on Health Literacy Panel Discussion

Emily Transue, MD
Associate Medical Director
Clinical Quality and Care Transformation
February 2, 2023

Panel Biographies

Geoffrey Ankeney, MD, Kaiser Permanente Washington, serves as the statewide medical director for Kaiser Permanente Washington's Commercial Business. In this role, Dr. Ankeney works closely with Kaiser Permanente Washington medical and sales leaders to strategize and execute plans to support our commercial members.

Dr. Ankeney joined Kaiser Permanente Washington in 2017 as a Primary Care clinician at the Olympia Medical Center where he continues to practice as a family medicine physician and hospitalist.

Dr. Nicole Saint Clair, Executive Medical Director, Regence BlueShield. Based in Seattle, Dr. Saint Clair leads the health plan's clinical programs to make health care affordable, accessible, and effective for Regence members.

Dr. Saint Clair received her medical degree from the University of Washington and served in several leadership positions, including in operations and women's health, at Seattle's Group Health, which was later acquired by Kaiser Permanente. In her most recent role, Dr. Saint Clair was a medical director at Cigna, based in Seattle, managing population health and working with employers and providers to ensure quality health outcomes and affordability.

Intentionally Blank For Taking Notes

Questions?

Emily Transue, MD
Associate Medical Director
Clinical Quality and Care Transformation
emily.transue@hca.wa.gov

TAB 4



PEBB Open Enrollment Summary

Alisa Richards, Manager
Benefits Accounts Section
Employees & Retirees Benefits Division
February 2, 2023

Stacy Grof-Tisza, Customer Service
Operations Manager
Benefits Accounts Section

Benefits Accounts

- The two primary units involved in Open Enrollment activities within Benefits Services are Customer Service and Outreach and Training
- Customer Service Unit is the first line of contact for Retirees and Continuation Coverage enrollees. Staff perform three primary functions:
 - Answer calls via a toll-free line (and respond to HCA Support inquiries)
 - Provide in-person lobby services for walk-in members
 - Review members' Retiree or Continuation of Coverage eligibility as they process enrollment forms
- Staff are scheduled daily to perform one or more of these functions

Benefits Accounts (*cont.*)

- Outreach and Training (O&T) provides training and support to agencies and organizations who act as the first line of customer service for their employees
- When these agencies or organizations need additional assistance, they reach out to O&T through a dedicated 1-800 toll-free line and/or a secure online correspondence tool called “HCA Support” (formerly called FUZE)
- O&T supports in-person Benefits Fairs

Open Enrollment Readiness

- The Customer Service and Outreach and Training Units work with other HCA divisions on open enrollment activities year-round. Some examples are:
 - Prepare communications to add in newsletters and letters
 - Draft email messaging to forward to agencies and organizations during open enrollment
 - Secure vendors' locations and schedules for the in-person Benefits Fairs
 - Continue work on the Virtual Benefits Fairs (VBF)

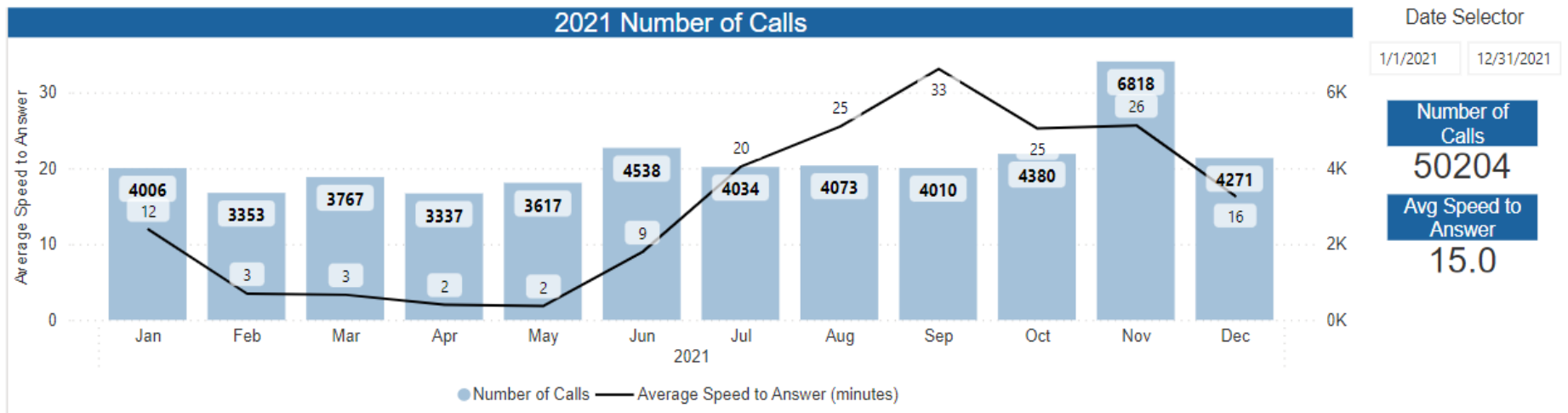
Open Enrollment Highlights (November 1-30)

- No significant technical difficulty with PEBB *My Account*
- 8 in-person Benefits Fairs offered to employees and retirees around the state of Washington facilitated by the Outreach and Training team
- 10 email messages distributed to agencies' payroll and benefits offices to forward to their employees

UMP Network Disruption Concerns

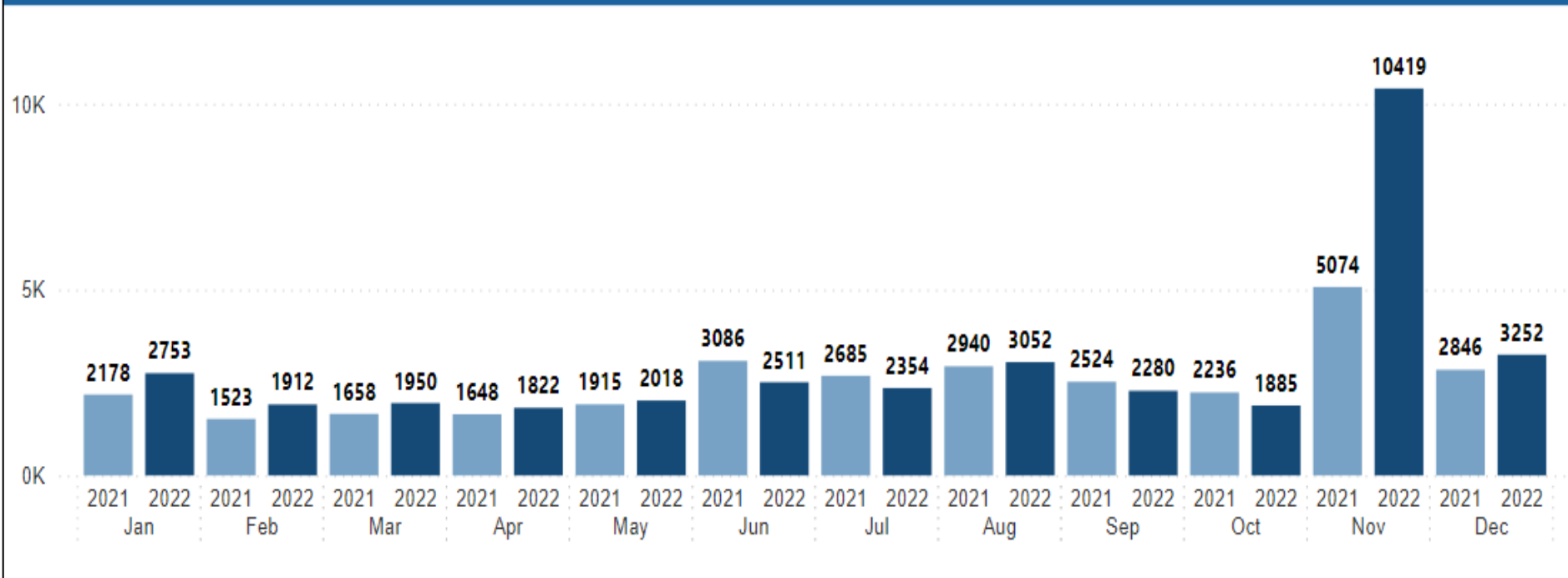
- Cyclical network negotiations between Regence and Optum
- Mid-November member termination notices sent by Regence to comply with Insurance Commissioner rules
 - Employees, Non-Medicare Retirees, & Medicare Retirees could all have been impacted
- Communication via HCA website, updated frequently, due to rapidly changing information
- Early evening of December 22, the parties reached a new multi-year agreement

Customer Service: 2021-2022 Phone Comparison



Customer Service Documents

Received Documents



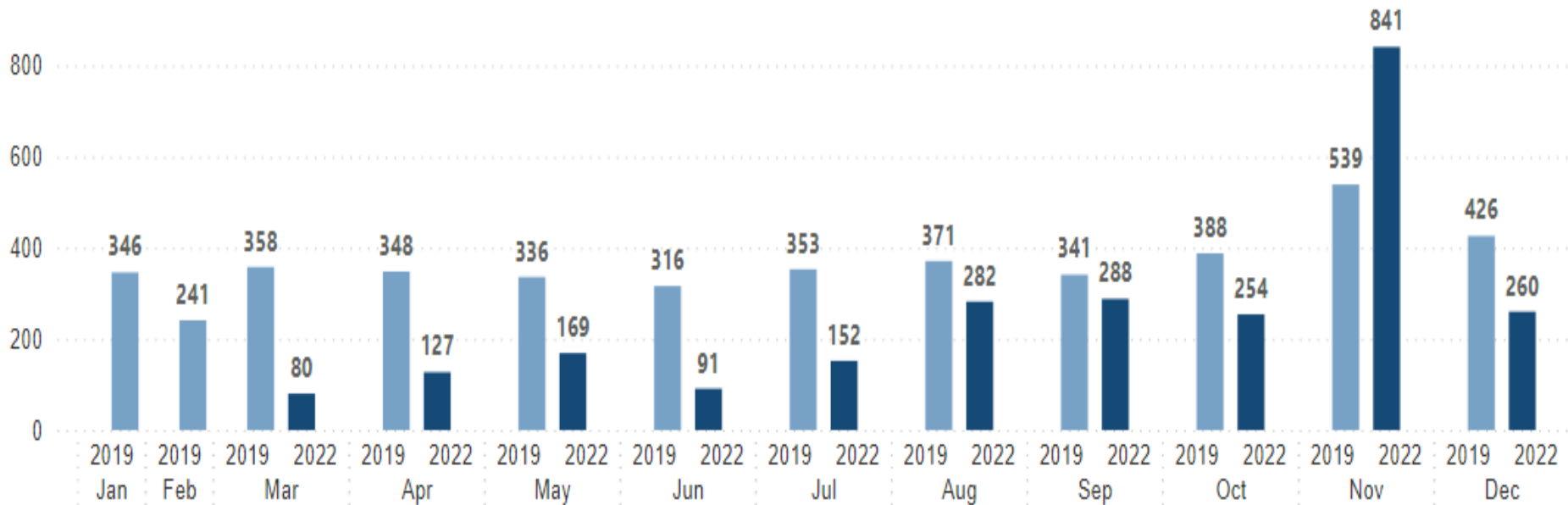
2021 All Documents Received	2021 Open Enrollment Forms	2022 All Documents Received	2022 Open Enrollment Forms
30,313	2,751	36,208	8,757

Open Enrollment Customer Service 2020-2022 Matrix Comparison (November)

PEBB	2020	2021	2022
Interactive Voice Response (IVR)	1,583	1,878	5,138
Calls	6,456	6,818	5,146
Wait Time Average (minutes)	25	26	58
Callback Feature Utilized by Caller	555	748	604
Open Enrollment Forms Received	2,808	3,207	8,775
FUZE/HCA Support	909	1,378	2,326
Fully Trained Staff	11	14	9

Customer Service: Lobby

Lobby Visits



2019 Total Visits

4,363

2022 Total Visits

2,544

Post-Open Enrollment Strategies

- Another HCA contact center took calls on behalf of Customer Service for two weeks in December for basic calls related to open enrollment
- Customer Service staff focused full-time on processing the large volume of Open Enrollment forms
- Other staff within the Customer Service Unit shifted their own priority work to assist with other Customer Service functions

Future Customer Service Strategies

- PEBB *My Account* Modernization (Benefits 24/7) – coming May 2023
- Continue to promote the use of HCA Support for members to contact us or submit forms
- Post Open Enrollment forms before November 1
- Benefits Fairs lessons learned:
 - Have forms available at all fairs for retirees
 - Work with vendors to have more staff available for questions and plan specific presentations
 - Assess locations based on enrolled members' population

Questions?

Alisa Richards, Manager
Benefits Accounts Section
Employees and Retirees Benefits Division
Alisa.richards@hca.wa.gov

Stacy Grof-Tisza, Manager
Customer Service Operations
Employees and Retirees Benefits Division
Stacy.grof-tisza@hca.wa.gov



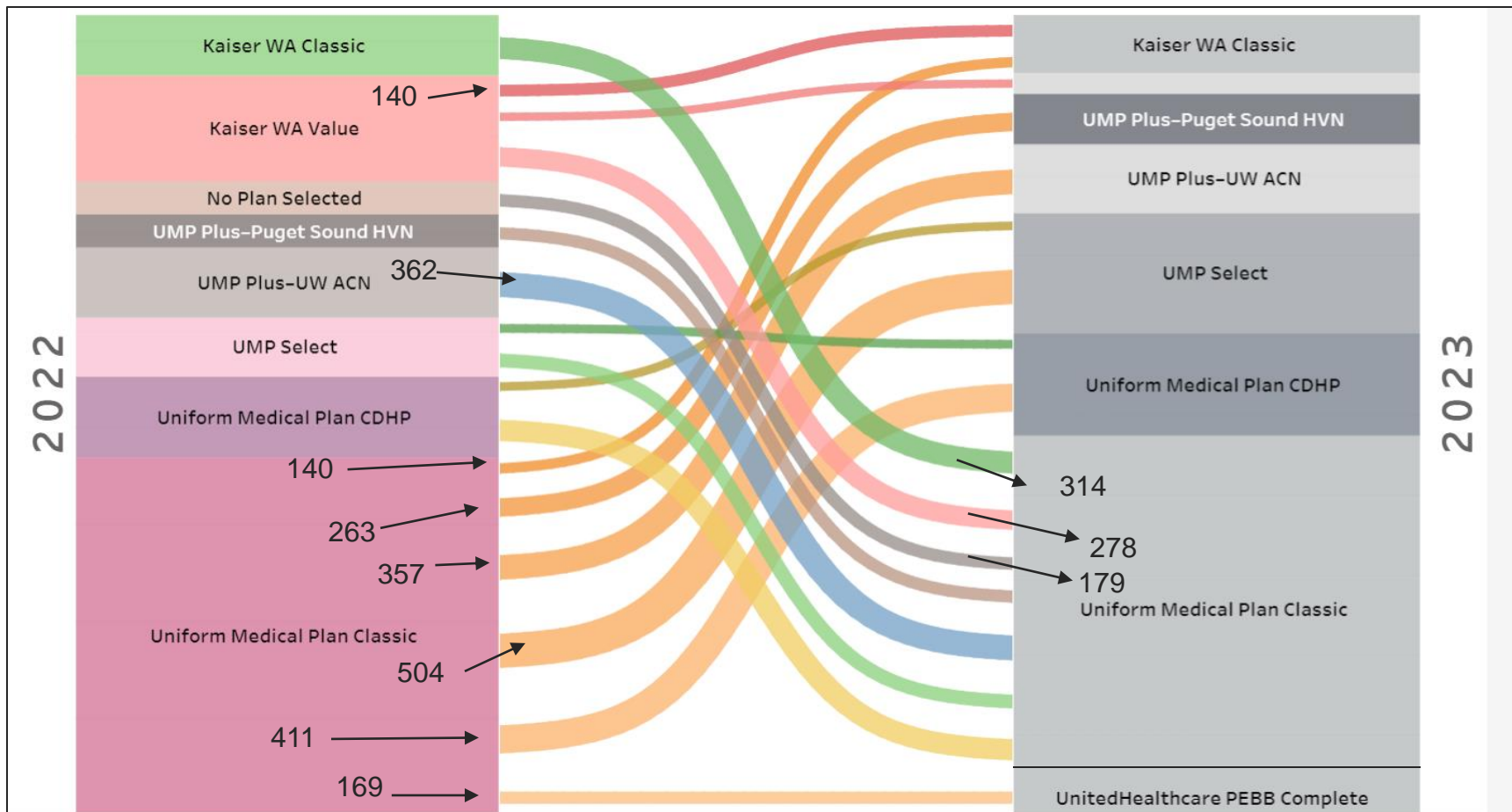
Open Enrollment Plan Changes

Beth Heston
Procurement Manager
Employees and Retirees Benefits Division
February 2, 2023

PEBB Employee & Non-Medicare Retirees Enrollment Net Changes

Carrier	Oct. 2022	Jan. 2023	Change	% Change	% Overall Enrollment
Kaiser NW CDHP	604	611	7	1.2%	0.2%
Kaiser NW Classic	3,345	3,279	-66	-2.0%	1.2%
Kaiser WA CDHP	4,754	4,700	-54	-1.1%	1.7%
Kaiser WA Classic	20,909	20,409	-500	-2.4%	7.3%
Kaiser WA Sound Choice	10,586	11,095	509	4.8%	4.0%
Kaiser WA Value	25,437	24,035	-1,402	-5.5%	8.6%
UMP Plus - Puget Sound High Value Network	8,177	8,462	285	3.5%	3.0%
UMP Plus - UW Medicine Accountable Care Network	22,036	22,094	58	0.3%	7.9%
Uniform Medical Plan CDHP	24,497	25,294	797	3.3%	9.0%
Uniform Medical Plan Classic	152,269	151,142	-1,127	-0.7%	53.9%
Uniform Medical Plan Select	8,756	9,467	711	8.1%	3.4%
Total Members	281,370	280,588	-782	-0.3%	100.0%

Employee & Non-Medicare Retiree Switching



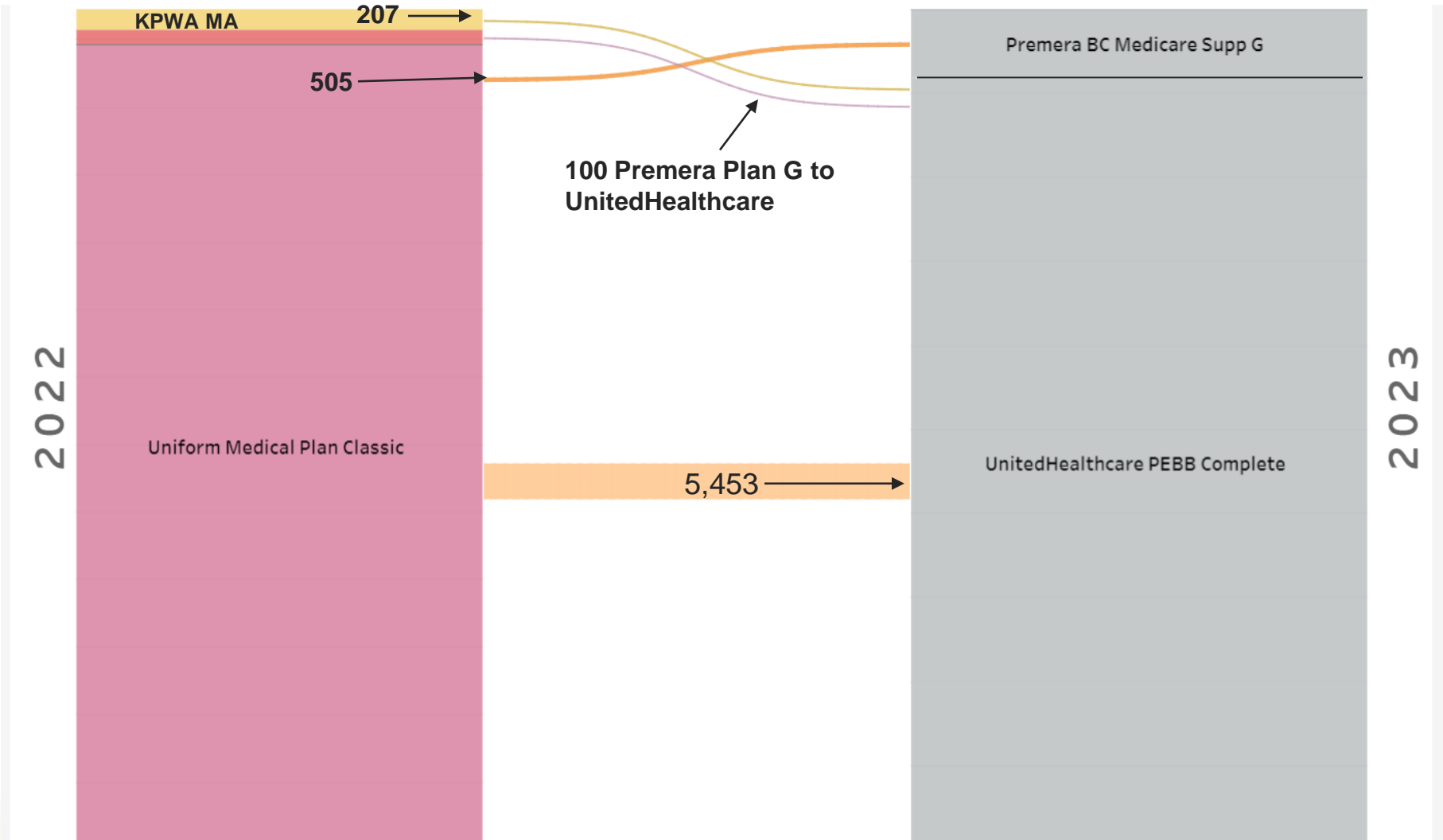
Enrollment Reports are available online at:

<https://www.hca.wa.gov/about-hca/programs-and-initiatives/public-employees-benefits-board-pebb-program/enrollment-reports>

Medicare Retiree Enrollment Net Changes

Carrier	Oct. 2022	Jan. 2023	Actual Change	% Change	% of Total Enrollment
Kaiser NW Classic	2,417	2,379	-38	-1.6%	2.2%
Kaiser WA Classic	318	284	-34	-10.7%	0.3%
Kaiser WA Medicare	23,585	23,406	-179	-0.8%	21.9%
Premera Blue Cross Medicare Supplement F	14,704	14,428	-276	-1.9%	13.5%
Premera Blue Cross Medicare Supplement G	6,279	6,889	610	9.7%	6.4%
Uniform Medical Plan Classic	53,989	44,564	-9,425	-17.5%	41.7%
UnitedHealthcare PEBB Balance	251	345	94	37.5%	0.3%
UnitedHealthcare PEBB Complete	5,548	14,218	8,670	156.3%	13.3%
Total Members	107,091	106,513	-578	-0.5%	100.0%

Medicare Retiree Switching



Questions?

Beth Heston, Procurement Manager
Employees and Retirees Benefits Division

Beth.Heston@hca.wa.gov



Benefit Update: Medical Flexible Spending Arrangement & Dependent Care Assistance Program (FSA & DCAP)

Martin Thies, Ph.D.
Portfolio Management & Monitoring
Employees & Retirees Benefits Division
February 2, 2023

Overview

- Recap of the Benefit and Design Changes
- 2023 Enrollment
- 2022 Procurement
- Update: CBA \$250 Benefit
- Administrative Enhancements

Benefit Recap

Salary Reduction:

Public employees can select “*before tax*” benefits funded through voluntary payroll deductions

- Medical Flexible Spending Arrangement (FSA)
 - Employees pay for eligible out-of-pocket medical expenses
 - \$2,850/year for 2023, often with annual IRS COLAs
- Limited Purpose FSA
 - For high-deductible plan members: same elections and basic design
 - EXCEPT can only be claimed for vision and dental expenses
- Dependent Care Assistance Program (DCAP)
 - Employees pay pre-tax for eligible dependent care expenses
 - \$5,000/year maximum payroll deduction (no COLAs)

2022 Design Changes

Transitioned to Carryover from Grace Period

- The final grace period was January through March of 2022
- Carryover allows up to \$610 in unspent funds from the previous plan year to be used in the subsequent plan year

Added the Limited Purpose FSA

- Same minimum, maximum elections
- Can have Medical FSA or a Limited Purpose FSA, but cannot have both in the same plan year
- Compatible with HSA for additional salary reductions

Reduced minimum election from \$240 to \$120

Carryover Timing

- January marked the first carryover of unspent FSA funds; *there is no longer a grace period*
- As always, participants have thru March 31 to claim against 2022 elections with expenses incurred in 2022
- Carryover will increase the number of active accounts in the new plan year

Enrollment & Election Comparison 2022-2023

Medical FSA	# of Accounts	Total Annual Elections	AVG Election
2022	15,193	\$26,338,500	\$1,734
2023	16,141	\$28,635,843	\$1,774
Increase	948	\$2,297,343	\$41
Ltd. Purpose FSA	# of Accounts	Total Annual Elections	AVG Election
2022	328	\$437,538	\$1,334
2023	365	\$497,843	\$1,364
Increase	37	\$60,305	\$30
DCAP	# of Accounts	Total Annual Elections	AVG Election
2022	2,363	\$10,019,997	\$4,240
2023	2,482	\$10,604,228	\$4,272
Increase	119	\$584,231	\$32

2023 Participation & Savings

High Deductible Plan Subscribers: Participation Rate		
	2022	2023
Total HD Plan Subscribers	15,230	15,478
Limited Purpose FSAs	328	365
Participation	2.2%	2.4%

PEBB FSA/DCAP: 2023 Participation and Impact				
		# of Accounts, 2023		
		Medical FSA	DCAP	LP FSA
Participants	9,845	16,141	2,482	365
Elections	\$39,737,914	\$28,635,843	\$10,604,228	\$497,843
Employee Income Tax Saved	\$4,768,550	\$3,436,301	\$1,272,507	\$59,741
Employee FICA Saved	\$3,039,950	\$2,190,642	\$811,223	\$38,085
Employer FICA Saved	\$3,039,950	\$2,190,642	\$811,223	\$38,085
TOTAL 2023:	\$10,848,451			

2022 Procurement

- 2022 Procurement for a new contract
- Navia Benefit Solutions will remain the vendor
 - 2023: final year of the current contract
 - New contract runs through 2033: initial 4 years with 6 one-year renewals
 - Admin rate will drop from \$2.20 to \$1.75 in 2024
- The HCA/Navia team is working to increase participation

Collective Bargaining Agreement (CBA) Benefit Update

- New CBA going before Legislature this session
- Increased salary threshold
- Unions showing interest in assisting with communications to their members

Plan Year	2020	2022	2022	2023
Total CBA Recipients	18,560	15,418	13,371	TBD
% of Recipients using some or all of the \$250	58%	59%	TBD	TBD
Claimed	\$2,243,703	\$1,751,056	TBD	TBD
Unclaimed	\$2,225,143	\$1,735,638	TBD	TBD

Administrative Enhancements

- Implementing access to the Navia employer web portal in 2023
 - Employers can securely upload payroll deduction files
 - Forms to enroll, change status, or terminate coverage
- Implemented SecureAccess Washington (SAW) log-in
 - Effective in October 2022, participants are required to use SAW before logging into their Navia account
 - Enhances access security
- Redesign of the Navia Debit Card
 - Additional “PEBB” specification coming



Questions?

More Information:

<http://pebb.naviabenefits.com/>

Martin Thies, Ph.D.

Employees and Retirees Benefits Division

martin.thies@hca.wa.gov

TAB 5



Washington State
Health Care Authority

PUBLIC EMPLOYEES BENEFITS BOARD

Medicare Update

Ellen Wolfhagen
Senior Account Manager
Employees and Retirees Benefits Division
February 2, 2023

Medicare Review

- Traditional Medicare
 - Part A (hospital/in-patient services)
 - Part B (outpatient/Durable Medical Equipment)
- Medicare Advantage (MA)
 - Regulated by Center for Medicare and Medicaid Services (CMS)
 - Part A + Part B + Managed Care
 - Can include Part D (prescriptions); known as MA-PD

Medicare Review (*cont.*)

- Coordination of Benefits (with Traditional Medicare)
 - Medicare is *primary* payer for medical expenses (things covered by Part A or Part B)
 - Plan pays *secondary* for those items
 - Plan can cover things NOT covered by Medicare

Medicare Review (*cont.*)

- Medicare Advantage (MA) plans offer coordinated care and supplemental benefits, such as:
 - Chiropractic, acupuncture, massage therapy
 - Gym membership, over the counter (OTC) discounts, meals after discharge, transportation
- Most MA plans are Health Maintenance Organizations (HMO), with limited provider networks
- PEBB MA-PD plans are Preferred Provider Organizations (PPO), with nationwide coverage

Medicare Review (*cont.*)

- Medicare Supplement Plans
 - Nationwide PPO standardized offerings
 - Under Office of the Insurance Commissioner (OIC) jurisdiction
 - Also known as Medigap plans
 - Cover the 20% coinsurance not covered by Medicare
 - Cover only Medicare-approved services

Key Differences: Commercial AARP UHC Plans and PEBB's Group-sponsored UHC MA-PD Plans

	Commercial Market AARP Plans	PEBB Group-sponsored MA-PD Plans
Plan Network Design	Mostly HMO (closed networks)	PPO – Any Willing Medicare Provider
Maximum Out-of-pocket (Medical)	\$5,000 - \$6,500 (In-network)* \$10,000 (Out-of-network)*	\$500 (PEBB Complete) \$2,000 (PEBB Balance)
Copays (Primary Care)	\$0 (In-network)* \$25 (Out-of-network)*	\$0 (PEBB Complete) \$15 (PEBB Balance)
Copays (Specialty)	\$35-\$45 (In-network)* \$65 (Out-of-network)*	\$0 (PEBB Complete) \$30 (PEBB Balance)
Pharmacy Deductible	\$225 for Tiers 3-5**	\$100 for Tiers 3-5
Maximum Out-of-pocket (Pharmacy)	No Maximum Limit**	\$2,000
“Donut Hole” Coverage Gap	25% Member Coinsurance**	Just pay applicable cost-share until Pharmacy Out-of-pocket Max reached

* AARP UHC underwritten “Choice” & “Patriot” PPO Plans

** AARP UHC underwritten “Choice” PPO Plan (“Patriot” has no drug coverage)

Informed Decision Making

- Some legislation is aimed at making sure consumers have enough information to make informed decisions
- Plan choice considerations
 - Cost
 - Coverage
 - Convenience
 - Continuity

Status Update

- Uniform Medical Plan (UMP) Classic Medicare is NOT closing
- Significant premium increase for UMP Classic Medicare – likely influenced switching during Open Enrollment
- Retiree Engagement Strategies – increasing awareness and outreach efforts for members

Pre-Open Enrollment Outreach Efforts

- Attended Washington State School Retirees Association (WSSRA) and Retired Public Employees Council (RPEC) in-person conventions
- Provided webinars for several retiree groups to help members make informed decisions about plan choices

Outreach Efforts (*cont.*)

- Presentations
 - Overview of PEBB Medicare portfolio
 - Plan choice considerations
 - Side-by-side plan benefit comparisons
 - Comparisons to commercial market options
 - Side-by-side plan premium comparisons

Outreach Efforts (*cont.*)

- Webinars between August and October:
 - Washington State School Retirees Association
 - Washington Education Association Retirees
 - Retired Public Employees Council
 - University of Washington Retirement Association
 - Washington State University Emeritus Society and WSU Retirees Association

Stakeholders' Medicare Coalition

Retired Public Employees Council (RPEC), labor unions, and community groups formed a coalition to work with HCA to:

- Expand health care plan choice
- Expand active employee and retiree voice in health care policy decision-making; and
- Preserve traditional Medicare options in Washington State

Stakeholders' Medicare Coalition (*cont.*)

- Facilitated listening sessions and public forums currently being planned for February – May 2023
- Mix of virtual and in-person events
- Focus on hearing what works and doesn't for PEBB Program retirees and PEBB Medicare portfolio

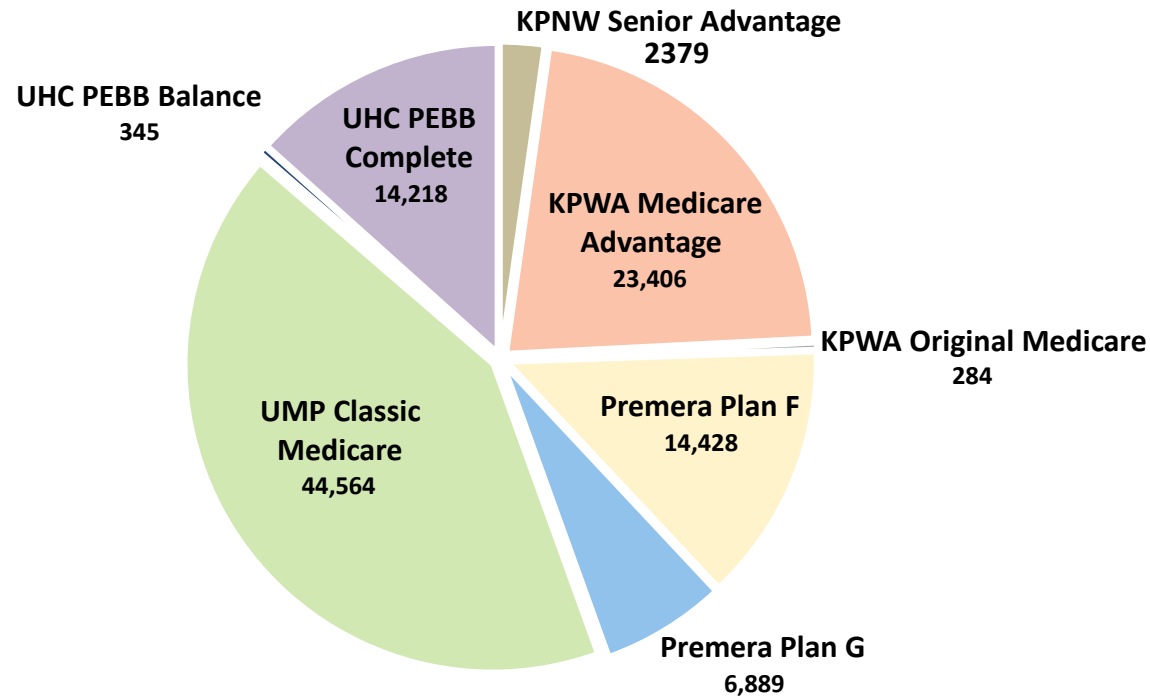
Correspondence

- Over 400 letters received and processed before the announcement was made indicating the proposal to end UMP Classic Medicare was removed from consideration
- Ongoing correspondence focused on plan comparisons, specific benefits, provider networks, and pharmacy coverage

HCAPEBBMedicare@hca.wa.gov

- Created a new email inbox
- Actively used during Open Enrollment
- Questions about plan designs

2023 PEBB Medicare Enrollment (Members) as of January 2, 2023



Open Enrollment Experiences

- Overwhelming number of retirees in attendance (at least 90%)
- Most questions were about UMP
 - Why the large premium increase?
 - How do other plans compare?
- Struggles with finding and completing forms
- Appreciative hugs from seniors saving money

Medicare Appeal Processes

- Expedited reconsideration – can request by phone
 - Answer within 72 hours of receipt
 - Medical decisions can take up to 14 additional days if more information is needed
 - Can't take extra time if request is for Part B drug

Medicare Appeals Processes (*cont.*)

- If approved, authorize or provide coverage within 72 hours after receipt of appeal
- If answer is no, automatically send to Independent Review Organization (IRO) as a Level 2 appeal

Medicare Appeals Processes (*cont.*)

- Standard – request in writing
 - Answer within 30 calendar days after receipt
 - Part B drug requests are answered within 7 calendar days
 - Can get an answer quicker if health condition warrants
 - If request denied, automatically sent to IRO as a Level 2 appeal

Medicare Appeal Processes (*cont.*)

- IRO hired by Medicare
 - Not associated with carrier
 - Not a governmental agency
- Fast – answer within 72 hours of receipt
- Standard – answer within 30 calendar days
 - Part B drug request answer within 7 calendar days

HCA Role in Prior Authorization Requests

- Prior Authorization requests are reviewed by Plan Medical Director
- HCA is part of escalation procedures
- Plans track complaints and grievances and report to HCA
- Adverse decision can move to Medicare Appeal

Oversight of Medicare Plans

- Medicare Advantage (including MA-PD) plans
 - CMS
- Medicare Supplement plans (Plan F and Plan G)
 - OIC
- Uniform Medical Plan
 - HCA

PEBB Program Risk Pools

Non-Medicare

Employees of state agencies, higher education institutions, and employer groups that voluntarily purchase health benefits in the PEBB Program; eligible retired or disabled school employees not eligible for Medicare Parts A and B; and eligible state retirees not eligible for Medicare Parts A and B

Medicare

Retired or disabled employees, separated employees, spouses, or children who are eligible for Medicare Part A and Part B; surviving spouses and surviving state-registered domestic partners of emergency service personnel killed in the line of duty

As required by state law (RCWs 41.05.022 & 41.05.080)

Non-Medicare Retirees & the PEBB Portfolio

PEBB non-Medicare Plans

Kaiser NW Classic
Kaiser NW CDHP
Kaiser WA Classic
Kaiser WA Value
Kaiser WA SoundChoice
Kaiser WA CDHP
UMP Classic
UMP Plus
UMP Select
UMP CDHP

- PEBB non-Medicare retirees can enroll in any non-Medicare plan offering
- Retirees move into the PEBB Medicare plans upon enrolling in Medicare
- The plan options and rates for Medicare/non-Medicare split accounts are unique

Non-Medicare Retirees & Split Accounts

- Split Account is defined as non-Medicare and Medicare members enrolled under one Subscriber account.
- For Example:
 - Subscriber = Medicare eligible
 - Spouse = non-Medicare eligible

Split Account Enrollment

When the Medicare member selects:

The non-Medicare member can select:

Kaiser NW Senior Advantage	Kaiser NW Classic
Kaiser WA Medicare Advantage & Original Medicare	Kaiser WA Classic Kaiser WA Value Kaiser WA SoundChoice
UMP Classic Medicare	UMP Classic
UnitedHealthcare (MA-PD) PEBB Complete UnitedHealthcare (MA-PD) PEBB Balance	UMP Classic
Premera Medicare Supplement Plans	UMP Classic

Proposed CMS Medicare Advantage Rules

- Issued December 14, 2022; comments due by February 13, 2023
- Improving guidelines for:
 - Prior authorizations
 - Coverage guidelines (for Part D drugs)
 - Plan marketing (commercial market)
- Ensuring MA enrollees receive same access to medically necessary care they would receive in Traditional Medicare

Proposed CMS Medicare Advantage Rules (*cont.*)

- Streamline prior authorization (PA) requirements
 - Reduce care disruption for enrollees
 - Granted PAs would remain valid for full course of treatment
 - MA plans to review utilization management policies annually
 - Coverage determinations reviewed by professionals with relevant expertise

Questions?

Ellen Wolfhagen, Senior Account Manager
Employees and Retirees Benefits Division

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TAB 6



Benefits 24/7 Application

Chatrina Pitsch
IT Project Director
Enterprise Technology Services
February 2, 2023

Origination of Project

Project Statement (What)	Problem Statement (Why)
<p>Modernize the enrollment platform used for Public Employees Benefits Board (PEBB) Program by creating a web-based user interface for benefits management.</p>	<p>The current IT is outdated, cumbersome, and does not meet current security standards.</p> <ul style="list-style-type: none">• Limited functionality in PEBB My Account• Agencies and HCA users must use the legacy mainframe system, PAY1, to manage their members' enrollment and benefits• The existing PEBB My Account system does not comply with latest security standards• Reduce reliance on Pay1

Expanded Scope

Postponed launch for 1 year to recruit and train PAY1 mainframe developers:

- Send eligibility and enrollment information to healthcare carriers directly from new system to reduce reliance on PAY1
- Merge SEBB & PEBB Program members into a single platform to streamline support and maintenance
- Combined system will be called Benefits 24/7

What's Changing for Subscriber's

Task	PEBB My Account	SEBB My Account	Benefits 24/7
Choose health plans when newly eligible or waive	No	Yes	Yes
Defer retiree coverage	No	N/A	Yes
Submit requests for retiree coverage or continuation coverage	No	No	Yes
Enroll dependents in benefits and manage their enrollment throughout the year	No	Yes	Yes
Upload documents to prove dependent eligibility	No	Yes	Yes
Use links to visit vendor websites to enroll in supplemental benefits (Life, FSA/DCAP, etc.)	No	Yes	Yes
Make long-term disability insurance elections	No	Yes	Yes
Submit special open enrollment requests	No	Yes	Yes
Add or remove dependents during open enrollment	No	Yes	Yes
Select medical, dental, and vision (SEBB vision only) plans during open enrollment	Yes	Yes	Yes
Attest to premium surcharges	Yes	Yes	Yes
View and print your statement of insurance	Yes	Yes	Yes
Sign up to receive emails from the Program	Yes	Yes	Yes
Access application through SecureAccess WA (SAW)	No	Yes	Yes

Subscriber Self-Service

- Initial enrollment
- Requesting dependent coverage or changes
- Providing dependent verification documents
- Make changes to long-term disability
- Requesting special open enrollments
- Enhanced security
- View current and future coverage elections
- Continuation/Retiree Coverage applications initiated within Benefits 24/7

Improvements for Benefits Administrators

- User friendly interface to manage PEBB Program eligibility
- Dual enrollment resolved in real-time between PEBB & SEBB
- Subscriber enrollment history visible (from launch forward)
- Receipt of dependent and special open enrollment verification documentation
- Visibility of wellness program participants
- Secure receipt of special data sets in 'Data Depot'
- Reduced paper
- Reduced errors on enrollment forms with system logic enforced
- Iterative enhancements available

What Stays the Same

- Existing reports remain available; same delivery methods
- Billing files and cycles
- All accounting functions in PAY1
- Demographic information received from State and Higher Education interfaces
- UW enrollment interface continued
- HCA support request channel, same points of contact
- Continued training provided by HCA

Pay1

```

Vista TN3270 Session A
File Edit Font Transfer Macro Options Window Help
[Icons] [A] [B] [C] [?]

***** A.41 - SUBSCRIBER DATA *****                               MAPA411

SOC SEC NBR: ██████████ ID#: 000001711 NAME : ██████████ ██████████
HOME AGENCY : 107 HOME SUB AGENCY :
TRANSFER REASON : TRANSFER EFF DT :
HOME PHONE : ██████████ BUSINESS/MSG PH :
MAIL STOP : COUNTY : 34 THURSTON
ELIGIBILITY CODE : Y ACTIVE ELIG EFF DATE:
ELIGIBILITY REASON : 01 NEWLY ELIGIBLE MEMBER LIFE INS: Y
DT REGAIN ELIG : DT ELIG TO APPLY: 04 01 2020
QUALIFY REASON : COBRA/SELF END DT:
PENDING ELIG CODE : PENDING EFF DATE:
ORIG SOC SEC NUM : ORIG AGENCY :
APPT STATUS : 1 PERMANENT AGY EFF/END DATE: 04 01 2020
PAY METHOD : D PAYROLL DEDUCT MONTHLY SALARY :
MARITAL STATUS : M (S = SINGLE; M = MARRIED/PARTNERSHIP)
MARITAL STATUS DATE: 07 17 2011 DECEASED DATE:
RETIRED DATE:
SPOUSE/PARTNER DIV/DIS/DEC DATE: TERM REASON:
ELECTION PERIOD END DATE : 60-DAY:
BASIC LIFE/LTD DATE: SUPP LIFE: OPT LTD:
NEXT FUNCTION: A 43 TYPE: I SSA: AGY: 107 SUB: PAY ACTION:
INQUIRY ONLY ENTER-NXT, PF1-HELP, PF2-RETURN, PF3-SYSTEM, PF9-HISTORY

MBA 0.0 12/15/22.349 01:57PM TPX w a 23,19
  
```

Benefits Administrators Dashboard

- User friendly navigation
- Ability to view pending verification requests

Admin Dashboard | Dependent Verification | Special Enrollment Verification | Subscribers | Access | Reports | Profile | Currently managing: ADMINISTRATIVE OFFICE OF THE COURTS

ADMINISTRATIVE OFFICE OF THE COURTS Administrative Dashboard

Welcome, CHATRINA PITSCH!

- Manage subscribers**
Search, view, add or update subscribers
- Manage access**
- Organization profile**
- Dependent Verification**
You have 0 verification request(s)
- Special Enrollment Event Verification**
You have 0 special enrollment event request(s)
- Reports**
- Data Depot**
- Subscriber Enrollment History**
View login, enrollment, change history

Subscriber History

- Enrollments
- Special enrollment requests
- Attestations
- Dependent details
- Documents
- Login history

Subscriber Details

Cassie Carter
555-64-6464 09/09/1990

Subscriber Eligibility 1 Record

Agency/ Subagency	Agency Elig Eff Date	Agency Elig Eff End Date	Eligibility Type	Eligibility Reason	Eligibility Created Date	Modified Date	Created/Modif ied By
ABERDEEN SCHOOL DISTRICT 005	12/01/2022		SEBB Employee	Newly Eligible Member	12/09/2022 3:07:45 pm		chatrinatest@gmail.com

1 - 1 of 1 items

- + Subscriber Enrollment 9 Records
- + Subscriber Special Open Enrollments 2 Records
- + Subscriber Addresses 1 Record
- + Subscriber Attestations 1 Record
- + Subscriber Login History 0 Records
- + HCA Administrative Notes 0 Records
- + Subscriber Marital Status 1 Record
- + Dependents 1 Record
- + Documents 0 Records
- + Requested Elections for Dependent Enrollments 2 Records
- + Dependent Tobacco Attestations 2 Records

[Download](#)

Special open enrollments & new enrollment events

- Ability for subscriber or Benefits Administrator to report address change, death, or divorce
- Review requested changes, supporting documentation, and complete verification

<input checked="" type="checkbox"/>	Carter, Cassie	Death or Divorce	Pending	1/1/2023	12/8/2022	12/9/2022	2/6/2023	No
<input type="checkbox"/>	Salmon, Atlas	Change in School District	Draft	12/1/2022	11/8/2022	11/8/2022	1/7/2023	No
<input type="checkbox"/>	test, wizard	Marriage	Draft	12/1/2022	11/21/2022	11/21/2022	1/20/2023	No

Subscriber: Carter, Cassie
SSN: 555646464
DOB: 09/09/1990

Requested changes

Carter Spouse (dependent)

- Removed coverage from dependent.
- Removed dependent from medical coverage effective 12/31/2022

This subscriber has not made any new elections as a result of this SOE event. Please work with the subscriber to complete elections for the SOE event or deny the event as

Verify Deny Pending

[Click here to edit request](#)

Submit changes Cancel

Admin Dashboard Subscribers Access Dependent Verification Special Enrollment Verification Self Pay Dashboard Organizations Reports Settings History

← Back to search results

Admin Dashboard Dependent Verification Special Enrollment Verification Subscribers Access Reports Profile

Currently managing:
ADMINISTRATIVE OFFICE OF THE COURTS




ADMINISTRATIVE OFFICE OF THE COURTS

Data Depot

Select files... Drop files here to upload

Allowed file types: txt, csv, xls,xlsx
Maximum file size: 30mb

Previously uploaded files

File	Date Added ↓	
 W2 Data 055 01_05_2023.xlsx	01/19/2023	 

Data Depot

- Receive ad hoc data files from HCA
- Secure

Easy navigation for subscribers

- Step-by-step wizards provided for each enrollment period
- Special enrollment events available after initial enrollment is complete

The screenshot shows the 'PEBB My Account' dashboard for Chris Carter. At the top, a navigation bar is highlighted with an orange box, containing tabs for 'Dashboard', 'Eligibility', 'Manage Dependents', 'Profile', 'Tobacco Surcharge Attestations', 'Current Coverage', and 'Supplemental Benefits'. Below the navigation bar, the user is welcomed to their account and informed that they are within their initial eligibility period. A 'Welcome to Sprint 61!!!' message is displayed, followed by a note to keep the email address current. The dashboard title is 'ABERDEEN SCHOOL DISTRICT 005 Subscriber Dashboard' and it welcomes Chris Carter. A prominent blue arrow-shaped callout indicates the user is 'Newly Eligible' from 11/30/2022 to 01/01/2023 for coverage starting Dec 1, 2022. At the bottom, there are two main action buttons: 'Profile' (with a person icon) and 'Current Coverage' (with a plus sign icon).








Continuation/Retiree Coverage

- Request Continuation Coverage, Retiree coverage, or deferral
- If in terminated status, can submit continuation coverage request

ABERDEEN SCHOOL DISTRICT 005 Subscriber Dashboard

Welcome, Cassie Carter!

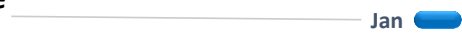
Newly Eligible
11/01/2022 - 12/03/2022
for coverage Dec 1, 2022

 Profile View and manage profile information	 Current Coverage View/print your current coverage
 Special enrollment events Request a change due to a qualifying event <ul style="list-style-type: none">• Special Open Enrollment Events• Address change requests• Report a Death or Divorce	 Manage dependents Edit dependent information
 Supplemental coverage Life, AD&D, LTD, HSA, medical FSA, DCAP, SmartHealth	 Tobacco Attestations Update your tobacco attestations
 Continuation/Retiree coverage Manage continuation/retiree coverage	

High-Level Timeline



Internal User Acceptance Testing



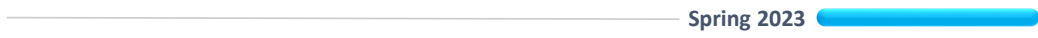
External Testing



End-to-End Testing



Training



Enhancements



Questions?

Chatrina Pitsch, IT Project Director
Enterprise Technology Services
chatrina.pitsch@hca.wa.gov

TAB 7



Pharmacy Network Utilization

Luke Dearden, Clinical Pharmacist
Clinical Quality and Care Transformation (CQCT)
February 2, 2023

Objectives

1. What is the UMP utilization of mail order pharmacies versus retail pharmacies over time?
2. Did an increase in remote work due to COVID-19 affect the type of pharmacy that was used?

Overview of UMP Pharmacy Network

- 51,000 network pharmacies nationally
- Over 1,100 network pharmacies in WA
- Two mail order pharmacies
 - Postal Prescription Services
 - Costco Mail Order (effective 1/1/2023)

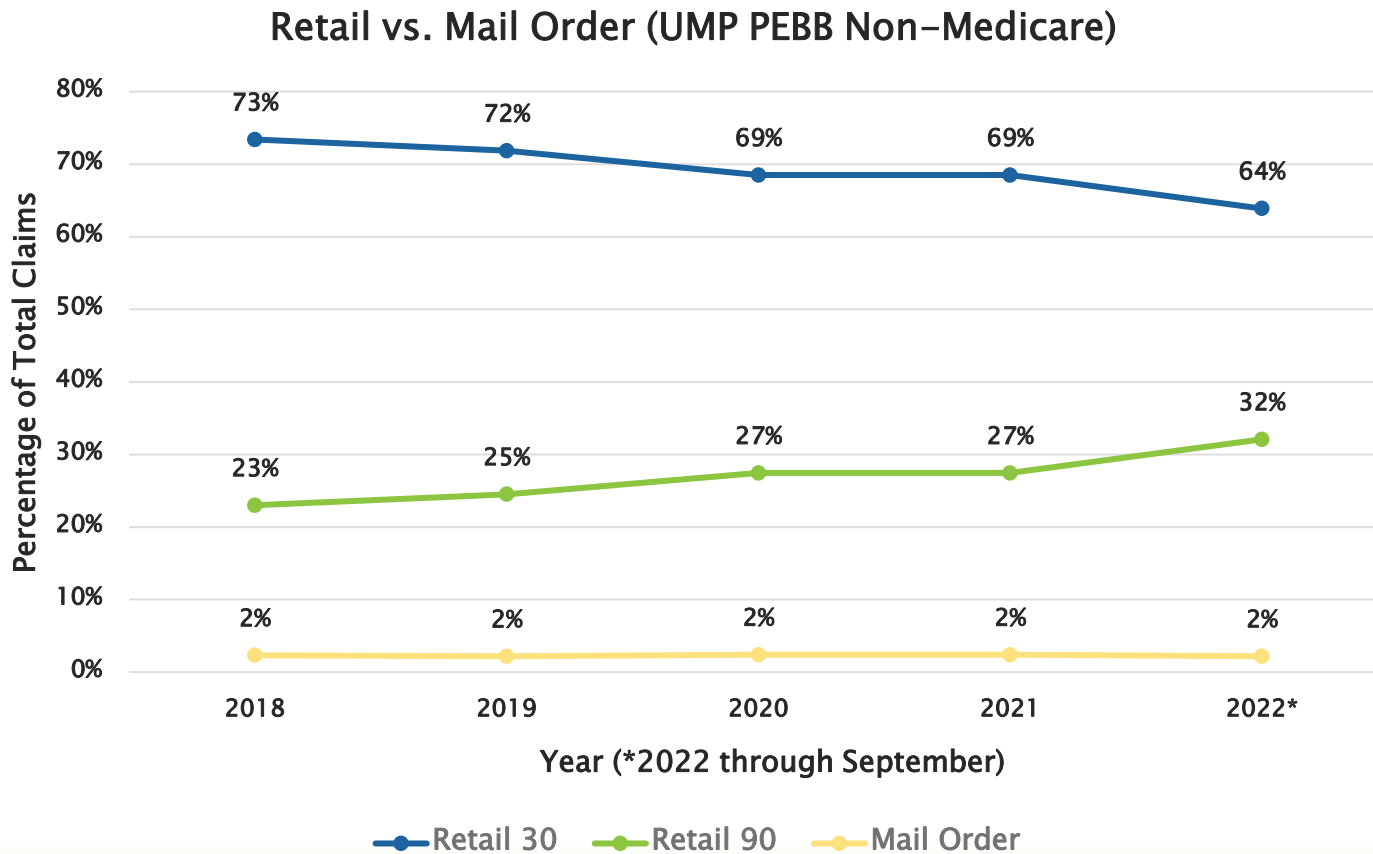
Average Distance	PEBB	SEBB
1 st closest network pharmacy	2.2 miles	2.7 miles
2 nd closest network pharmacy	3.1 miles	3.7 miles
3 rd closest network pharmacy	3.9 miles	4.9 miles

Mail Order Pharmacies

- Primary advantage is member convenience
- Some carriers offer discounted cost-shares to incentivize use of a preferred mail order pharmacy

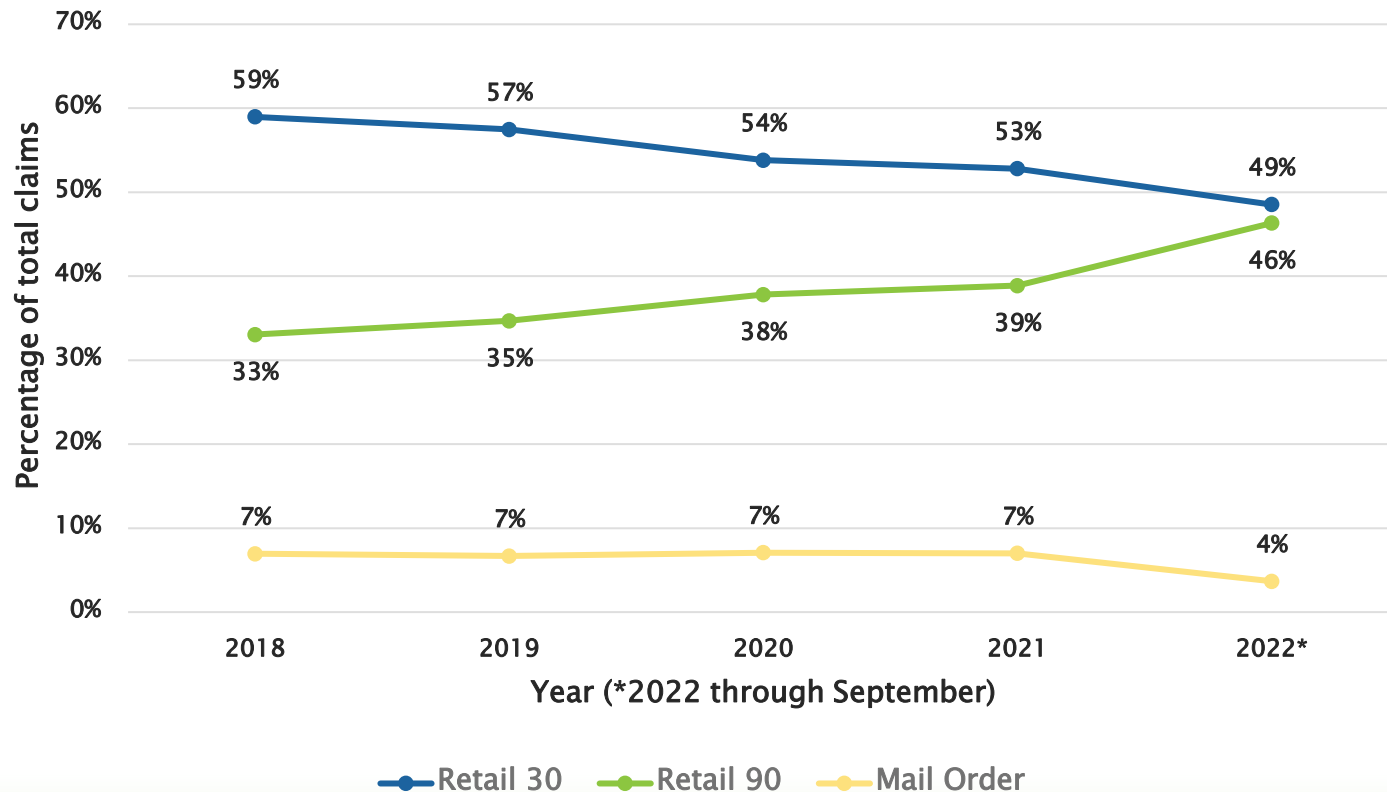
Mail order pharmacy benefit by PEBB carrier		
Carrier	Mail order is incentivized	Mail order is required
UMP	No	No
UHC	Yes	No
Kaiser NW	Yes	Yes
Kaiser WA	Yes	Yes

UMP Pharmacy Use (Non-Medicare)



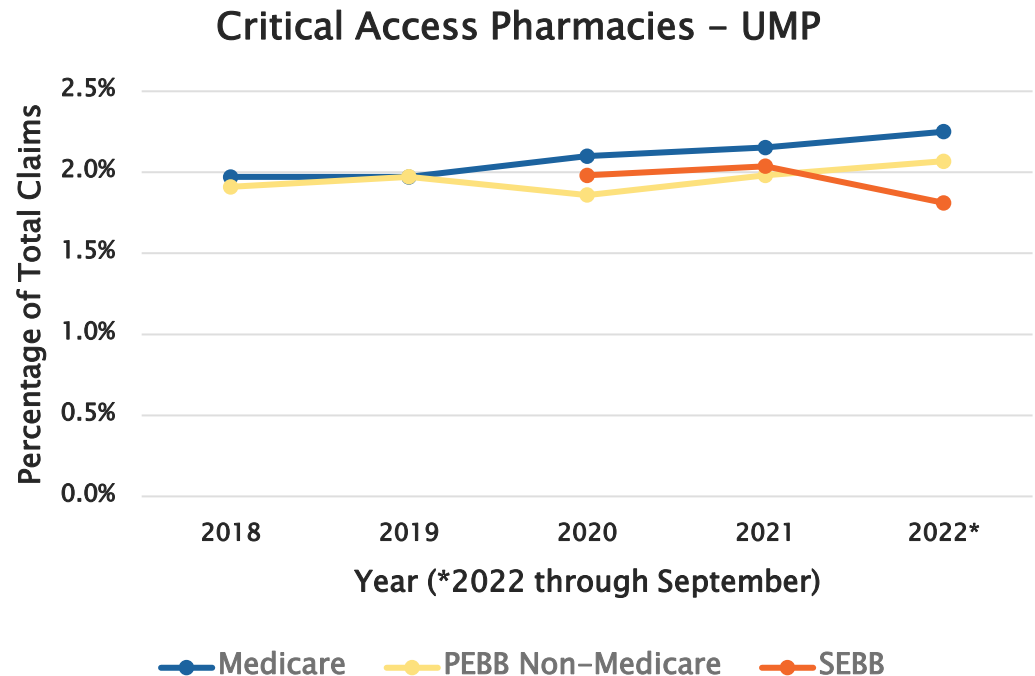
UMP Pharmacy Use (Medicare)

Retail vs. Mail Order (UMP PEBB Medicare)



Critical Access Pharmacies

- Defined as:
 - The only pharmacy within 25 miles; OR
 - The only pharmacy on an island; OR
 - A pharmacy that specializes in serving vulnerable populations



UMP PEBB Conclusions

- Mail order utilization has remained steady since 2018
- The COVID-19 pandemic did not affect mail order utilization
- The percentage of 90-day fills at a retail pharmacy is increasing
- Utilization of critical access pharmacies has remained steady across the UMP population

Questions?

Luke Dearden, Clinical Pharmacist
Clinical Quality and Care Transformation

Luke.dearden@hca.wa.gov

TAB 8



Washington State
Health Care Authority

PUBLIC EMPLOYEES BENEFITS BOARD

2023 Legislative Session & Legislative Reports Updates

Cade Walker, Manager
Policy, Rules, and Compliance Section
Employees and Retirees Benefits (ERB) Division
February 2, 2023

Number of 2022 Bills Analyzed by ERB Division

	ERB Lead	ERB Support	
High Priority	31	24	55
Low Priority	17	97	114
	48	121	169
Fiscal Notes	38	32	

Recent Legislative Reports

PEBB One-Time Enrollment Window for Retirees to Re-establish Eligibility (2021 ESSB 5092)

- Published January 1, 2022
- Identified approximately 52,000 retirees that could be eligible for a “second bite at the apple”
 - 55% TRS/SERS plan enrollees; 43% PERS plan enrollees
- Cost if all came back to PEBB retiree coverage would be ~\$160M annually

Recent Legislative Reports (*cont.*)

JLARC – SEBB Coverage (2020 ESSB 6189)

- Published January 2022
- Under SEBB, 77% of school employees were eligible for health benefits, increasing from 68% eligible during 2018-19
- Between 2018-19 and 2019-2020 school years, the number of full-time employees increased, while the number of part-time employees decreased
- Ongoing collection of similar eligibility and cost data would require changes to OSPI and HCA reporting requirements

Upcoming Legislative Reports

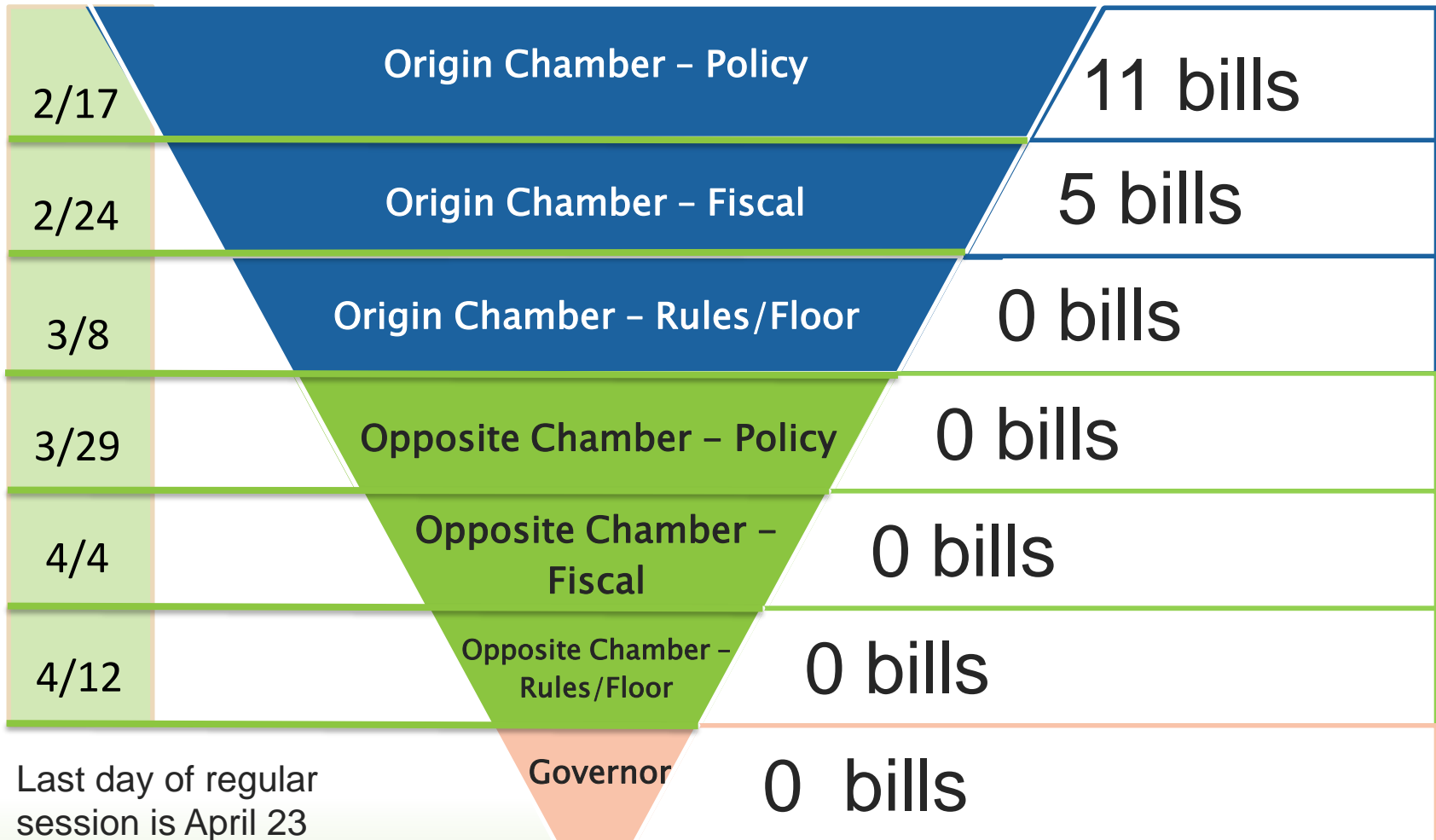
- UMP TPA Report – Due July 2023
- Fertility Services Report – Due June 2023

Number of 2023 Bills Analyzed by ERB Division

	ERB Lead	ERB Support	
High Priority	15	10	25
Low Priority	6	43	49
	21	53	75
Fiscal Notes	12	18	

Completed as of 1/26/23

2023 Legislative Session – ERB High Lead Bills



Requested Legislation

- (TBD): Primarily all statutory clean up and removing outdated sections or language.
- SB 5421: Creates a public records act exemption for all enrollment information collected by the PEBB and SEBB Programs.

Topical Areas of Introduced Legislation

SEBB/PEBB

- SB 5275 SEBB Benefits Access
- HB 1246 Health Benefits/SEBB Eligibility

Retirees

- HB 1008/SB 5420 Plan 2 members/insurance
- SB 5169 Medicare/health care plans in PEBB

Topical Areas of Introduced Legislation (*cont.*)

Medical Services Cost Sharing

- HB 1115/SB 5242 Abortion Cost-Sharing
- HB 1151/SB 5204 Fertility Services Coverage
- HB 1222 Hearing Instruments Coverage
- Hb 1261 Breast Exam Cost-Sharing

Pharmacy

- HB 1253/SB 5213 Pharmacy Benefit Managers
- HB 1269 Rx Drug Affordability Board
- SB 5445 Prescription Cost-Sharing

Topical Areas of Introduced Legislation (cont.)

Other

- SB 5050, SB 5100 – Breast Implant/Chest Wall Surgery
- New or expanded licensures: lactation consultants, medical assistants, anesthesiologist assistants, music therapists, physician assistants, optometry, naturopathic physicians.
- SB 5373 – ARNP Reimbursement
- Pet Insurance Regulation

Questions?

Cade Walker, Manager
Policy, Rules, and Compliance Section
Employees and Retirees Benefits Division
cade.walker@hca.wa.gov

TAB 9



Governor's Proposed Budget Update and Collective Bargaining Agreement Update

Tanya Deuel
ERB Finance Manager
Financial Services Division
February 2, 2023

2023-25
Collective Bargaining Agreement
Article 42
Healthcare Benefits Amounts

ARTICLE 42 HEALTHCARE BENEFITS AMOUNTS

*This MOU is included as an attachment to this Article.

- 42.1 A. For the ~~2021-2023~~2023-2025 biennium, the Employer Medical Contribution (EMC) will ~~be contribute~~ an amount equal to eighty-five percent (85%) of the monthly premium for the self-insured Uniform Medical Plan (UMP) Classic total weighted average of the projected medical premium for each bargaining unit employee eligible for insurance each month, as determined by the Public Employees Benefits Board. In no instance will the employee contribution be less than two percent (2%) of the EMC per month. The projected medical premium is the weighted average across all plans, across all tiers.
- B. The point-of-service costs of the Classic Uniform Medical Plan (deductible, out-of-pocket maximums and co-insurance/co-payment) may not be changed for the purpose of shifting health care costs to plan participants, but may be changed from the 2014 plan under two (2) circumstances:
1. In ways to support value-based benefits designs; and
 2. To comply with or manage the impacts of federal mandates.
- Value-based benefits designs will:
1. Be designed to achieve higher quality, lower aggregate health care services cost (as opposed to plan costs);
 2. Use clinical evidence; and
 3. Be the decision of the PEB Board.
- C. Article 42.1 (B) will expire June 30, ~~2023~~2025.

42.5 Medical Flexible Spending Arrangement

- A. During January 202~~4~~² and again in January 202~~5~~³, the Employer will make available two hundred fifty dollars (\$250.00) in a medical flexible spending arrangement (FSA) account for each bargaining unit member represented by a Union in the Coalition described in RCW 41.80.020(3), who meets the criteria in Subsection 42.5 B below.
- B. In accordance with IRS regulations and guidance, the Employer FSA funds will be made available for a Coalition bargaining unit employee who:
1. Is occupying a position that has an annual full-time equivalent base salary of sixty-thousand dollar(\$60,000), ~~fifty thousand four dollars (\$50,004.00)~~ or less on November 1 of the year prior to the year the Employer FSA funds are being made available; and
 2. Meets PEBB program eligibility requirements to receive the Employer contribution for PEBB medical benefits on January 1 of the plan year in which the Employer FSA funds are made available, is not enrolled in a high-deductible health plan, and does not waive enrollment in a PEBB medical plan except to be covered as a dependent on another PEBB non-high deductible health plan.

3. Hourly employees' annual base salary shall be the base hourly rate multiplied by two thousand eighty-eight (2,088).
 4. Base salary excludes overtime, shift differential and all other premiums or payments.
- C. A medical FSA will be established for all employees eligible under this Section who do not otherwise have one. An employee who is eligible for Employer FSA funds may decline this benefit but cannot receive cash in lieu of this benefit.
- D. The provisions of the State's salary reduction plan will apply. In the event that a federal tax that takes into account contributions to an FSA is imposed on PEBB health plans, this provision will automatically terminate. The parties agree to meet and negotiate over the termination of this benefit.

Memorandum of Understanding

Medical Flexible Spending Arrangement Work Group

The parties agree to use the already scheduled quarterly series of meetings between HCA, OFM, and Union staff representatives to review data and discuss possible options and solutions to increase represented employees' awareness and utilization of the FSA benefit. The parties will focus their efforts on the following items:

- Creating an introductory paragraph explaining for employees for use in HCA communications. The communication shall include unions' logos and HCA/PEBB branding.
- Exploring the option of sharing a list of all eligible employees who did not use the \$250 benefit the previous year.
- Creating a timely and targeted communication for employees who have not yet accessed benefit.
- Reviewing communications provided to new employees about the benefit.
- Ensuring that any information shared protects employees' personally identifiable information and protected health information.
- Exploring options to provide access to this information for non-English speakers.

Current Structure

Calendar 2023 Rates

“...the Employer will contribute an amount equal to eighty-five percent (85%) of the total weighted average of the projected medical premium for each bargaining unit employee eligible for insurance each month...”

Calculating the State Index Rate

Sample Illustration

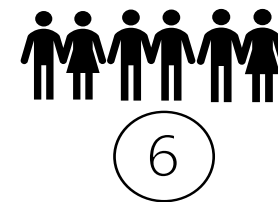
Plan Bid Rates

A \$700

B \$725

C \$800

Adult Units



Monthly Cost

\$2,100

\$725

\$4,800

Total Cost

\$7,625 / 10 adult units



Weighted Average

(Total cost divided by total adult units)

\$763

State Index Rate

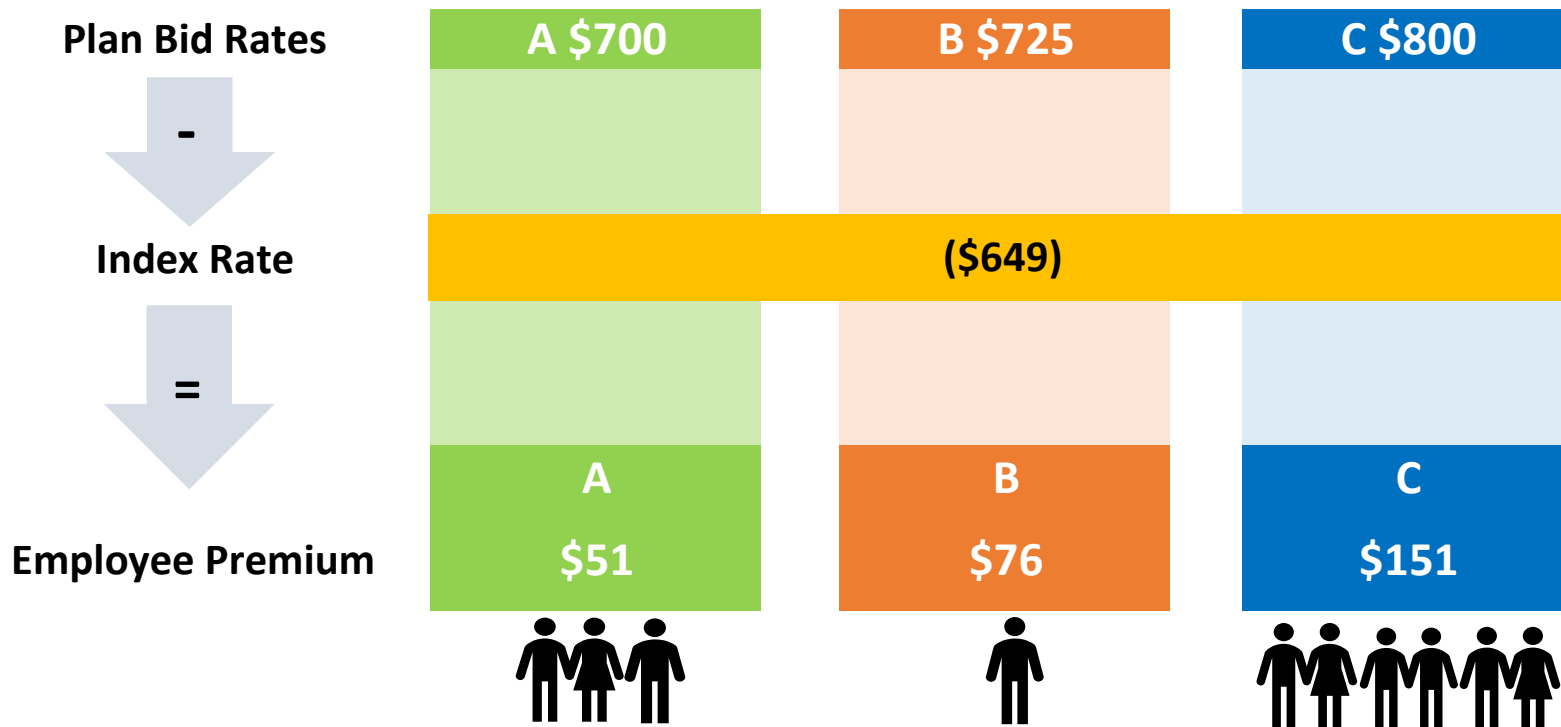
(85 percent of the weighted average)

x 0.85

\$649

Determining Employee Premiums

Sample Illustration - SIR



New Structure

2024 Rates (pending funding)

“...the Employer Medical Contribution (EMC) will be an amount equal to eighty-five percent (85%) of the monthly premium for the self-insured Uniform Medical Plan (UMP) Classic...”

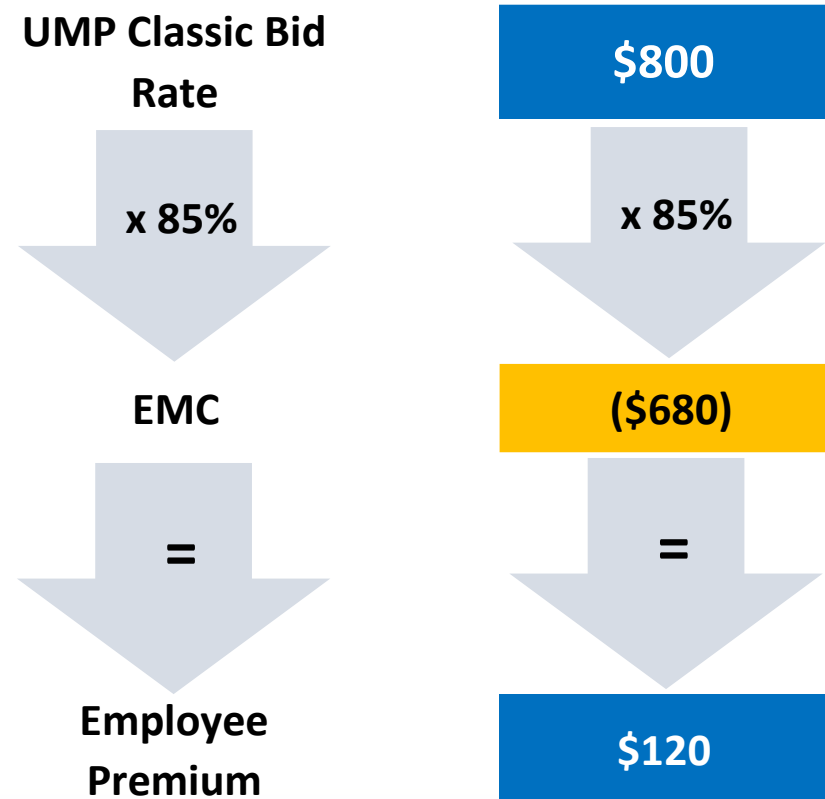
“In no instance will the employee contribution be less than two percent (2%) of the EMC per month.”

Additional Investment Moving to EMC

- Starting plan year 2024, move to the EMC methodology
 - Employer contribution benchmarked off a single plan vs a weighted average of all plans
 - This would result in an increase of the state's overall contribution to medical coverage
- If the EMC methodology had been used for plan year 2023, employees would have paid less for Medical coverage
 - Projected that employees would pay \$34 million less

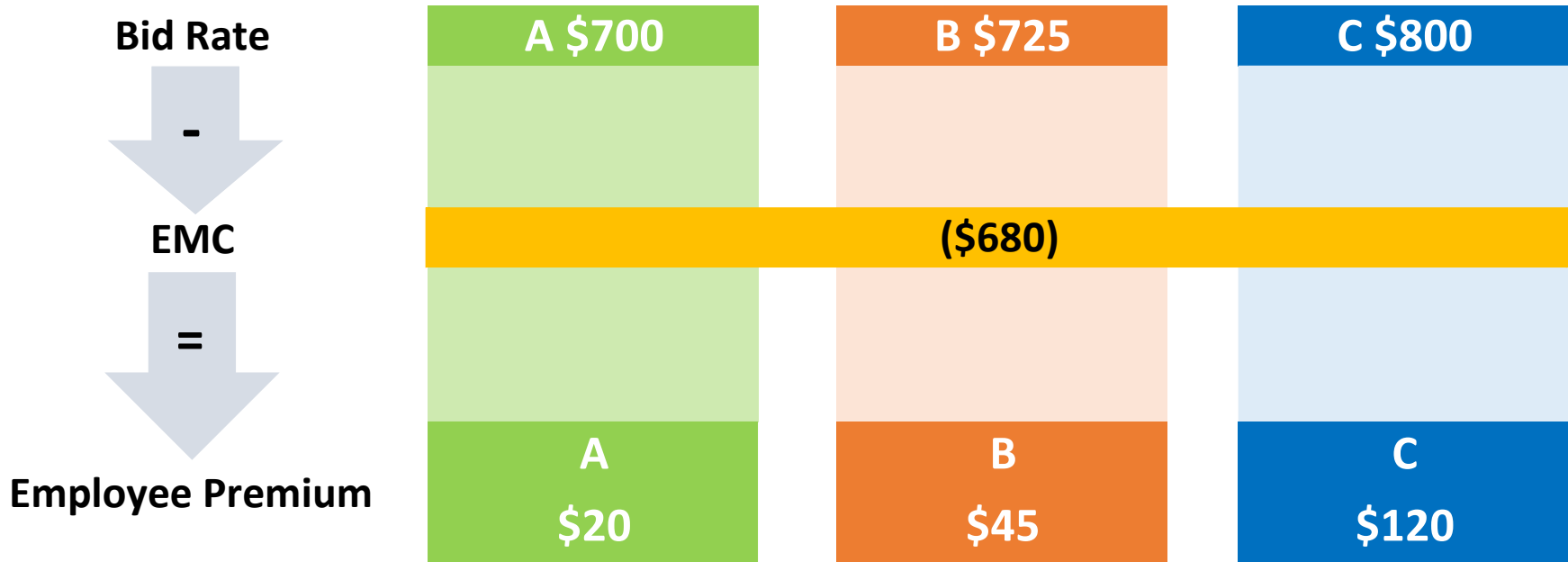
Employer Medical Contribution (EMC)

Sample Illustration



Determining Employee Premiums

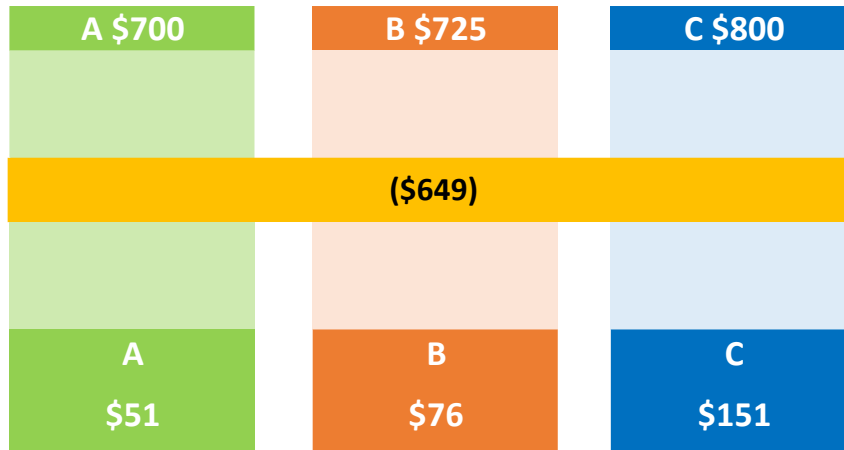
Sample Illustration – EMC



Illustrative Methodology Comparison

State Index Rate

Plan Bid Rates



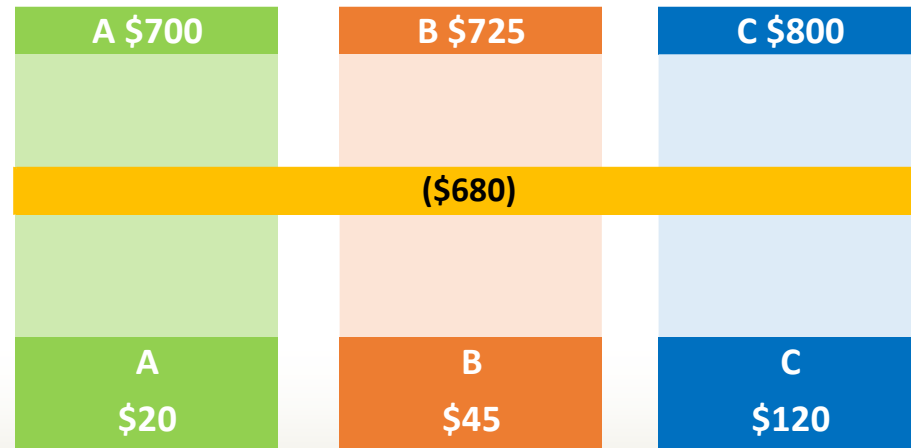
Index Rate

=

Employee Premium

Employer Medical Contribution

Bid Rate



EMC

=

Employee Premium

2023 Employee Premiums

Methodology Comparison

	2023 Bid Rate	State Index Rate Methodology (85% Weighted Average)		Employer Medical Contribution Methodology (85% Benchmark)	
		2023 Employer Contribution (SIR)	2023 Employee Contribution (Single Subscriber)	2023 Employer Contribution (EMC)	2023 Employee Contribution (Single Subscriber)
Kaiser NW Classic	\$837	\$665	\$172	\$680	\$157
Kaiser NW CDHP	\$690	\$665	\$25	\$680	\$14*
Kaiser WA Classic	\$832	\$665	\$167	\$680	\$152
Kaiser WA Value	\$759	\$665	\$94	\$680	\$79
Kaiser WA SoundChoice	\$711	\$665	\$46	\$680	\$31
Kaiser WA CDHP	\$690	\$665	\$25	\$680	\$14*
UMP Classic	\$800	\$665	\$135	\$680	\$120
UMP Plus	\$762	\$665	\$97	\$680	\$82
UMP Select	\$724	\$665	\$59	\$680	\$44
UMP CDHP	\$694	\$665	\$29	\$680	\$14

*In no instance with the employee contribution be less than 2% the EMC

Key Points

- Agreeing to change how the employer contribution is calculated increases the state's contribution overall
 - By eliminating the weighted average that includes lower cost plans, the proposed EMC model will always produce a higher employer contribution than the existing SIR model.
- The proposed employer contribution benchmark focuses on the flagship, most popular UMP offering available nationwide with long-standing stable benefits
- In 2023 employee premiums would have been lower for all plans

Governor's Budget Update

FY 2023 Supplemental Budget Funded Decision Package

Title	FTE	Dollar
<p>TPA Spending Authority Increased spending authority to align with the increased self-insured dental enrollment.</p>	<p>NA</p>	<p>\$50K</p>

2023-25 PEBB Funding Rate

- \$1,160 FY24 State Funding Rate
- \$1,233 FY25 State Funding Rate
 - Per eligible employee per month
 - Adequate to maintain current level of benefits

Medicare Explicit Subsidy

- \$183 Medicare Explicit Subsidy (per Medicare retiree per month)
 - Maintained level from Calendar Year 2023

2023-25 Biennial Budget Funded Decision Packages

Title	FTE	Dollar
<p>TPA Spending Authority Increased spending authority to align with the increased self-insured dental enrollment.</p>	NA	\$2.2M
<p>ERB Benefits Management and Support FTEs Support for the Voluntary Employees' Beneficiary Association (VEBA) Trust.</p>	1 FTE	\$316K

2023-25 Biennial Budget (*cont.*)

Funded Decision Packages

Title	FTE	Dollar
<p>Standalone Vision Funding related to carving vision out of the medical benefit to a standalone employer paid benefit effective January 1, 2025.</p>	NA	-\$420K

2023-25 Biennial Budget Authority

Proposed Benefit Change	Fiscal Year 1	Fiscal Year 2	Included in the Governor's Budget
Exclude preventive visits from Annual Plan Maximum	1,418,987	2,837,974	
Composite coverage for posterior teeth fillings	862,001	1,724,003	
Incentive plan for Class II changes based on prior year Class I utilization	623,293	1,584,756	
Eliminate children's deductible (until age 15)	119,354	238,708	✓
Increase crown coverage (70 percent coverage)	3,109,836	6,219,672	
Increase TMJ annual and lifetime benefit	6,631	13,262	✓
Fiscal Year Total	6,140,102	12,618,375	

Questions?

Tanya Deuel, ERB Finance Manager

Financial Services Division

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TAB 10



Inflation Reduction Act (IRA) Overview

Emily Duchaine, Regulatory Analyst
Policy, Rules, and Compliance Section
Employees and Retirees Benefits Division
February 2, 2023

The Inflation Reduction Act of 2022

The Inflation Reduction Act was passed by Congress and signed by President Biden on August 16, 2022. There are several key impacts to Medicare plans:

- Caps the amount that individuals covered by Medicare will pay for insulin
- Requires the federal government to negotiate prices for some high-cost drugs covered under Medicare to lower those prices
- Requires drug manufacturers to pay a rebate to Medicare if certain Part B drug prices rise faster than inflation
- Eliminates cost-sharing for adult vaccines covered under Medicare Part D

Additional Impacts

- Requires coverage, without cost-sharing, of vaccines under Medicaid and the Children's Health Insurance Program (CHIP)
- Repeals the previous administration's drug rebate rule
- Extends the premium tax credit rules adopted in the American Rescue Plan Act (ARPA) through 2025 for subscribers who purchase their coverage through the Marketplace

Timeline of Compliance Requirements

Effective Plan Year 2023:

- Cost-sharing for insulin coverage for Medicare beneficiaries capped at \$35/month
- Cost-sharing for adult vaccines covered under Medicare Part D eliminated
- Drugs negotiated from among the top 50 drugs by total expenditure in 2023 for Part D or Part B
- Drug manufacturers required to pay a rebate to Medicare if certain Part B drug prices rise faster than inflation

Timeline of Compliance Requirements (*cont.*)

Effective Plan Year 2024:

- 5% beneficiary coinsurance requirement above the Medicare Part D “catastrophic” threshold is eliminated
- Beneficiary premiums for Part D plans cannot increase more than six percent per year from 2024 through 2029

Effective Plan Year 2025:

- Medicare beneficiaries’ out-of-pocket spending on outpatient prescription drugs capped at \$2,000 in 2025, indexed annually
- New manufacturer discount program in Medicare

Effective Plan Year 2026:

- Insulin costs: \$35, 25% of the government's negotiated price, or 25% of the plan's negotiated price, whichever is less – Medicare plans only

The Impacts of IRA on PEBB Portfolio

- The IRA impacts Medicare Part D plans only
- In the PEBB portfolio, only the MA-PD plans include Part D
- We already have these benefits in our MA-PD plans:
 - \$2,000 max out of pocket
 - Insulin \$35 or less
 - No coverage gap between the initial phase and catastrophic phase
- IRA does not impact UMP Classic

Questions?

Emily Duchaine, Regulatory Analyst
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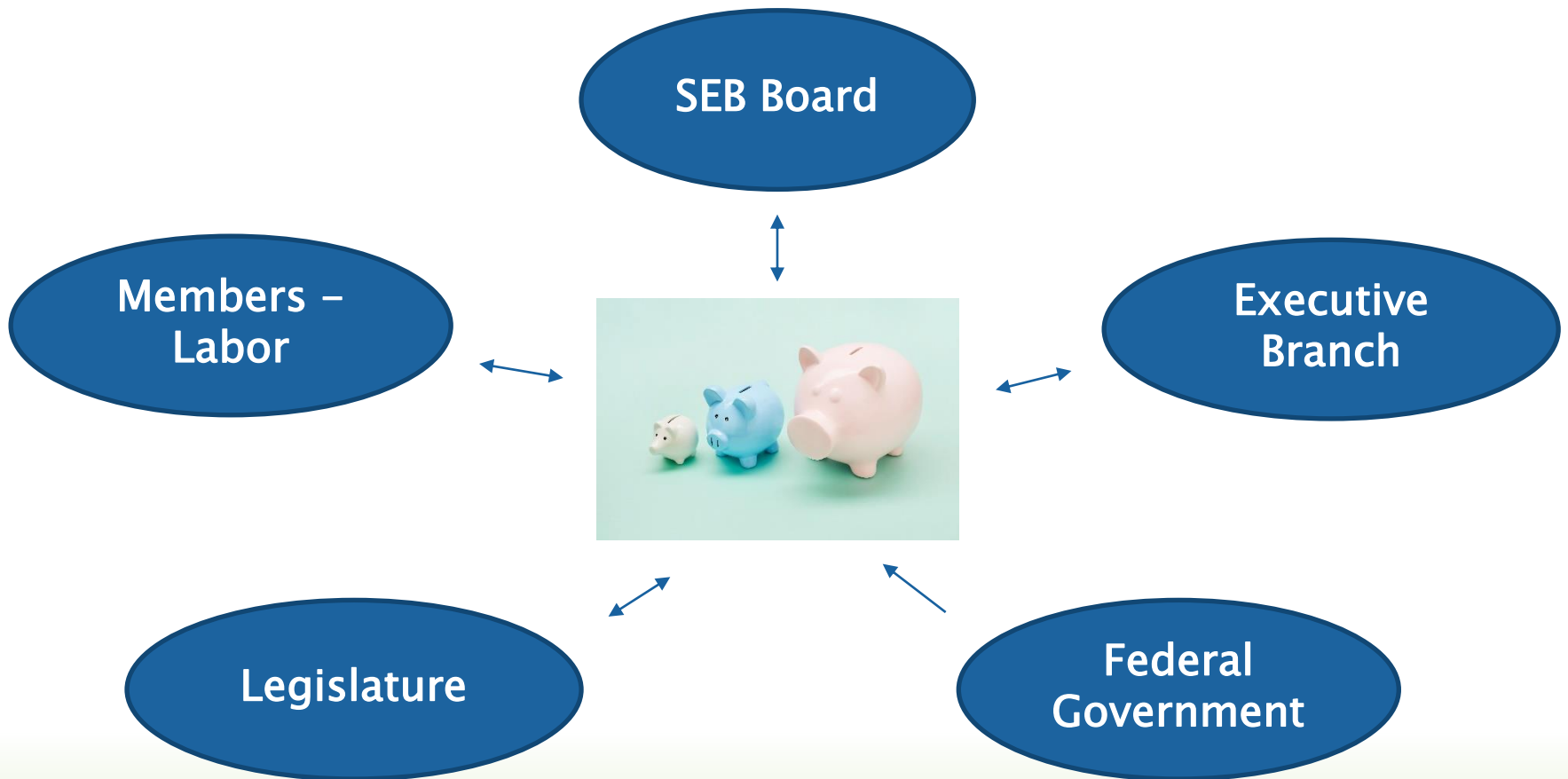
TAB 11



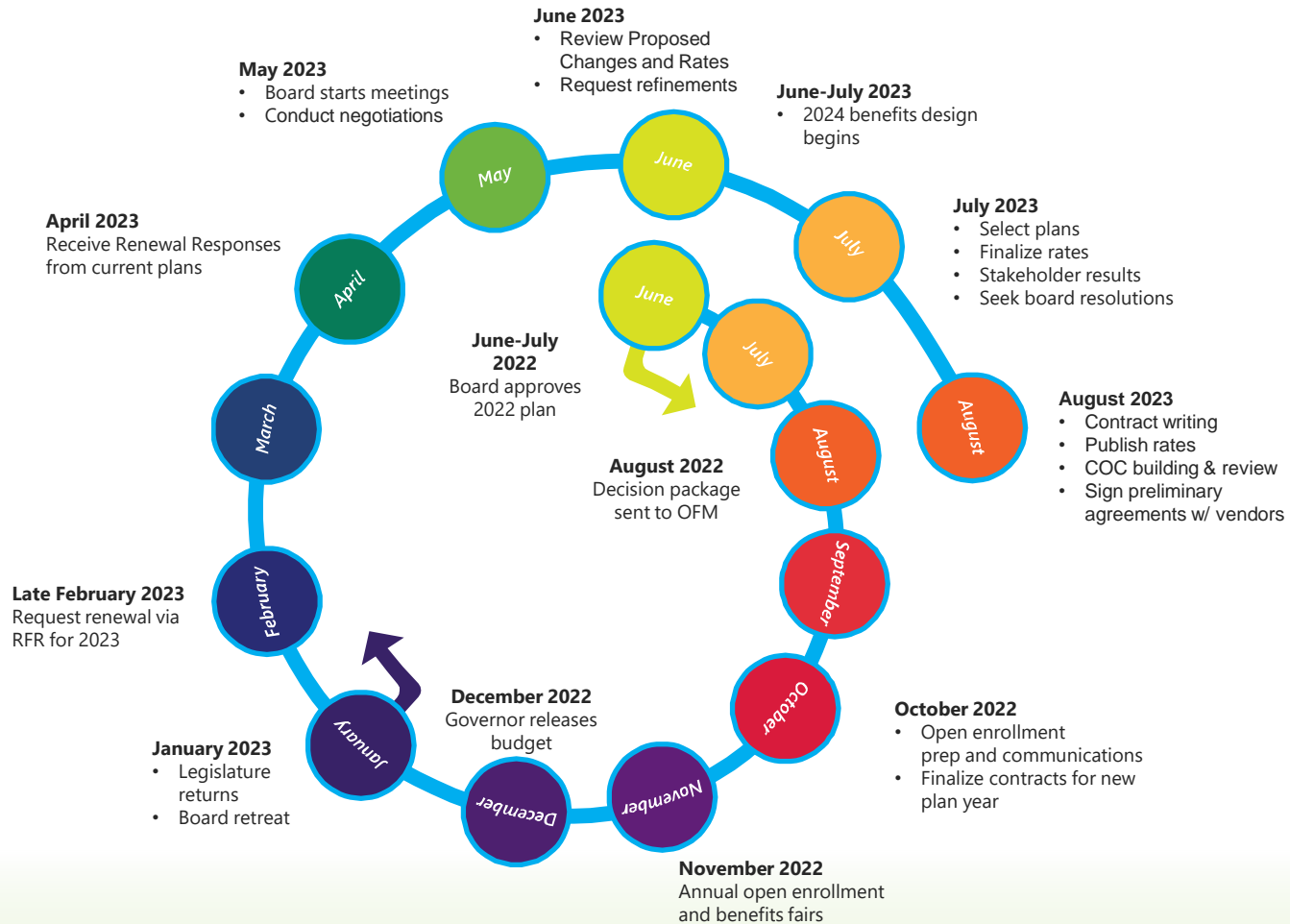
Procurement and Benefit Planning Cycles

John Partin, Manager
Benefit Strategy and Design Section
Employees & Retirees Benefits Division
February 2, 2023

Development of Benefit Designs

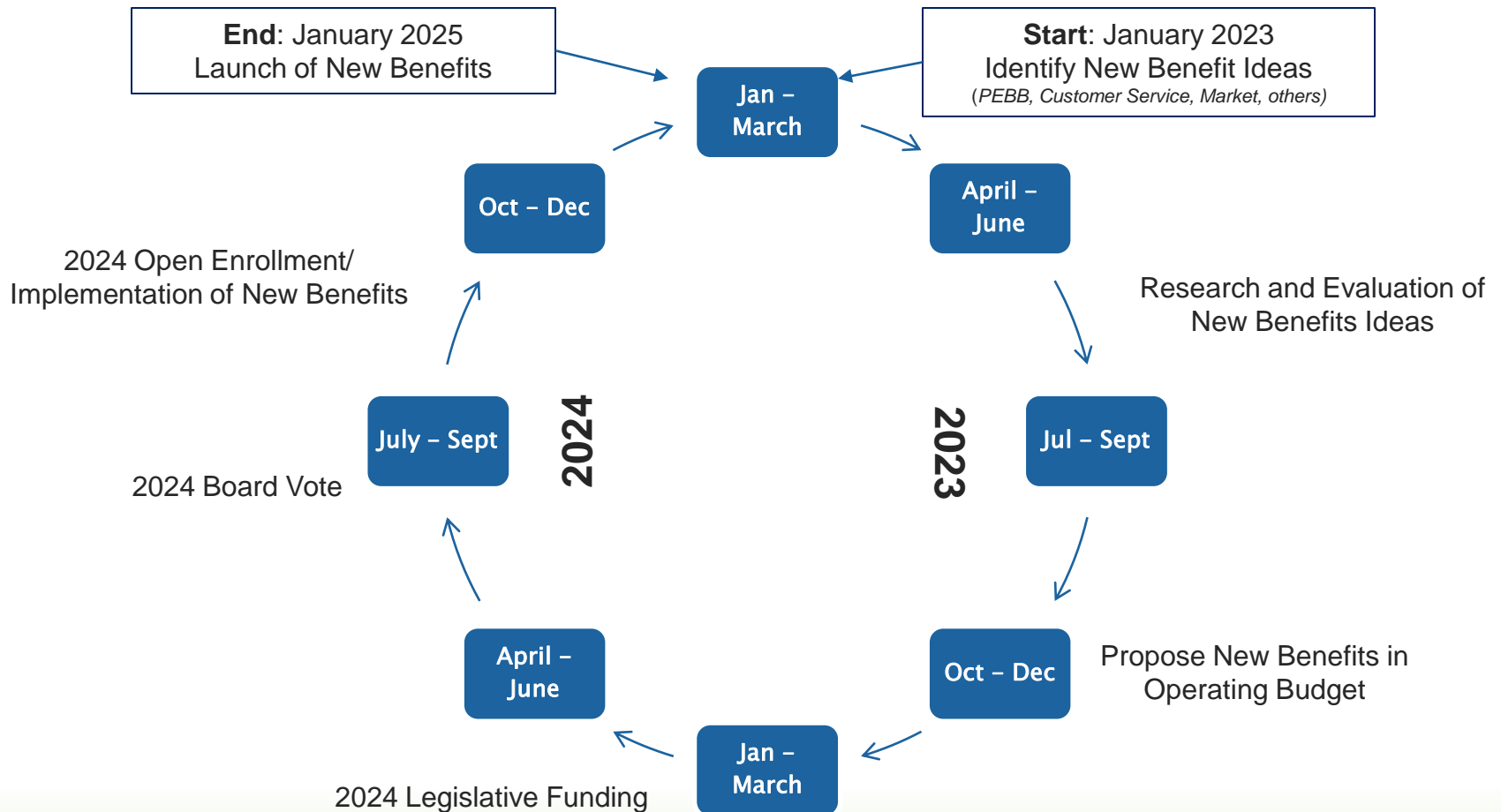


PEBB Procurement Cycle for Benefit Year 2024



PEBB Benefits Planning Cycle

for Benefit Year 2025



Questions?

John Partin, Manager
Benefit Strategy and Design Section
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TAB 12



Proposed PEB Board By-laws Amendment

David Iseminger, Director
Employees and Retirees Benefits Division
February 2, 2023

Why Update the By-laws?

- Board Member Weinstein request
- Memorialize historical practice related to public comment related to resolution action/votes taken by the Board

**PEB BOARD BY-LAWS
PROPOSED AMENDMENT TO
ARTICLE V
Meeting Procedures
4. Public Testimony**

4. Public Testimony—The Board actively seeks input from the public at large, from enrollees served by the PEBB Program, and from other interested parties. Time is reserved for public testimony at each regular meeting, generally at the end of the agenda. **Opportunity for public testimony at Board meetings shall also be made available immediately before the Board's vote on a resolution.** At the direction of the Chair, **opportunities for public testimony may also be made available at other times during Board meetings.** ~~may also occur in conjunction with a public hearing or during the Board's consideration of a specific agenda item.~~ The Chair has authority to limit the time for public testimony, including the time allotted to each speaker, depending on the time available and the number of persons wishing to speak.

Questions?

David Iseminger, Director
Employees and Retirees Benefits Division

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