

Public Employees Benefits Board

March 10, 2022

Public Employees Benefits Board

March 10, 2022

9:00 a.m. – 12:00 p.m.

Zoom Attendance Only

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

Table of Contents

Meeting Agenda	1-1
Member List.....	1-2
2022 Meeting Schedule	1-3
Board By-Laws	2-1
2022 Legislative Session Update	3-1
2022 Supplemental Budget Update.....	4-1
Policy and Rules Development.....	5-1
UMP Pharmacy Benefit Management (PBM) Update.....	6-1
2024 Uniform Dental Plan Benefit Design Introduction.....	7-1
Procurement and Benefit Planning Cycles	8-1

TAB 1

**Public Employees Benefits Board
March 10, 2022
9:00 a.m. – 12:00 p.m.**

**Aligning with [Governor's Proclamation 20-28](#),
all Board Members and public attendees
will only be able to attend virtually**

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.	Follow up from January Retreat		Dave Iseminger, Director ERB Division	Information/ Discussion
9:15 a.m.	2022 Legislative Session Update	TAB 3	Cade Walker, Executive Special Assistant, ERB Division	Information/ Discussion
9:30 a.m.	2022 Supplemental Budget Update	TAB 4	Kate LaBelle, Fiscal Information & Data Analyst, Financial Services Division	Information/ Discussion
9:45 a.m.	Policy and Rules Development	TAB 5	Stella Ng, Policy & Rules Coordinator Emily Duchaine, Regulatory Analyst Policy, Rules, & Compliance Section ERB Division	Information/ Discussion
10:15 a.m.	Break			
10:25 a.m.	UMP Pharmacy Benefit Management (PBM) Update	TAB 6	Jenny Switzer, Senior Moda Account Manager Portfolio, Management & Monitoring Section, ERB Division	Information/ Discussion
10:45 a.m.	2024 Uniform Dental Plan Benefit Design Introduction	TAB 7	Ellen Wolfhagen, Senior Account Manager Portfolio, Management & Monitoring Section, ERB Division	Information/ Discussion
11:15 a.m.	Procurement & Benefit Planning Cycles	TAB 8	John Partin, Manager Benefit Strategy & Design Section ERB Division	Information/ Discussion
11:30 a.m.	Public Comment			
11:55 a.m.	Closing		Sue Birch, Chair	
12:00 p.m.	Adjourn			

*All Times Approximate

The Public Employees Benefits Board will meet Thursday, March 10, 2022. Due to COVID-19 and out of an abundance of caution, all Board Members and attendees will attend this meeting virtually.

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 posted at: <http://www.pebb.hca.wa.gov/board/> by close of business on March 8, 2022.

[Join Zoom Meeting](#)

Join Zoom Meeting

<https://zoom.us/j/95794723024?pwd=U0N5TFB0b2NlSlJyNlplYVJma2ZGZz09>

Meeting ID: 957 9472 3024

Passcode: 316838

One tap mobile

+12532158782,,95794723024#,,,,*316838# US (Tacoma)

+13462487799,,95794723024#,,,,*316838# US (Houston)

Dial by your location

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

+1 669 900 6833 US (San Jose)

+1 929 205 6099 US (New York)

+1 301 715 8592 US (Washington DC)

+1 312 626 6799 US (Chicago)

Meeting ID: 957 9472 3024

Passcode: 316838

Find your local number: <https://zoom.us/u/aesUpUBe7F>

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
Leanne Kunze, Executive Director Washington Federation of State Employees 1212 Jefferson Street, Suite 300 Olympia WA 98501 V 360-352-7603 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
Scott Nicholson, Deputy Assistant Director State Human Resources Office of Financial Management PO Box 43113 Olympia WA 98504-3113 scott.nicholson@ofm.wa.gov	Benefits Management/Cost Containment

PEB Board Members

Name	Representing
Yvonne Tate 1407 169 th PL NE Bellevue WA 98008 V 425-417-4416 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

3/12/21



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

2022 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.

January 26, 2022 (Board Retreat) 9:00 a.m. – 4:00 p.m.

March 10, 2022 - 9:00 a.m. – 2:00 p.m.

April 14, 2022 - 9:00 a.m. – 2:00 p.m.

May 12, 2022 - 9:00 a.m. – 2:00 p.m.

June 9, 2022 - 9:00 a.m. – 2:00 p.m.

June 30, 2022 – 9:00 a.m. – 2:00 p.m.

July 14, 2022 - 9:00 a.m. – 2:00 p.m.

July 20, 2022 - 9:00 a.m. – 2:00 p.m.

July 27, 2022 - 9:00 a.m. – 2:00 p.m.

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

7/16/21

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: July 16, 2021

TIME: 2:26 PM

WSR 21-15-079

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



Washington State
Health Care Authority

PUBLIC EMPLOYEES BENEFITS BOARD

2022 Legislative Session Update

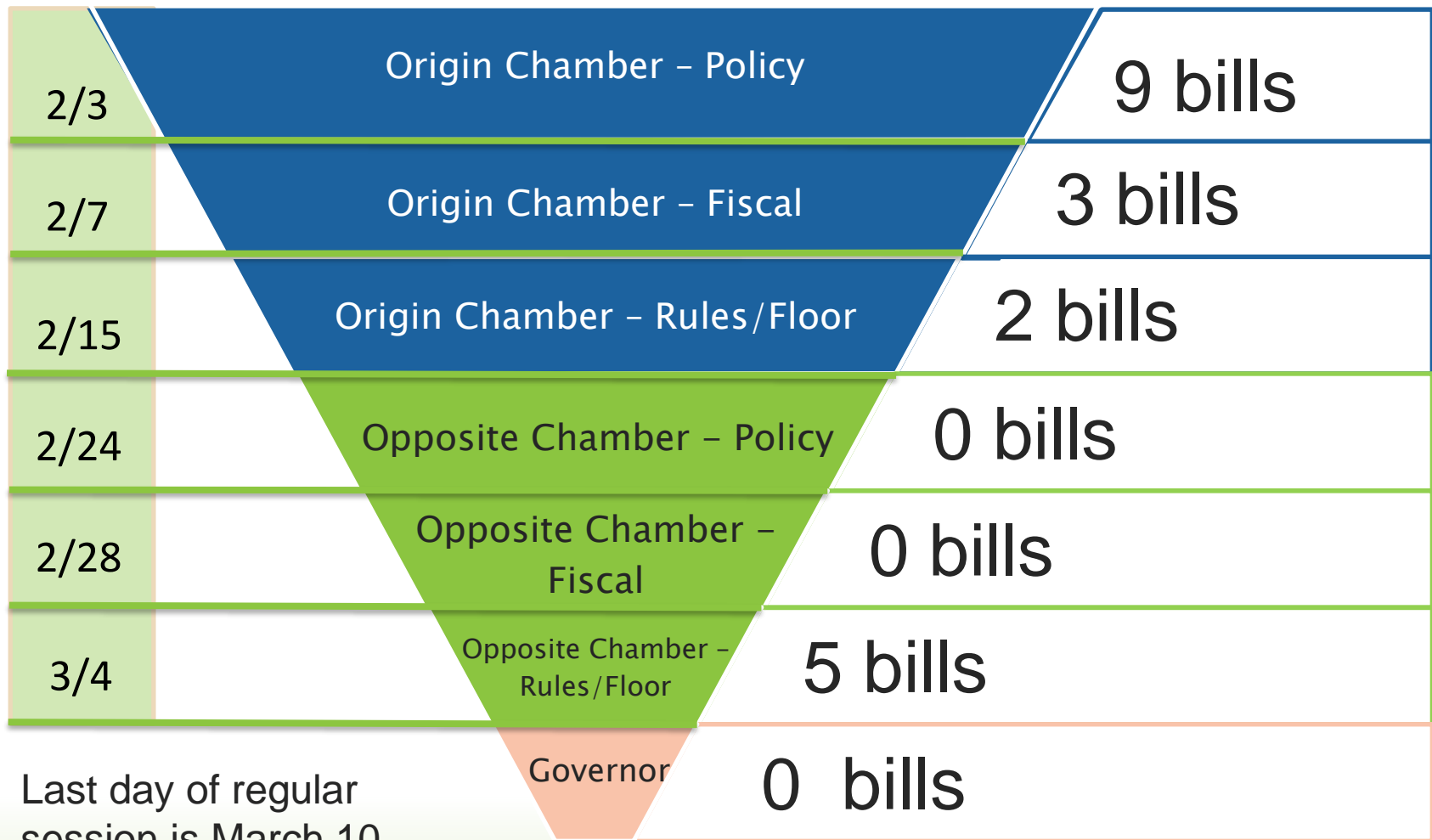
Cade Walker, Executive Special Assistant
Employees & Retirees Benefits (ERB) Division
March 10, 2022

Number of 2022 Bills Analyzed by ERB Division

	ERB Lead	ERB Support	
High Priority	29	23	52
Low Priority	16	91	107
	45	114	159

As of 3/1/22

2022 Legislative Session – ERB High Lead Bills



Topical Areas of Introduced Legislation

PEBB/SEBB Programs

- HB 1052 (2021) – Performance guarantees
 - Reintroduced and already passed to Senate
- ~~1757/5562~~ – ESD employee health care

Retirees

- ~~1911/5700~~ – Plan 2 members/insurance
 - Plan 2 members included in definition of “separated employee” in RCW 41.05.011

Topical Areas of Introduced Legislation (*cont.*)

Rx

- ~~1713/5610~~ – Rx drug cost sharing
- ~~1813~~ – Pharmacy Choice
- ~~5794~~ – Behavioral health Rx drugs

Durable Medical Equipment (DME)

- ~~1854~~ – Hearing instruments coverage

Insurance

- 1688 – Out-of-network charges
- ~~5704~~ – ARNP reimbursement rate

Topical Areas of Introduced Legislation (*cont.*)

Medical Services

- 1689/~~5618~~ – Biomarker testing
- ~~1939~~ – Colonoscopy coverage
- ~~1730/5647~~ – Fertility services
- 5702 – Donor breast milk coverage

Questions?

Cade Walker, Executive Special Assistant
Employees and Retirees Benefits Division

cade.walker@hca.wa.gov

TAB 4



2022 Supplemental Budget Update PEBB

Kate LaBelle
Fiscal Information & Data Analyst
Financial Services Division
March 10, 2022

PEBB Funding Rate

Governor
Proposed

FY22

\$936

FY23

\$1,130

Senate
Proposed

FY22

\$936

FY23

\$1,184

House
Proposed

FY22

\$936

FY23

\$1,130

Proposed Budget Similarities

(Governor, Senate, and House Proposed Budgets)

\$604K

Customer Service Staff – Funding for 4.5 FTEs is requested to address customer service responsiveness and program complexity within Portfolio Management.

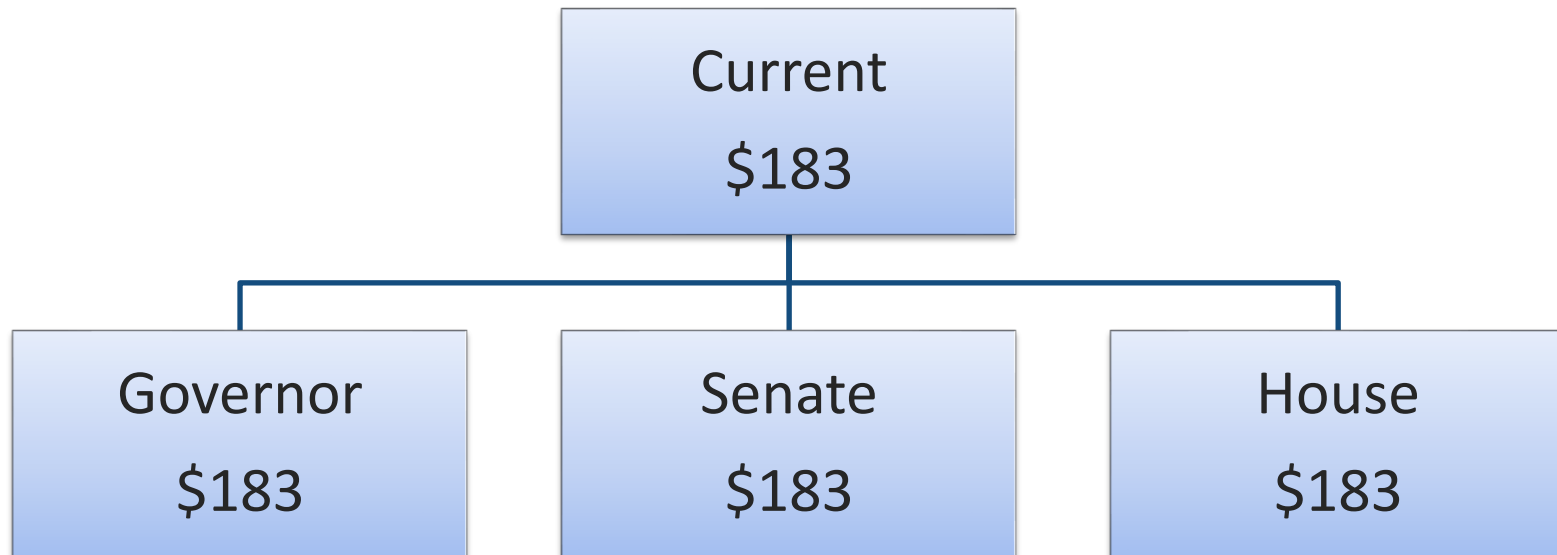
\$1.4M

Procurement Resources – Funds are requested to maintain, enhance, and replace contracts with the PEBB Program.

\$350K

Mental Health Parity – Funding to complete an analysis of mental health benefits in the Uniform Medical Plan and implement necessary changes to complete with federal requirements.

Medicare Explicit Subsidy



Note: \$183 or 50% of the premium, whichever is less

House Proposed Budget - Proviso Language

\$250,000 is provided for HCA to conduct a study of the Uniform Medical Plan administration. By June 30, 2023, the HCA must prepare a report that includes:

- Administrative services provided prior to 2010, those that have been procured since, and what elements could be provided by HCA or through discrete provider contracts
- Compare the administrative costs before and after the use of the current contract
- Assumptions on claims' impacts and performance guarantees
- An implementation plan for the HCA to resume administration of all or some of the administrative services at the end of the current contract

Questions?

Kate LaBelle

Fiscal Information & Data Analyst

Financial Services Division

Kate.LaBelle@hca.wa.gov

TAB 5



Policy and Rules Development

Stella Ng, Policy and Rules Coordinator
Policy, Rules, and Compliance Section
Employees and Retirees Benefits Division
March 10, 2022

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

RCW 41.05.065 (1) and (2)

- (1) The public employees' benefits board shall study all matters connected with the provision of health care coverage, life insurance, liability insurance, accidental death and dismemberment insurance, and disability income insurance or any of, or a combination of, the enumerated types of insurance for employees and their dependents on the best basis possible with relation both to the welfare of the employees and to the state. However, liability insurance shall not be made available to dependents.
- (2) The public employees' benefits board shall develop employee benefit plans that include comprehensive health care benefits for employees. In developing these plans, the public employees' benefits board shall consider the following elements:
 - (a) Methods of maximizing cost containment while ensuring access to quality health care;
 - (b) Development of provider arrangements that encourage cost containment and ensure access to quality care, including but not limited to prepaid delivery systems and prospective payment methods;
 - (c) Wellness incentives that focus on proven strategies, such as smoking cessation, injury and accident prevention, reduction of alcohol misuse, appropriate weight reduction, exercise, automobile and motorcycle safety, blood cholesterol reduction, and nutrition education;...

RCW 41.05.065(4)

(4) Except if bargained for under chapter **41.80** RCW, the public employees' benefits board shall design benefits and determine the terms and conditions of employee and retired or disabled school employee participation and coverage, including establishment of eligibility criteria subject to the requirements of this chapter. Employer groups obtaining benefits through contractual agreement with the authority for employees defined in RCW **41.05.011**(6)(a) (i) through (vi) may contractually agree with the authority to benefits eligibility criteria which differs from that determined by the public employees' benefits board. The eligibility criteria established by the public employees' benefits board shall be no more restrictive than the following:...

RCW 41.05.050(1)

(1) Every: (a) Department, division, or separate agency of state government; (b) county, municipal, school district, educational service district, or other political subdivisions; and (c) tribal governments as are covered by this chapter, shall provide contributions to insurance and health care plans for its employees and their dependents, the content of such plans to be determined by the authority. Contributions, paid by the county, the municipality, other political subdivision, or a tribal government for their employees, shall include an amount determined by the authority to pay such administrative expenses of the authority as are necessary to administer the plans for employees of those groups, except as provided in subsection (4) of this section.

Introduction of Proposed Resolutions

PEBB 2022-03

Medicare Advantage
Prescription Drug (MAPD)
Plan Enrollment During
Gap Months

PEBB 2022-04

Deferring PEBB Retiree
Insurance Coverage When
the Subscriber Becomes
Eligible for the Employer
Contribution

Introduction of Proposed Resolutions (*cont.*)

PEBB 2022-01

Employees Returning to
Work From Active Duty

PEBB 2022-02

Employees May Waive
Enrollment in Dental

Proposed Medicare Advantage Prescription Drug Plan Resolution

Proposed Resolution PEBB 2022-03 Medicare Advantage Prescription Drug Plan Enrollment During Gap Month(s)

If a subscriber elects to enroll in a Medicare Advantage Prescription Drug (MAPD) plan, and the required forms are received by the PEBB Program after the date the PEBB retiree insurance coverage is to begin, the subscriber will be enrolled in Uniform Medical Plan (UMP) Classic during the gap month(s) prior to when the MAPD coverage begins.

Retiring Employee Requesting to Enroll in MAPD After Their Current Coverage Ends

Example #1

Example: Joan's retirement date is July 1, 2023. The PEBB Program receives her retiree election forms on August 17, 2023. For medical, Joan selected United HealthCare PEBB Complete, a Medicare Advantage Prescription Drug (MAPD) plan. Because Joan's enrollment in PEBB retiree insurance coverage must be July 1, 2023 (consistent with her retirement date) and enrollment in the MAPD plan must be prospective, there is a two-month gap in coverage.

Which plan is Joan enrolled in during the gap months? Joan will be enrolled in the Uniform Medical Plan (UMP) Classic for the months of July and August before United HealthCare PEBB Complete begins.

Retiring Employee Requesting to Enroll in MAPD Plan After Their Current Coverage Ends Example #2

Example: George is currently enrolled in a Kaiser Foundation Health Plan of Washington Classic plan and his retirement date is July 1, 2023. The PEBB Program receives his retiree election forms on August 17, 2023. For medical, George selected United HealthCare PEBB Balance, a Medicare Advantage-Prescription Drug (MAPD) plan. Because George's enrollment in PEBB retiree insurance coverage must be July 1, 2023 (consistent with his retirement date), and enrollment in the MAPD plan must be prospective, there is a two-month gap in coverage.

Which plan is George enrolled in during the gap months? George will be enrolled in the Uniform Medical Plan (UMP) Classic for the months of July and August before United HealthCare PEBB Complete begins.

Retiring School Employee Requesting to Enroll in MAPD Plan After Their Current Coverage Ends

Example #3

Example: Frances is currently enrolled in a Premera Blue Cross High PPO plan and her retirement date is July 1, 2023. The PEBB Program receives her retiree election forms on August 17, 2023. For medical, Frances selected United HealthCare PEBB Balance, a Medicare Advantage-Prescription Drug (MAPD) plan. Because Frances's enrollment in PEBB retiree insurance coverage must be July 1, 2023 (consistent with her retirement date), and enrollment in the MAPD plan must be prospective, there is a two-month gap in coverage.

Which plan is Frances enrolled in during the gap months? Frances will be enrolled in the Uniform Medical Plan (UMP) Classic for the months of July and August before the United HealthCare PEBB Balance plan begins.

Proposed Deferring PEBB Retiree Insurance Coverage Resolution

Proposed Resolution PEBB 2022-04 Deferring PEBB Retiree Insurance Coverage When the Subscriber Becomes Eligible for the Employer Contribution

PEBB retiree insurance coverage will be automatically deferred when the subscriber becomes eligible for the employer contribution towards PEBB benefits. The subscriber will be exempt from the deferral form requirement.

Proposed Resolution PEBB 2022-04 Deferring PEBB Retiree Insurance Coverage When the Retiree Becomes Eligible for the Employer Contribution Example #1

Example: Charlie is a retiree enrolled in PEBB retiree insurance coverage. On March 1, 2023, Charlie is rehired as an employee at the Department of Licensing and becomes eligible for the employer contribution towards PEBB benefits.

When is Charlie's PEBB retiree insurance coverage deferred? Charlie will be exempt from the deferral form requirement and his PEBB retiree insurance coverage will be automatically deferred on March 1, 2023. Charlie will be enrolled in PEBB benefits as an employee effective March 1, 2023.

Proposed USERRA Policy Resolution

Uniformed Services Employment and Reemployment Rights Act (USERRA)

Title 20 Chapter IX Part 1002 Subpart D Health Plan Coverage

§ 1002.168

If the employee's coverage was terminated at the beginning of or during service, must his or her coverage be reinstated upon reemployment?

(a) **If health plan coverage for the employee or a dependent was terminated by reason of service in the uniformed services, that coverage must be reinstated upon reemployment.** An exclusion or waiting period may not be imposed in connection with the reinstatement of coverage upon reemployment, if an exclusion or waiting period would not have been imposed had coverage not been terminated by reason of such service.

Proposed Resolution PEBB 2022-01 Employees Returning to Work From Active Duty

When an employee who is called to active duty in the uniformed services under USERRA loses eligibility for the employer contribution toward PEBB benefits, they regain eligibility for the employer contribution toward PEBB benefits the day they return from active duty. Health plan coverage will begin the first day of the month in which they return from active duty.

Proposed Resolution PEBB 2022-01

Example #1

Example: Darren works at the Department of Fish and Wildlife. He returned to his job on Wednesday, August 17, 2022, after six months of active duty. When Darren went on active duty, he was eligible for the employer contribution toward PEBB benefits.

When are employer paid coverages reinstated?

Employer paid coverages are reinstated August 1.

Proposed Resolution PEBB 2022-01

Example #2

Example: Jenny works half time (4 hours a day) at the Secretary of State. She returned to her job on Friday, April 29, after eighteen months of active duty. When Jenny went on active duty, she was eligible for the employer contribution toward PEBB benefits.

When do employer paid coverages begin?

Employer paid benefits begin April 1.

Proposed Dual Enrollment Policy Resolutions

RCW 41.05.742 Single Enrollment Requirement

Beginning with the 2022 plan year, individuals are limited to a single enrollment in medical, dental, and vision plans in either the school employees' benefits board or the public employees' benefits board. The school employees' benefits board and the public employees' benefits board shall adopt policies to reflect this single enrollment requirement.

RCW 41.05.065(8)

(8) Employees shall choose participation in one of the health care benefit plans developed by the public employees' benefits board and may be permitted to waive coverage under terms and conditions established by the public employees' benefits board.

Dual Enrollment Policy Resolution Language

- Employee: All employees of state agencies, higher education institutions, employer groups, tribal governments, and other entities described in RCW 41.05.011(6)(a).
- School employee: All employees of school districts and charter schools, represented employees of educational service districts, and (beginning January 1, 2024) all employees of educational service districts.
- PEBB benefits: One or more insurance coverages or other employee benefits administered by the PEBB Program within the health care authority.

What Did Employees Do During Open Enrollment to Resolve Their Dual Enrollment?

During the open enrollment period in fall 2021 for plan year 2022, employees who were currently dual enrolled could choose either the PEBB Program or SEBB Program for their medical, dental, and vision plans for themselves and for all their covered dependents.

What Can Employees Do to Avoid Dual Enrollment?

Employees who become newly eligible for the employer contribution toward PEBB benefits, or who experience a special open enrollment, and who are already enrolled in a SEBB health plan, can:

- Enroll in a PEBB health plan; or,
- Waive their enrollment in a PEBB health plan.

Proposed Resolution PEBB 2022-02 Employees May Waive Enrollment in Dental

An employee who is eligible for the employer contribution toward PEBB benefits and who waives enrollment in a PEBB medical plan when they are enrolled in TRICARE, Medicare, or other employer-based group medical, and are not enrolled in SEBB medical, may waive their PEBB dental only if they are enrolled in both a SEBB dental plan and SEBB vision plan as a SEBB eligible dependent.

Proposed Resolution PEBB 2022-02

Example #1

Example: Jeanette is a custodian at the University of Washington and is enrolled only in PEBB dental. She waived PEBB medical because she is enrolled in TRICARE.

Jeanette is married to Taylor, who is a teacher at Roosevelt Middle School. Taylor enrolled Jeanette in SEBB dental and SEBB vision during annual open enrollment in 2022.

Can Jeanette waive her PEBB dental? Yes. This resolution would enable Jeanette to waive her PEBB dental without having to enroll in SEBB medical, but in order to do so, she must be enrolled in both SEBB dental and SEBB vision as a SEBB eligible dependent.

Next Steps

- Incorporate Board feedback in the proposed policies
- Submit feedback by March 25, 2022
- Bring recommended proposed policy resolutions to the Board for action at the April 14, 2022 Board Meeting

Questions?

Stella Ng, Policy and Rules Coordinator
Policy, Rules, and Compliance Section
Employees and Retirees Benefits Division
Stella.Ng@hca.wa.gov

Emily Duchaine, Regulatory Analyst
Policy, Rules, and Compliance Section
Employees and Retirees Benefits Division
Emily.Duchaine@hca.wa.gov

TAB 6



Washington State
Health Care Authority

PUBLIC EMPLOYEES BENEFITS BOARD

UMP Pharmacy Benefit Management (PBM) Update

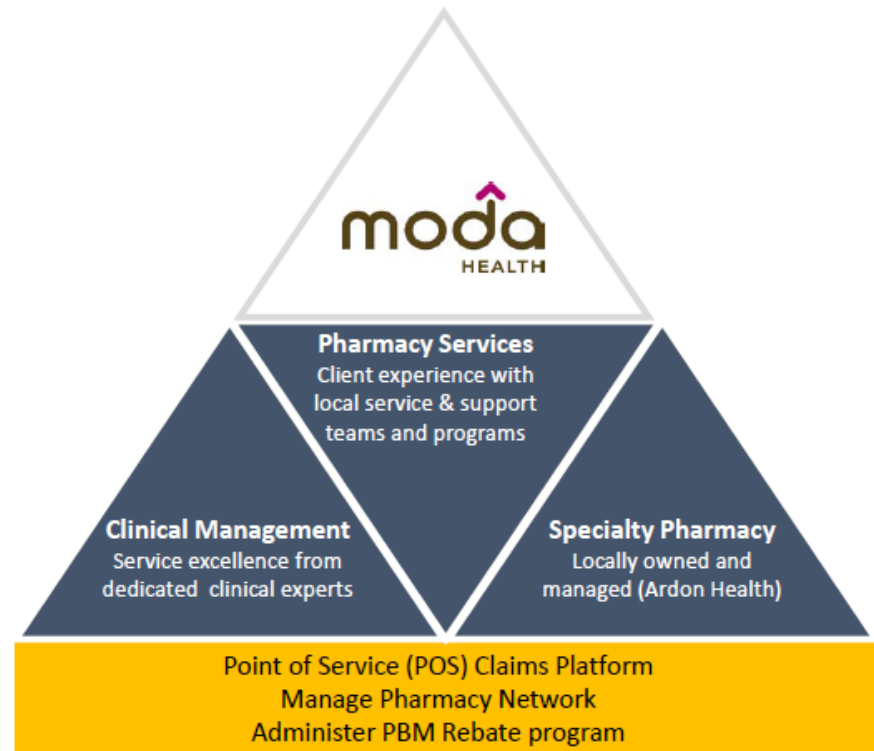
Jenny Switzer, Senior Moda Account Manager
Portfolio Management & Monitoring Section
Employees and Retirees Benefits Division
March 10, 2022

Background

- The Northwest Prescription Drug Consortium (the Consortium) is jointly administered through the Washington Prescription Drug Program (WPDP) and the Oregon Prescription Drug Program (OPDP)
 - Both state governments joined together in 2006 to increase purchasing power
 - Programs participate in the Consortium to purchase or reimburse drugs
 - UMP must use the Consortium for its pharmacy benefit (RCW 70.14.060)
- The prior Moda Health contract to administer the Consortium expired on 12/31/21
- After a competitive procurement, Moda was awarded a new contract
 - New contract became effective 1/1/2022
 - 5-year contract with an option to extend the contract in one year increments up to a total of 5 years

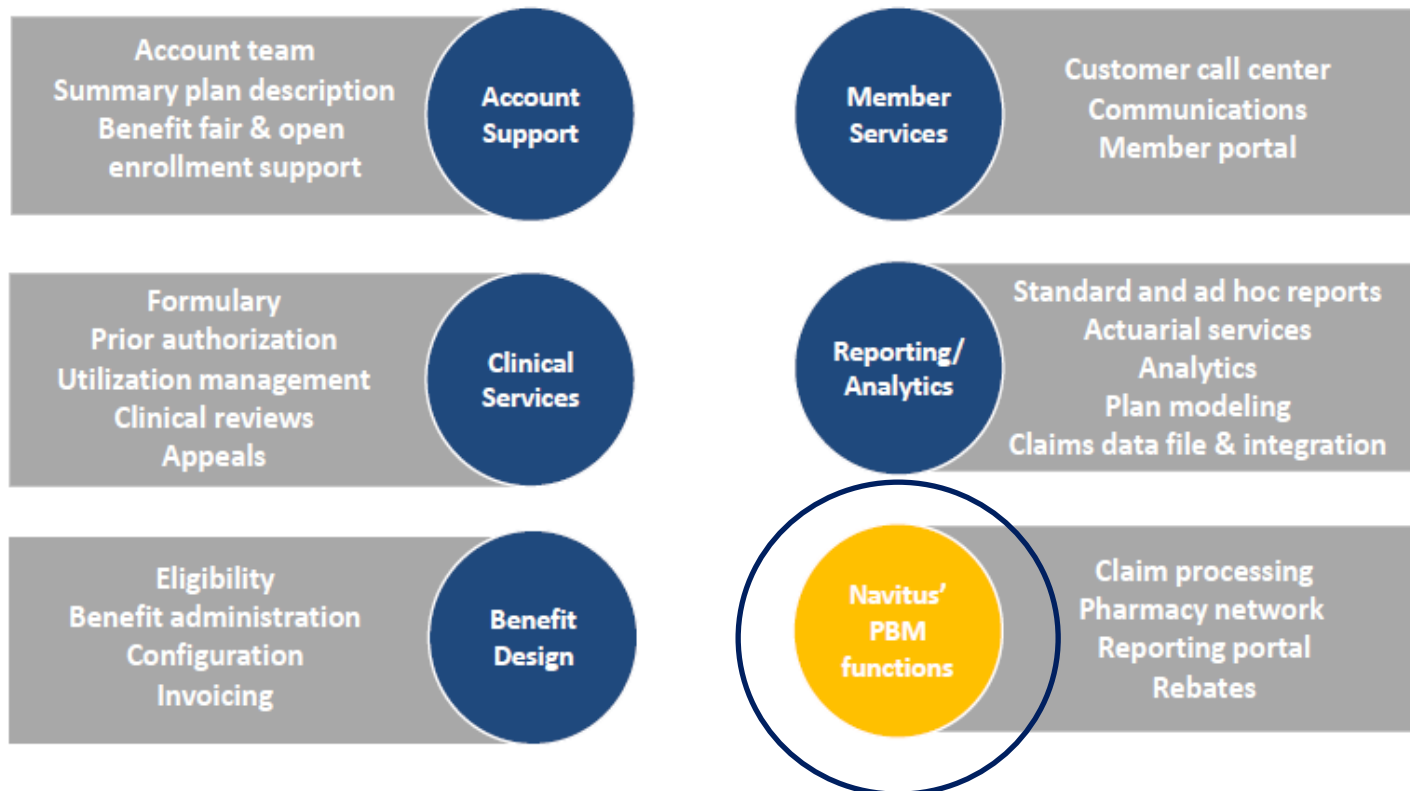
Overview of Moda's Structure

- Moda administers most aspects of UMP's prescription drug benefit in-house (Blue)
- Moda subcontracts with another pharmacy benefit manager (PBM) to carry out behind-the-scenes functions (Yellow)



Moda and Navitus Roles

Moda's PBM subcontractor changed from MedImpact to Navitus



Benefits of Navitus

- More clinical programs to support the health of members
 - Pharmacoadherence programs
- Costco mail order as a potential 2nd mail order option for benefit year 2023
- Greater options for administrative budget flexibility
 - Per Paid Claims
 - Per Member Per Month (PMPM)
- Increased online reporting access
 - 30 user accounts available versus previous 4
- Walgreens added to the pharmacy network

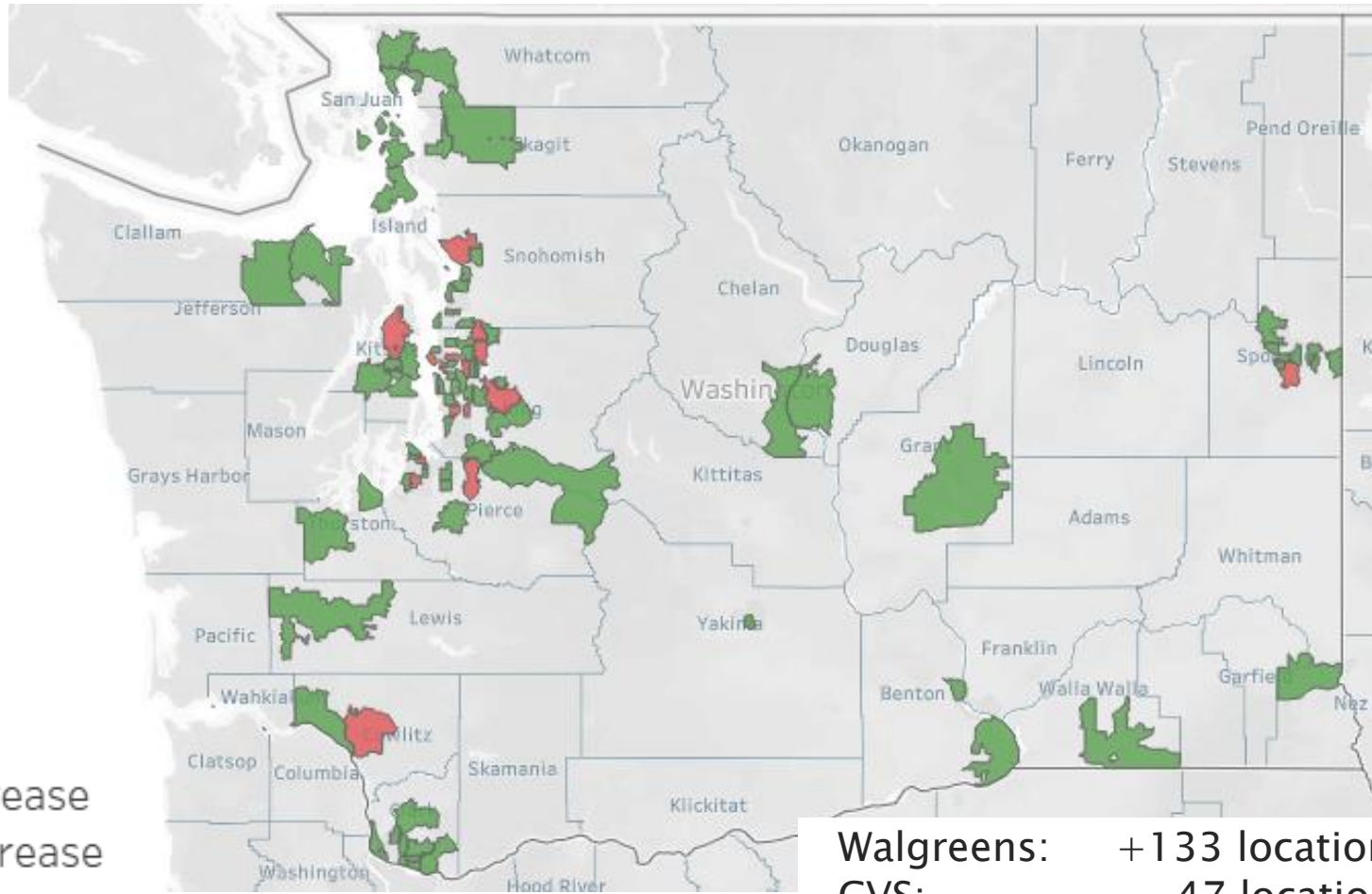
Member Experience Impacts

What stayed the same?	What changed?
<ul style="list-style-type: none">• Benefit design• Prior authorizations• Customer service• Complaints and appeals process• Large pharmacy network<ul style="list-style-type: none">◦ ~53,000 network locations• Ardon Health for specialty pharmacy• Postal Prescription Services for mail order pharmacy	<ul style="list-style-type: none">• New group ID and BIN numbers<ul style="list-style-type: none">◦ ID cards were issued• Refreshed member dashboard<ul style="list-style-type: none">◦ Price check, pharmacy locator, claims history• New address to submit out-of-network claims• Change in drug designation database resulted in changes in some generic and brand designations• CVS/Walgreens' network change

Net Changes to Network Pharmacies

County	CVS	Walgreens	Net Pharmacy Increase
ASOTIN	0	1	1
BENTON	2	4	2
CHELAN	0	1	1
CLALLAM	0	2	2
CLARK	2	13	11
COWLITZ	1	1	0
DOUGLAS	0	1	1
FRANKLIN	0	2	2
GRANT	0	1	1
ISLAND	0	1	1
KING	22	39	17
KITSAP	2	6	4
LEWIS	0	1	1
PIERCE	7	21	14
SKAGIT	0	3	3
SNOHOMISH	6	12	6
SPOKANE	2	12	10
THURSTON	2	4	2
WALLA WALLA	0	1	1
WHATCOM	1	4	3
YAKIMA	0	3	3
	47	133	86

Net Changes by Zip Code



Walgreens:	+133 locations in WA
CVS:	-47 locations in WA
Net gain:	86 locations

Member Communications

Title	Published	Audience
Rx OE Brochure	9/16/2021	All members Available online or mail by request
What's Changing Publication	9/16/2021	All subscribers Mailed with welcome packet
PEBB UMP OE Video (recorded)	10/1/2021	Available on-demand to all members
For Your Benefit Newsletters	10/12/2021	All PEBB Program subscribers Email or mail per member preference
UMP Newsletter	10/22/2021	All PEBB Program subscribers Email or mail per member preference
PEBB UMP Webinar (recorded)	10/27/2021	Available on-demand to all members
WSRxS Welcome Postcards	12/7/2021	New UMP members only
Quick Start Guides	12/20/2021	All subscribers Mailed with welcome packet
Welcome Letters	12/20/2021	All subscribers Mailed with welcome packet
Regence.com Web Alert	1/1/2022 – 1/31/2022	All members

Additional Communications

- Certificates of Coverage
- Customized letters to targeted members
 - 13,877 letters to PEBB Program members who had filled a prescription at CVS in previous 6 months notifying them of change in network status. Included 3 closest network pharmacies to member home address.
 - 151,465 letters to PEBB Program subscribers notifying members of new pharmacy numbers
- Custom Customer Service Recorded Greeting
 - Informed callers they will receive a new card in December and to use it when filling prescriptions in 2022
- SmartHealth Activity Tile
 - 858 PEBB Program members participated in this activity

Implementation Related Member Impacts

- No appeals received related to implementation
- Difference in concurrent drug utilization review (DUR) edits caused some claims to deny for high dose when they had previously been approved
- Some compound claims partially rejected for non-formulary ingredients, such as bulk powders
- Price changes due to drug reference source classifications, Maximum Allowable Cost (MAC) list changes, and changes to network financial guarantees

Questions?

Jenny Switzer, Moda Senior Account Manager
Portfolio Management & Monitoring

Jenny.Switzer@hca.wa.gov

TAB 7



2024 Uniform Dental Plan (UDP) Benefit Design Introduction

Ellen Wolfhagen
Senior Account Manager
Employees and Retirees Benefits Division
March 10, 2022

Background

- No significant changes in benefits by PEBB Program for 20 years
- 80% of PEBB Program members use Uniform Dental Plan (UDP)
- SEBB fully leveraged PEBB benefits

Board Timeline

- March
 - Introduction of options
- April
 - Data on utilization and potential costs
- May
 - Reach consensus on priorities

Remaining Benefit Design Cycle

- Summer/Fall 2022
 - HCA Introduction of budget decision package
- September 2022
 - Budget proposals finalized by Governor
- Spring 2023
 - Biennial budget for FYs 2023-2025 finalized
- Benefit introduction
 - January 1, 2024 (earliest) or January 1, 2025

Current UDP Plan Design

- Deductible - \$50/person – up to \$150/family
- Class I (preventive services) – 100% coverage
- Class II (fillings) – 80% coverage
- Class III (crowns, bridges, etc.) – 50% coverage
- TMJ – 70% coverage and \$500 lifetime limit
- Annual *plan* payment - \$1,750

Market Comparison – Plan Coverage

Coverage Amount	Uniform Dental Plan	Delta Book of Business	WEA Plan (Pre-SEBB)
The amount the Plan pays towards the covered service.	Class I – Preventive Services 100%	Class I – Preventive Services 100%	Class I – Preventive Services 70% - 100%
	Class II – Restorative (Fillings) 80%	Class II – Restorative (Fillings) 80%	Class II – Restorative (Fillings, Crowns) 70% - 100%
	Class III – Major (Crowns, Bridges, Implants) 50%	Class III – Major (Crowns, Bridges, Implants) 50%	Class III – Major (Bridges, Implants) 50%

2024 UDP Options

- Incentivize preventive services
- Composite materials for fillings
- Annual plan maximum adjustment
- No deductible for children's benefits
- TMJ lifetime benefit limit adjustment

Incentivize Preventive Services

- Increase Plan percentage coverage (amount plan pays) based on one visit to the dentist
- Can increase by a standard increment per year, based on previous year's usage, up to a maximum
- Benefits could decrease (for non-use) by standard increment to established floor

Incentive Benefits

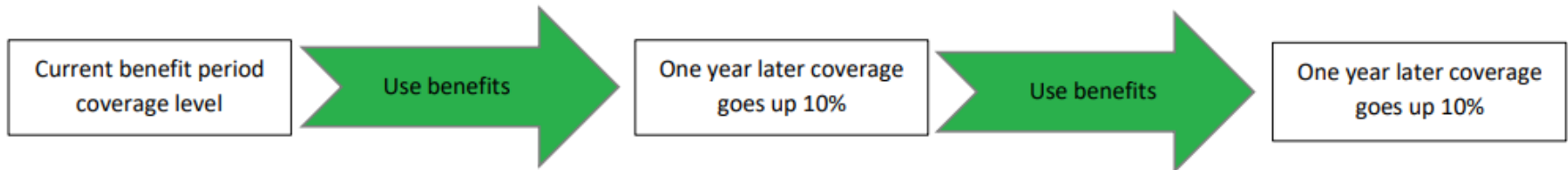
- Large employers – Not currently used by larger groups, but interest is increasing
- WEA (Pre-SEBB) – Class I and II starts at 70% plan coverage and increases by 10% up to 100% plan coverage

WEA Plan Incentive Example

(Source: WEA Plan Summary, 2018)

How your plan works

Simply visit your dentist at least once in the benefit year to increase your coverage level by 10% for the following year. Repeat until you achieve your maximum benefit levels. Here's an example:



On the other hand, if you do not visit the dentist in the benefit year, your coverage level will decrease by 10% the following year.

Amalgam and Composite Comparison

Materials for posterior teeth restoration:

- Amalgam restorations contain elemental mercury and are less commonly used
- Composite materials provide good durability and resistance to fracture

Composite Materials for Fillings

- UDP - currently considered elective in posterior teeth (stainless steel or prefabricated crowns are covered under Class II)
- Large employers –
 - Included in smaller fully insured groups
 - Not included in larger self-insured plans
- WEA (PRE-SEBB) – covers posterior composite fillings (base 70%, subject to increase in incentive plan to 100%); crowns and onlays are covered under Class II

Annual Plan Maximum Adjustment

- Current level is \$1,750
- Preventive services count towards plan benefit, even though no cost share
- Same level since 2008

Annual Plan Maximum Comparisons

Annual Plan Maximum	Uniform Dental Plan	Delta Book of Business	WEA Plan (Pre-SEBB)
<p>The most the Plan will pay during a coverage period, at which point the member will assume the full responsibility for payment of covered services.</p>	<p>\$1,750, regardless of network status (PPO, Premier, and Out-of-Network)</p>	<p>43% of Book of Business has a \$2,000 maximum</p>	<p>\$2,000 PPO, \$1,750 Premier and Out-of-Network</p>

Market Comparison - Deductibles

Annual Deductible	Uniform Dental Plan	Delta Book of Business	WEA Plan (Pre-SEBB)
<p>The amount the member must pay before the plan begins to pay for covered services.</p>	<p>No deductible for preventive services \$50/individual \$150/family</p>	<p>Industry standard - \$50/\$150 (Waived for Preventive services)</p>	<p>No deductible</p>

Waiving Children's Deductible

- Reduce financial barriers for pediatric care
- Encourage early preventive visits
- Applies to restorative care as needed
- Develop lifetime habits of good oral care

Differences in Children's Benefits

Uniform Dental Plan

- Children's coverage same as adults'
- \$50 deductible
- Class II benefits – 80% coverage
- Annual plan maximum of \$1,750

WEA Healthy Start

- Covers children up to age 15
- No deductible for children
- Class II benefits – 100% coverage
- No annual plan maximum

Temporomandibular Joint (TMJ) Benefits

- Clinically – disorders that result in pain in the muscles associated with the TMJ, arthritic problems with the TMJ, or an abnormal range of motion of the TMJ
- Surgical benefits are covered medically (requiring pre-authorization)

TMJ Benefits Comparison

Uniform Dental Plan	Delta Book of Business	WEA Plan (pre-SEBB)
70% up to \$500 Lifetime maximum	50% up to \$1,000 annual maximum; \$5,000 Lifetime maximum Boeing and Alaska Airlines have NO coverage	50% up to \$1,000 annual maximum; \$5,000 Lifetime maximum

TMJ Lifetime Benefits

- Higher percentage coverage than most large employers
- Covers only non-surgical treatment
- Treatment usually consists of retainers and/or spacers

Next Steps

- April meeting
 - Data on utilization
 - Potential cost impacts (small, medium, large)
 - Additional information as requested

Questions?

Ellen Wolfhagen, Senior Account Manager
Employee and Retiree Benefits Division
Ellen.Wolfhagen@hca.wa.gov

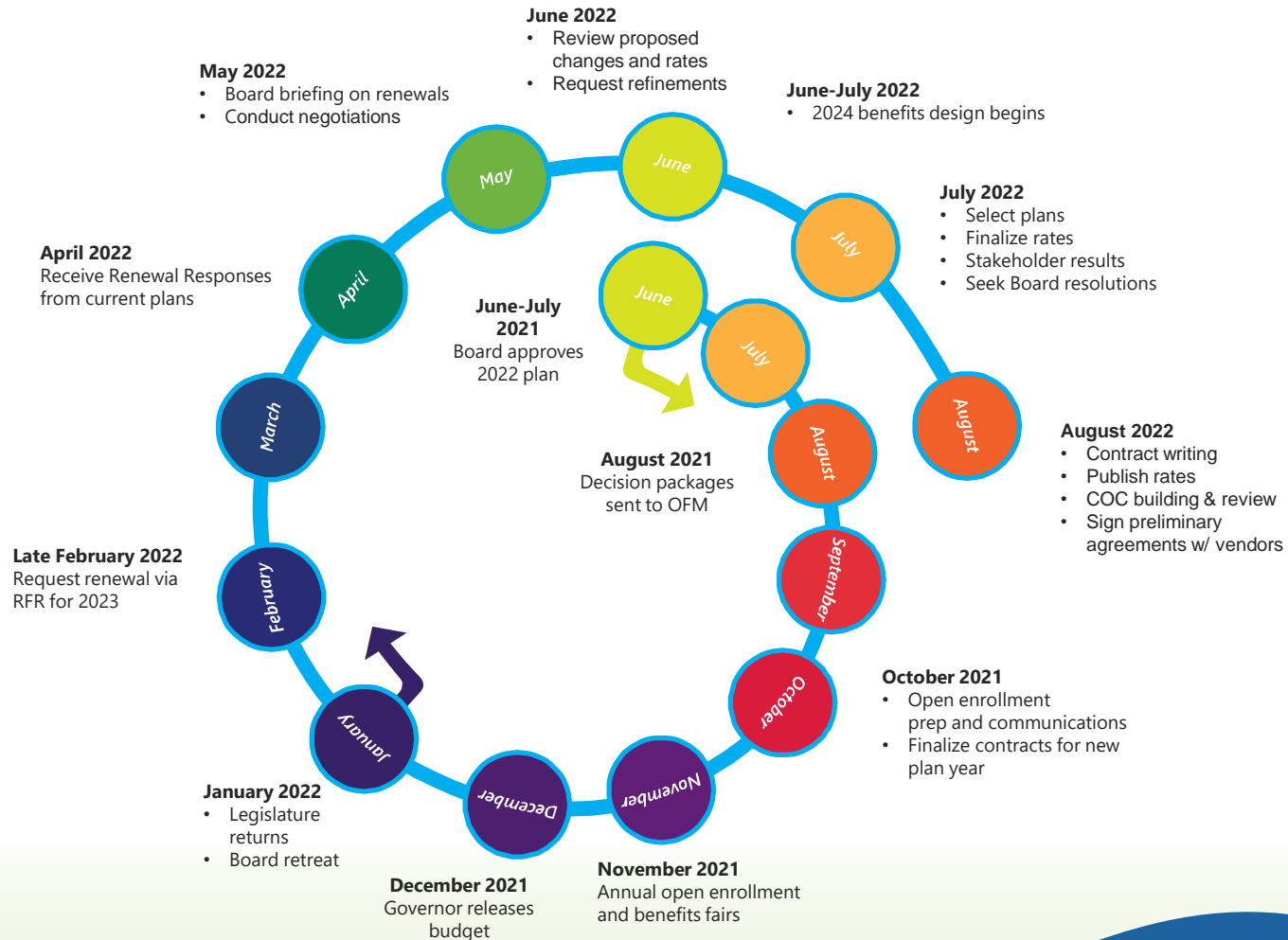
TAB 8



Procurement and Benefit Planning Cycles

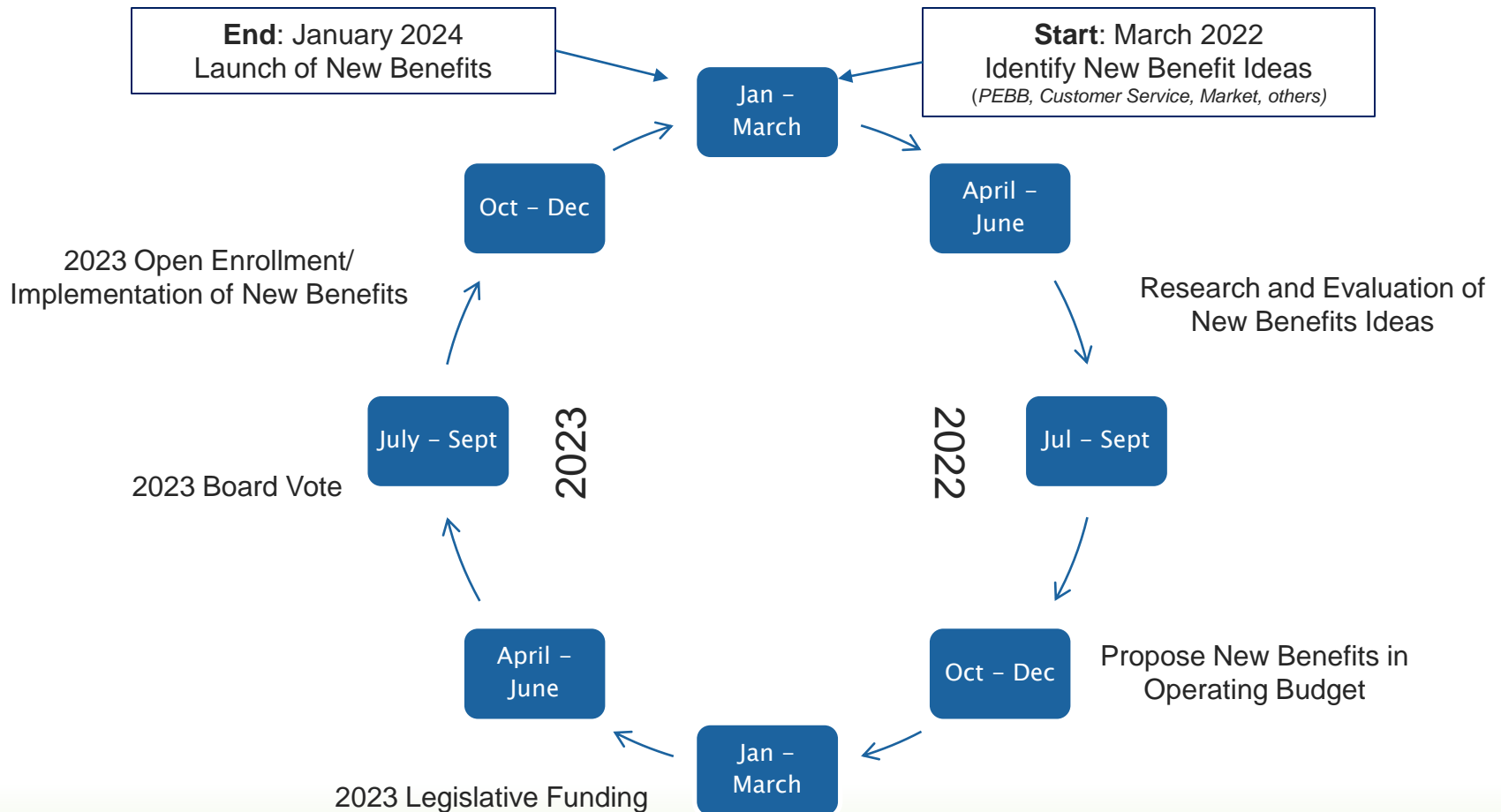
John Partin, Manager
Benefit Strategy and Design Section
Employees & Retirees Benefits Division
March 10, 2022

PEBB Procurement Cycle for Benefit Year 2023



PEBB Benefits Planning Cycle

for Benefit Year 2024



Questions?

John Partin, Manager
Benefit Strategy and Design Section
Employees and Retirees Benefits Division
john.partin@hca.wa.gov