

# Public Employees Benefits Board Meeting

March 21, 2024

**Public Employees Benefits Board**  
**March 21, 2024**  
**9:00 a.m. – 3:15 p.m.**

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

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

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**TAB 1**

**Public Employees Benefits Board**  
**March 21, 2024**  
**9:00 a.m. – 3:15 p.m.**

**This meeting will be hybrid with attendance options either in person or via Zoom. Masks are optional.**

**TO JOIN ZOOM MEETING – SEE INFORMATION BELOW**

9:00 a.m.*	<b>Welcome and Introductions</b>		Sue Birch, Chair	
9:05 a.m.	<b>Meeting Overview</b>		Dave Iseminger, Director Employees & Retirees Benefits (ERB) Division	Information
9:10 a.m.	<b>Approval of Meeting Minutes</b> <ul style="list-style-type: none"> <li>• July 19, 2023</li> <li>• February 1, 2024 Retreat</li> </ul>	TAB 3	Sue Birch, Chair	Action
9:20 a.m.	<b>February Retreat Follow Up</b>		David Iseminger, Director Employees & Retirees Benefits (ERB) Division	Information/ Discussion
9:30 a.m.	<b>Legislative Session Debrief</b>	TAB 4	Cade Walker, Section Manager Employees & Retirees Benefits (ERB) Division	Information/ Discussion
9:55 a.m.	<b>Pharmacy Retail Consolidation</b>	TAB 5	Jenny Switzer, Senior Account Manager Employees & Retirees Benefits (ERB) Division	Information/ Discussion
10:15 a.m.	<b>Behavioral Health Network Adequacy</b>	TAB 6	Andrea Philhower, Unit Manager Employees & Retirees Benefits (ERB) Division	Information/ Discussion
10:30 a.m.	<b>Break</b>			
10:40 a.m.	<b>Policy and Rules Development</b>	TAB 7	Stella Ng, Policy & Rules Coordinator Employees & Retirees Benefits (ERB) Division	Information/ Discussion
11:25 a.m.	<b>Vision Benefit Design Implementation</b>	TAB 8	Beth Heston, Procurement Manager Employees & Retirees Benefits (ERB) Division Stella Ng, Policy & Rules Coordinator Employees & Retirees Benefits (ERB) Division	Information/ Discussion

11:55 a.m.	<b>Break</b>			
12:10 p.m.	<b><u>Working Lunch</u></b> <b>SmartHealth Update</b>	TAB 9	Kristen Stoimenoff, Wellness Manager Employees & Retirees Benefits (ERB) Division	Information/ Discussion
12:35 p.m.	<b>Inflation Reduction Act Update</b>	TAB 10	Luke Dearden, Clinical Pharmacist Clinical Quality & Care Transformation (CQCT) Division	Information/ Discussion
12:55 p.m.	<b>2025 UMP Medicare Plan Option</b>	TAB 11	Ellen Wolfhagen, Retiree Benefits Manager Employees & Retirees Benefits (ERB) Division Molly Christie, Financial Analyst Financial Services Division (FSD) Luke Dearden, Clinical Pharmacist Clinical Quality & Care Transformation (CQCT) Division Stella Ng, Policy & Rules Coordinator Employees & Retirees Benefits (ERB) Division	Information/ Discussion
1:55 p.m.	<b>General Public Comment</b>			
2:25 p.m.	<b>Closing</b>			
2:30 p.m.	<b>Transition to Executive Session</b>			
2:35 p.m.	<b>Executive Session</b>			
3:15 p.m.	<b>Adjourn</b>		Sue Birch, Chair	

**\*All Times Approximate**

The Public Employees Benefits Board will meet Thursday, March 21, 2024 at the Washington State Health Care Authority, Sue Crystal Rooms A & B, 626 8<sup>th</sup> Avenue SE, Olympia, WA. Attendance for this meeting can be in person or via Zoom. Masks are optional.

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

Pursuant to RCW 42.30.110(1)(L), the Board will meet in in Executive Session to consider proprietary or confidential nonpublished information related to the development, acquisition, or implementation of state purchased health care services as provided in RCW 41.05.026. The Executive Session will begin at 2:30 p.m. and will conclude no later than 3:15 p.m.

No “final action,” as defined in RCW 42.30.020(3), will be taken in the Executive Session.

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: [PEBBoard@hca.wa.gov](mailto:PEBBoard@hca.wa.gov).

Materials will be posted at <http://www.pebb.hca.wa.gov/board/> by close of business on Monday, March 18, 2024.

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Join Zoom Meeting

<https://us02web.zoom.us/j/84854902107?pwd=Z3ZYMzFwOGJ4NGQybWJ6QnFRMWtGZz09>

Meeting ID: 848 5490 2107

Passcode: 917280

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One tap mobile

+12532158782,,84854902107#,,,,\*917280# US (Tacoma)

+12532050468,,84854902107#,,,,\*917280# US

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Dial by your location

- +1 253 215 8782 US (Tacoma)
- +1 253 205 0468 US
- +1 669 444 9171 US
- +1 669 900 6833 US (San Jose)
- +1 719 359 4580 US
- +1 346 248 7799 US (Houston)
- +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)
- +1 301 715 8592 US (Washington DC)
- +1 305 224 1968 US
- +1 309 205 3325 US

Meeting ID: 848 5490 2107

Passcode: 917280

Find your local number: <https://us02web.zoom.us/u/kdk6mKUHRD>

## PEB Board Members

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

## PEB Board Members

Name	Representing
Sharon Laing Box 358421 1900 Commerce Street Tacoma, WA 98402 V 253-692-4475 <a href="mailto:PEBBoard@hca.wa.gov">PEBBoard@hca.wa.gov</a>	Benefits Management/Cost Containment
John Comerford* 121 Vine ST Unit 1205 Seattle, WA V 206-625-3200 <a href="mailto:PEBBoard@hca.wa.gov">PEBBoard@hca.wa.gov</a>	Benefits Management/Cost Containment
Harry Bossi 19619 23 <sup>rd</sup> DR SE Bothell WA 98012 V 360-689-9275 <a href="mailto:PEBBoard@hca.wa.gov">PEBBoard@hca.wa.gov</a>	Benefits Management/Cost Containment
<b>Legal Counsel</b> Michael Tunick, Assistant Attorney General 7141 Cleanwater DR SW PO Box 40124 Olympia WA 98504-0124 V 360-586-6495 <a href="mailto:MichaelT4@atg.wa.gov">MichaelT4@atg.wa.gov</a>	

\*non-voting members

1/26/24





STATE OF WASHINGTON  
**HEALTH CARE AUTHORITY**  
626 8th Avenue SE • PO Box 45502 • Olympia, Washington 98504-5502

**PEB BOARD MEETING SCHEDULE**

**2024 Public Employees Benefits (PEB) Board Meeting Schedule**

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

February 1, 2024 (Board Retreat) - starting at 9:00 a.m.\*

March 21, 2024 - starting at 9:00 a.m.

April 11, 2024 - starting at 9:00 a.m.

May 9, 2024 - starting at 9:00 a.m.

June 13, 2024 - starting at 9:00 a.m.

June 27, 2024 – starting at 9:00 a.m.

July 11, 2024 - starting at 9:00 a.m.

July 18, 2024 - starting at 9:00 a.m.

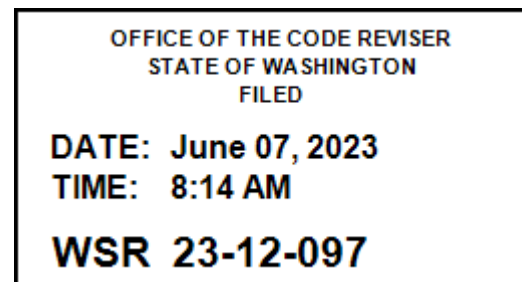
July 25, 2024 - starting at 9:00 a.m.

August 1, 2024 - starting at 9:00 a.m.

\*Meeting times are tentative

If you are a person with a disability and need a special accommodation, please contact the Employees and Retirees Benefits (ERB) Board Operations Manager at 360-725-9400.

06/06/2023



**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. 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. 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 March 9, 2023*

**TAB 3**

**Draft**  
**Public Employees Benefits Board**  
**Meeting Minutes**

July 19, 2023  
Health Care Authority  
Sue Crystal Rooms A & B  
Olympia, Washington  
9:00 a.m. – 11:45 a.m.

The Briefing Book with the complete presentations and an audio recording of the meeting can be found at:  
<https://www.hca.wa.gov/about-hca/programs-and-initiatives/public-employees-benefits-board-pebb-program/meetings-and-materials#meeting-materials>

**Members Present in Olympia**

Lou McDermott, Chair Pro-Tem  
Elyette Weinstein  
John Comerford  
Harry Bossi  
Tom MacRobert  
Kurt Spiegel

**Members Present via Zoom**

Monica McLemore  
Michaela Doelman

**Members Absent**

None

**SEB Board Counsel**

Michael Tunick, AAG (in person)

**Call to Order**

**Lou McDermott, Chair Pro-Tem**, called the meeting to order at 9:03 a.m. Sufficient members were present to allow a quorum. Board members and the public were able to attend either in person or virtually via Zoom.

**Meeting Overview**

**David Iseminger**, Director, Employees and Retirees Benefits (ERB) Division, provided an overview of the agenda.



### **Approval of Meeting Minutes**

John Comerford moved, and Elyette Weinstein seconded a motion to approve the July 12, 2023 meeting minutes. Minutes were approved by unanimous vote.

### **General Program Updates**

**David Iseminger**, Director, Employees and Retirees Benefits (ERB) Division, gave a general update regarding the PEBB Program. Updates included information regarding the planned launch of Benefits 24/7 in January 2024, the UMP TPA legislative report, and retiree engagement efforts.

### **2024 Non-Medicare Premiums**

**Tanya Deuel**, ERB Finance Manager in the Financial Services Division (FSD), brought resolutions as they were presented on July 12, 2023 to the PEB Board for voting regarding the non-Medicare premiums for 2024. All of the Board members concurred that while they do not support the rate increases for Kaiser Permanente plans, they chose to vote affirmatively in order to keep the Kaiser plans as an option for PEBB Program members. Discussion was had regarding commitments to enhanced open enrollment outreach to educate members on choices and to engage in all efforts possible to mitigate future significant increases.

- *PEBB 2023-12 Kaiser Foundation Plan of the Northwest (KPNW) Non-Medicare 2024 Premiums.* Harry Bossi moved, and Elyette Weinstein seconded a motion to approve the resolution. The resolution passed with a unanimous vote.
- *PEBB 2023-13 Kaiser Foundation Plan of Washington (KPWA) Non-Medicare 2024 Premiums.* Tom MacRobert moved, and Elyette Weinstein seconded a motion to approve the resolution. The resolution passed with a unanimous vote.
- *PEBB 2023-14 Uniform Medical Plan (UMP) Non-Medicare 2024 Premiums.* John Comerford moved, and Harry Bossi seconded a motion to approve the resolution. The resolution passed with a unanimous vote.

### **Medicare Update**

**Ellen Wolfhagen**, Senior Account Manager in the Employees and Retirees Benefits (ERB) Division, provided an update on some information regarding the Medicare population as the agency prepares for open enrollment.

### **Open Enrollment Preview**

**Alisa Richards**, Benefits Accounts Section Manager in the Employees and Retirees Benefits (ERB) Division, gave a preview of the agency's efforts while planning for open enrollment. The presentation included the open enrollment timeline, updates from the Outreach and Training (O&T) unit, customer service unit, benefits administrator training and readiness, benefits fairs and schedule, open enrollment communications strategy, and an open enrollment member checklist.

### **SmartHealth: WebMD Implementation**

**Kristen Stoimenoff**, Wellness Manager in the Employees and Retirees Benefits (ERB) Division, gave a SmartHealth update that included some information about the January 2024 transition to the new vendor, WebMD. The update included new SmartHealth features and WebMD's acquisition of Limeade.

### **2024 Board Meeting Schedule**

**David Iseminger**, Director of the Employees and Retirees Benefits (ERB) Division, presented the finalized 2024 PEB Board meeting schedule that was filed with the code reviser.

### **General Public Comment**

The following members of the public provided comments:

- **Alissa Muller**
- **Linnea Mulder**
- **Christine Clark**

Topics brought forth during public comments included comments regarding parity issues regarding occupational and speech therapy in plans, requests for information regarding the prior authorization approval process, SmartHealth incentives, and interest in SmartHealth for retirees.

Their testimonies can be found in the audio recording for the July 19, 2023 PEB Board meeting at:

<https://www.hca.wa.gov/about-hca/programs-and-initiatives/public-employees-benefits-board-pebb-program/meetings-and-materials#meeting-materials>

### **Next Meeting**

February 1, 2024 Retreat

Starting time 9:00 a.m.

### **Preview of February 1, 2024 PEB Board Retreat**

**Dave Iseminger**, Director, Employees and Retirees Benefits (ERB) Division, provided an overview of potential agenda topics for the February 1, 2024 retreat. David also acknowledged Connie Bergener, who is retiring in August after over 40 years of state service and served as the PEB Board support person for many years.

Meeting was adjourned at 11:31 a.m.

**Draft**  
**Public Employees Benefits Board**  
**Meeting Minutes**

February 1, 2024  
Health Care Authority  
Sue Crystal Rooms A & B  
Olympia, Washington  
9:00 a.m. – 4:30 p.m.

The Briefing Book with the complete presentations and an audio recording of the meeting can be found at:  
<https://www.hca.wa.gov/about-hca/programs-and-initiatives/public-employees-benefits-board-pebb-program/meetings-and-materials#meeting-materials>

**Members Present in Olympia**

Sue Birch, Chair  
John Comerford  
Harry Bossi  
Kurt Spiegel (departed around 12:00 p.m.)  
Sharon Laing  
Michaela Doelman

**Members Present via Zoom**

Elyette Weinstein  
Tom MacRobert (arrived around 10:30 a.m.)

**Members Absent**

None

**SEB Board Counsel**

Michael Tunick, AAG (in person)

**Call to Order**

**Sue Birch, Chair**, called the meeting to order at 9:03 a.m. Sufficient members were present to allow a quorum. Board members and the public were able to attend either in person or virtually via Zoom.

**Meeting Overview**

**David Iseminger**, Director, Employees and Retirees Benefits (ERB) Division, provided an overview of the agenda.

### **Equity in Health Care Access and Outcomes Panel Discussion**

**Heather Schultz**, Associate Medical Director for the PEBB Program, facilitated an educational panel discussion regarding equity in health care access and outcomes. Panel participants included Nicole St. Clair, MD, from Regence, Geoffrey Ankeney, MD, from Kaiser Permanente, and Quyen Huynh, DNP, from the Health Care Authority.

### **Diversity, Equity, and Inclusion Data Collection**

**Missy Yates**, Stakeholder Engagement Coordinator in the Employees and Retirees Benefits (ERB) Division, gave an update on the work being done in the workgroup focusing on increasing equitable access to health care created from the 2020 bargaining session with the SEBB Program's school employee labor partners. The update included information regarding the data collection strategy, collecting meaningful data, workgroup goals regarding the data, a community engagement strategy, and a tentative timeline.

### **Behavioral Health Network Adequacy Discussion**

**Andrea Philhower**, Fully Insured Team Manager in the Employees and Retirees Benefits (ERB) Division, provided some insights about behavioral health network adequacy. The presentation included the history of network access standards, the difference between network adequacy and timely access to care, what is included in network access, adequate network access, what happens when a plan can't meet the standards, information on Brennen's law, PEBB Program behavioral health network adequacy requirements, carrier network access insights, and behavioral health services communications to members.

### **Plan Year 2024 Open Enrollment Summary**

**Alisa Richards**, Benefits Accounts Section Manager and Stacy Grof-Tisza, Customer Service Manager in the Employees and Retirees Benefits (ERB) Division, presented an update on the agency's efforts during, and the results of, the PEBB Program plan year 2024 open enrollment. The summary included benefits accounts information, open enrollment readiness, communications strategy overview, benefits fairs information, customer service open enrollment data insights, and PEBB Program employee and non-Medicare retirees enrollment net changes. Copies of 2024 monthly premiums for employees, non-Medicare retirees, and Medicare retirees was included in the appendix.

### **Benefits 24/7 Update**

**Chatrina Pitsch**, IT Project Manager in the Enterprise Technology Services (ETS) Division, provided some information regarding the Benefits 24/7 application that launch earlier in the year. The update included modernization goals, an overview of the launch of Benefits 24/7, issues reported so far, what changed for subscribers, application self service aspects, improvements for benefits administrators, what stayed the same, benefit administrator training and support, communications regarding the launch, and upcoming additional functionality.

### **Study on Contracting for Administration of UMP**

**Ryan Ramsdell**, UMP Team Manager the Employees and Retirees Benefits (ERB) Division, gave a debrief on the legislative report regarding the study on contracting for administration of the Uniform Medical Plan. The debrief included information on Uniform Medical Plan operations prior to 2011 and from 2011 to current, information about what the ump third party administration (TPA) currently manages, scaling TPA efforts, returning provider contracting to HCA, returning UMP TPA functions considerations, and important considerations regarding the report. A link to the report was also provided in the presentation as well as a copy in the appendix.

### **Governor's Supplemental Budget and Legislative Update**

**Tanya Deuel**, ERB Finance Manager in the Financial Services Division (FSD) and **Cade Walker**, Policy, Rules, and Compliance Section Manager in the Employees and Retirees Benefits (ERB) Division, gave an update on the Governor's supplemental budget and legislative session so far. The budget update included fiscal year 2024 supplemental budget funded decision packages in the proposed budget, the 2023-25 funding rate, and information regarding the Medicare Explicit Subsidy. The legislative presentation included information about legislative reports, bill analyses and legislative bill progress for PEBB Program relevant bills, agency requested legislation, and 2024 legislation.

### **Procurement and Benefit Planning Cycles**

**John Partin**, Benefit Strategy and Design Section Manager in the Employees and Retirees Benefits (ERB) Division, gave a presentation on the procurement and benefit planning cycles for the PEBB Program. The presentation included development of benefit designs, the PEBB Program contracts renewal cycle, and the PEBB Program benefits planning cycle.

### **PEBB Retiree Medicare Benefits Legislative Report Summary and 2025 UMP Plan Option**

**Ellen Wolfhagen**, Retiree Benefits Manager the Employees and Retirees Benefits (ERB) Division, **Molly Christie**, Fiscal Analyst in the Financial Services Division; and **Luke Dearden**, Clinical Pharmacist from the Clinical Quality and Care Transformation Division collectively presented a summary of the PEBB retiree Medicare benefits legislative report and to also provide some information regarding a UMP retiree plan option for the upcoming year to respond to the plan's rising premiums. The presentation included information about retiree engagement efforts, an overview of the retiree legislative report, PEBB retiree member feedback, information regarding listening sessions, UMP specific feedback, a reference to the analysis regarding the 50 states' government plan offerings, and a state government plan coordination of benefits (COB) comparison. Also included was information regarding financial insights and clinical member impacts. The Board discussed a potential option to transition the UMP Medicare Classic plan's pharmacy coverage to Part D Medicare drug coverage and agreed that the agency should pursue further stakeholder engagement on this option and introduce a resolution at the March Board meeting for consideration. A vote would not be scheduled until the April Board meeting.

## **General Public Comment**

The following members of the public provided comments:

- **Carol Dotlich**
- **Linnea Mulder**
- **Matt Groshong**
- **Fred Yancey**
- **Amy Fortier**
- **Aruna Bhuta**
- **Sharon Etheridge**
- **Toni Long**
- **Diane Rauschenberg**
- **Sue Henrickson**

Topics brought forth during public comments included comments regarding why the PEBB Program would be losing the retiree drug subsidy, appreciation expressed to the agency regarding exploring the potential UMP Classic Part D Medicare drug coverage option; clarifications regarding the potential UMP Part D pharmacy coverage, changes, and communications; and requests for information regarding the relationship of Part D Medicare drug coverage and the Medicare “donut hole”.

Their testimonies can be found in the audio recording for the February 1, 2024 PEB Board retreat at:

<https://www.hca.wa.gov/about-hca/programs-and-initiatives/public-employees-benefits-board-pebb-program/meetings-and-materials#meeting-materials>

## **Next Meeting**

March 21, 2024

Starting time 9:00 a.m.

## **Preview of March 21, 2024 PEB Board Meeting**

**Dave Iseminger**, Director, Employees and Retirees Benefits (ERB) Division, provided an overview of potential agenda topics for the March 21, 2024 meeting.

Meeting was adjourned at 4:37 p.m.

**TAB 4**

# Legislative Session Debrief

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Cade Walker  
Policy, Rules, and Compliance Section Manager  
Employees and Retirees Benefits Division  
March 21, 2024

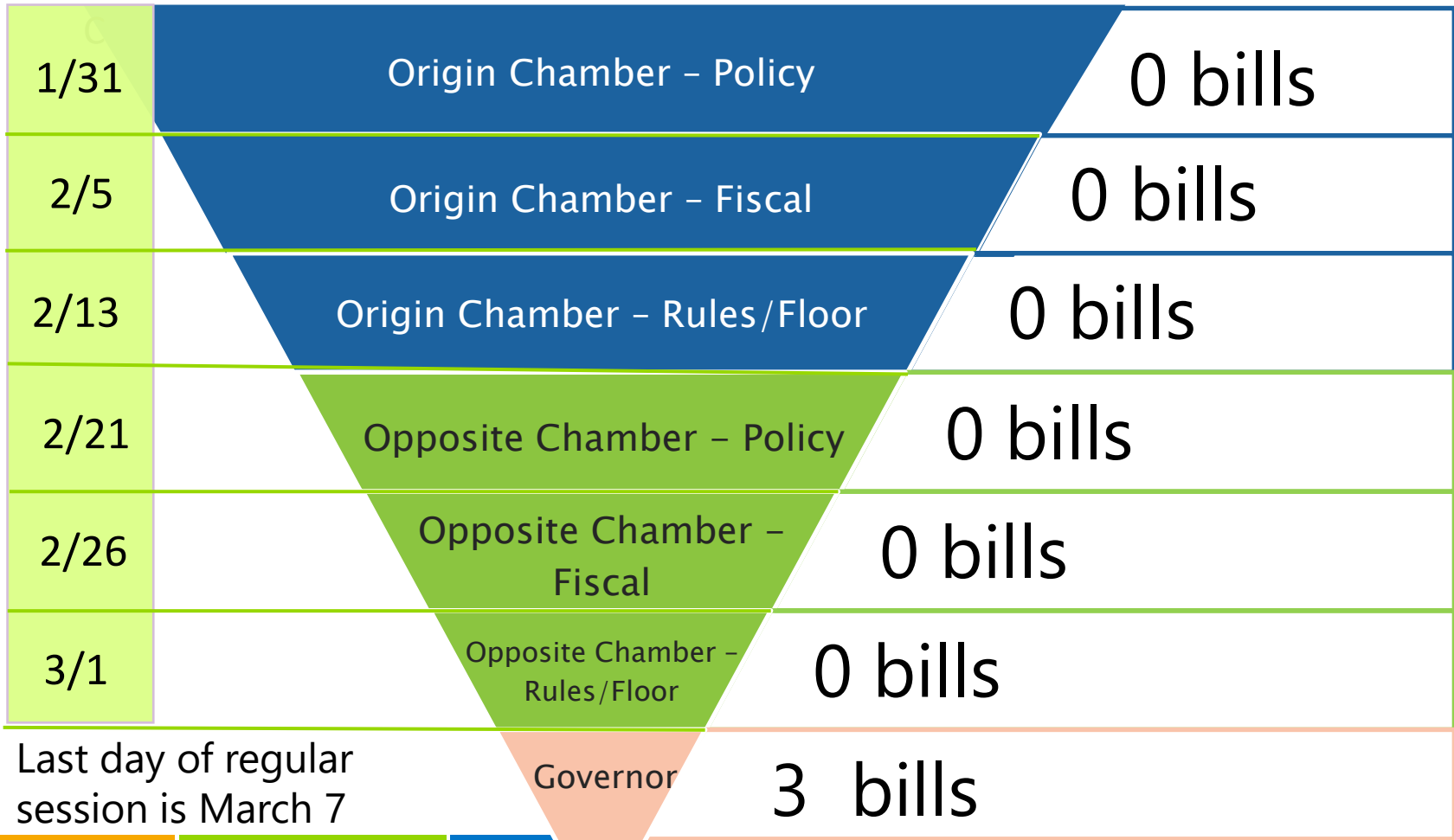


# Bill Analyses by ERB Division

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	ERB Lead	ERB Support	
<b>High Priority</b>	11	32	43
<b>Low Priority</b>	10	65	75
	21	97	118
<b>Fiscal Notes</b>	32	40	

# Bill Analyses by ERB Division



# Agency Requested Legislation

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- ▶ Senate Bill 6094: Aligning statutory language concerning the retired state employee and retired or disabled school employee health insurance subsidy with the historical interpretation and implementation of the relevant subsidy language in the operating budget

# 2024 Passed Legislation

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## ▶ Retirees

- ▶ HB 2481: Waiving health benefit premiums in the public employees' benefits board

## ▶ Medical Services

- ▶ SB 6228: Treatment of substance use disorders
- ▶ SB 5821: Standards for establishing relationships for audio-only telemedicine services

# 2024 Passed Legislation (*cont.*)

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## ▶ **Medical Services Cost Sharing**

- ▶ HB 1957: Preserving coverage of preventive services without cost sharing
- ▶ SB 5986: Protecting consumers from out-of-network health care services charges

## ▶ **Pharmacy**

- ▶ HB 1979: Reducing the cost of inhalers and epinephrine autoinjectors
- ▶ SB 6127: Increasing access to HIV-postexposure prophylaxis drugs or therapies

# Questions?

Cade Walker, Policy, Rules, and Compliance Section  
Manager

Employee & Retiree Benefits Division

[Cade.Walker@hca.wa.gov](mailto:Cade.Walker@hca.wa.gov)

**TAB 5**

# Pharmacy Retail Consolidation

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Jenny Switzer  
Senior Account Manager  
Employees and Retirees Benefits Division  
March 21, 2024



# United States Pharmacy Types

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Pharmacy Type	Key Notes
Retail Chains	Mergers & acquisitions 2010-2020 Closures & bankruptcies 2019-Current
Regional Pharmacies (e.g., mass retail, grocers)	Large grocers growing through acquisitions, smaller grocers acquired
Independent Pharmacies	Number of independent pharmacies has decreased by nearly 50% since 1980
Mail-Order & Online Pharmacies	In the past 15 years, many direct-to-consumer online pharmacies have been established

# Uniform Medical Plan (UMP) Network Pharmacy Changes 2019 - 2024

Pharmacy	2019 Count	2024 Count	Difference
Rite Aid Nationwide	2,465	1,728	(737)
Walgreens Nationwide	8,353	8,617	264
Pharmacy Total Nationwide	10,818	10,345	(473)
Network Pharmacies Nationwide	52,497	52,125	(372)
Pharmacy	2019 Count	2023 Count	Difference
Walgreens WA	136	131	(5)
Rite Aid WA	137	100	(37)
Bartell WA	70	44	(26)
Network Pharmacies WA	1,141	1,131	(10)

# Pharmacy Closures

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- ▶ Pharmacies are closing for multiple reasons
  - ▶ Increased competition
  - ▶ Reduced drug reimbursements
  - ▶ Reduced in-person sales during COVID reduced profits
  - ▶ Regulations that require heavier administrative burdens driving up operational costs
  - ▶ Financial impacts as a result of lawsuits relating to opioid drug distribution

# Uniform Medical Plan's Response

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- ▶ Ensuring a comprehensive network for members
  - ▶ 99.99% of urban members had access to a retail pharmacy within 10 miles
  - ▶ 99.85% of suburban members had access to a retail pharmacy within 10 miles
  - ▶ 99.86% of rural members had access to a retail pharmacy within 30 miles
- ▶ Fair pharmacy reimbursements in contracting
  - ▶ No transaction fees are charged to pharmacies
  - ▶ No fees are assessed to pharmacies based on performance outcomes such as medication utilization or adherence

# Rite Aid Bankruptcy

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- ▶ Rite Aid acquisition of Bartell Drugs in 2020
- ▶ In October 2023, Rite Aid filed for bankruptcy
- ▶ In November 2023, Rite Aid and Bartell Drug stores started closing as a result of the bankruptcy
- ▶ First store closure on November 6, 2023
- ▶ The bankruptcy process finalized March 1, 2024

# Washington Store Closures

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- ▶ Auburn – 1 location
  - ▶ 157 UMP PEBB utilizers
- ▶ Belfair – 1 location
  - ▶ 160 UMP PEBB utilizers
- ▶ Bellevue – 1 location
  - ▶ 151 UMP PEBB utilizers
- ▶ Everett – 1 location
  - ▶ 142 UMP PEBB utilizers
- ▶ Federal Way – 1 location
  - ▶ 258 UMP PEBB utilizers
- ▶ Issaquah – 1 location
  - ▶ 219 UMP PEBB utilizers
- ▶ Kent – 1 location
  - ▶ 167 UMP PEBB utilizers
- ▶ Kirkland – 2 locations
  - ▶ 278 UMP PEBB utilizers
- ▶ Lacey – 1 location
  - ▶ 939 UMP PEBB utilizers
- ▶ Lake Stevens – 1 location
  - ▶ 152 UMP PEBB utilizers
- ▶ Marysville – 1 location
  - ▶ 134 UMP PEBB utilizers
- ▶ Seattle – 4 locations
  - ▶ 1926 UMP PEBB utilizers
- ▶ Spokane – 2 locations
  - ▶ 406 UMP PEBB utilizers
- ▶ Tacoma – 1 location
  - ▶ 201 UMP PEBB utilizers
- ▶ Tukwila – 1 location
  - ▶ 236 UMP SEBB utilizers
- ▶ Vancouver – 1 location
  - ▶ 109 UMP PEBB utilizers
- ▶ Walla Walla – 1 location
  - ▶ 250 UMP PEBB utilizers

# Distance to Nearest Network Pharmacies

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- ▶ 21 locations that closed have at least one network pharmacy within a half a mile of the closed location
  - ▶ Everett has a network pharmacy within 0.7 miles
- ▶ 21 locations that closed have at least two network pharmacies within one mile of the closed location
  - ▶ Kirkland has two network pharmacies within 1.1 miles
- ▶ 21 locations that closed have at least three network pharmacies within 2 miles of the closed location
  - ▶ Belfair has two network pharmacies within 0.2 miles, third closest location is 8.6 miles

# Outreach to Members

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- ▶ Letters
  - ▶ Mailed to all impacted PEBB Program members
- ▶ SmartHealth activities
  - ▶ Network pharmacy information
  - ▶ How to transfer prescriptions to a new pharmacy
- ▶ UMP website alert



# Questions?

Jenny Switzer, Senior UMP Pharmacy Account Manager  
Employees and Retirees Benefits Division

[Jenny.Switzer@hca.wa.gov](mailto:Jenny.Switzer@hca.wa.gov)

**TAB 6**

# Behavioral Health Network Adequacy

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Andrea L. Philhower, RN, JD  
Fully Insured Team Manager  
Employees and Retirees Benefits Division  
March 21, 2024

# Actuarial Value

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The percentage of the average costs for covered health care paid by a plan.

**Gold:** approximately 80%

**Silver:** approximately 70%

**Bronze:** approximately 60%

# Access to Behavioral Health Appointments

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## For Covered Mental Health and Substance Use Disorder Treatment Services

- ▶ When a member requests an appointment, the member must be able to make an appointment within:
  - ▶ 10 days
  - ▶ 15 days if the service requires a referral or is specialty care
- ▶ If unable to schedule an appointment within that time, the carrier must assist with scheduling an appointment

# Access to Behavioral Health Appointments (*cont.*)

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- ▶ Requirement is that an appointment be set up within the timeframe, the appointment need not occur within the timeframe
- ▶ Two concepts:
  - ▶ “Time to schedule” means the amount of time a plan has to set up an appointment
  - ▶ “Time to visit” means the amount of time a plan has before the visit must actually occur

# How HCA Monitors

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- ▶ HCA's goal – monitor and improve timely access to mental health care
  - ▶ Behavioral health is a high priority for both PEBB and SEBB Programs
  - ▶ Addressing this in several ways

# How HCA Monitors (*cont.*)

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- ▶ Vendor contracts require results on Consumer Assessment of Healthcare Providers & Systems (CAHPS) measures
  - ▶ Customer satisfaction surveys that measure this across all specialties, not just behavioral health
  - ▶ Include questions about patients' satisfaction with the timeliness of needed services
  - ▶ Results do have financial consequences tied to them



# How HCA Monitors (*cont.*)

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- ▶ Engagement with our vendors about network adequacy
  - ▶ We look at areas where there are questions about network adequacy, including behavioral health
  - ▶ When there is a concern, we have a conversation about what efforts they're making to get more providers
  - ▶ We also have conversations about how we can improve access to care

# How OIC Monitors Complaints

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- ▶ Office of the Insurance Commissioner (OIC) Consumer Advocacy has received 29 complaints of suspected violations of the network access general standard (Washington Administrative Code [WAC] 284-170-200) since 2018
  - ▶ This is about six complaints a year
- ▶ OIC must post a report of complaints about problems accessing mental health or substance use disorder services within the 10/15 day time to schedule standard during the prior year (WAC 284-170-285(6))

# Carrier Complaints Reported to OIC

Carrier	2020 Complaints	2021 Complaints	2022 Complaints
Community Health Plan of Washington (CHPW)			1
Coordinated Care		1	1
Kaiser Permanente of the Northwest	1		1
Kaiser Permanente of Washington	1	1	2
Molina			3
Premera			1
Regence		1	1

# RCW 48.43.790

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- ▶ New 2022 statute
- ▶ Beginning January 1, 2023, health plans must make next-day appointments available to enrollees who dial 988 experiencing urgent, symptomatic behavioral health conditions
- ▶ A person needs “urgent symptomatic care” if they are having behavioral health signs or symptoms that require immediate attention, but are not emergent

# RCW 48.43.790 (*cont.*)

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- ▶ Appointment may be:
  - ▶ With a licensed provider who is not a licensed behavioral health professional, as long as that provider is acting within their scope of practice
  - ▶ Provided through telemedicine
  - ▶ Scheduled for later if the person cannot make a next day appointment

# RCW 48.43.790

## Implementation Challenges

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- ▶ When a person calls 988, the focus of the triage teams, mobile centers, and hotline are to get that person help immediately
- ▶ They do not ask for insurance information
  - ▶ The opportunity to collect insurance information comes if the person needs a next day appointment, and if they attend it
  - ▶ Challenge: A large percentage of issues are resolved during the 988 call itself

# Network Access Form D

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- ▶ Carriers are required to report on compliance with the next-day appointment requirement
- ▶ Required by the 5th of each month
- ▶ Currently being received but not yet accurate – commercial market standup not yet complete

# RCW 48.43.790

## KPWA & KPNW

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- ▶ Kaiser Foundation Health Plan of Washington (KPWA) and Kaiser Foundation Health Plan of the Northwest (KPNW) both have same day or next day access and an audit process in place to ensure they're meeting the requirements
- ▶ The companies also offer a number of other ways to access behavioral health support



# Questions?

Andrea Philhower  
Fully Insured Team Manager  
Employees and Retirees Benefits Division  
[Andrea.Philhower@hca.wa.gov](mailto:Andrea.Philhower@hca.wa.gov)

**TAB 7**

# Policy and Rules Development

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Stella Ng  
Policy & Rules Coordinator  
Employee and Retiree Benefits Division

Emily Duchaine  
Regulatory Analyst  
Employee and Retiree Benefits Division  
March 21, 2024

# RCW 41.05.065(4)

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(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 41.05.080 (1) and (3)

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(1) Under the qualifications, terms, conditions, and benefits set by the public employees' benefits board:

(a) Retired or disabled state employees, retired or disabled school employees, retired or disabled employees of county, municipal, or other political subdivisions, or retired or disabled employees of tribal governments covered by this chapter may continue their participation in insurance plans and contracts after retirement or disablement;

(b) Separated employees may continue their participation in insurance plans and contracts if participation is selected immediately upon separation from employment;

(c) Surviving spouses, surviving state registered domestic partners, and dependent children of emergency service personnel killed in the line of duty may participate in insurance plans and contracts.

(3) Rates charged to surviving spouses and surviving state registered domestic partners of emergency service personnel killed in the line of duty, retired or disabled employees, separated employees, spouses, or children who are eligible for parts A and B of medicare shall be calculated from a separate experience risk pool comprised only of individuals eligible for parts A and B of medicare; however, the premiums charged to medicare-eligible retirees and disabled employees shall be reduced by the amount of the subsidy provided under RCW 41.05.085.

# Introduction of Proposed Resolutions

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PEBB 2024-01 through  
PEBB 2024-10

PEBB dual enrollment  
prohibition (PEBB Program  
vision)

PEBB 2024-11

Amending 2022-04  
Deferring PEBB retiree  
insurance coverage

# Dual Enrollment Prohibition

## PEBB Program Vision Bundle

### Ten Resolutions

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- ▶ **Amending PEBB 2021-02, PEBB 2021-03, PEBB 2021-04, PEBB 2021-06, PEBB 2021-08, PEBB 2021-09, and PEBB 2021-25** to include “PEBB vision”
- ▶ **Amending PEBB 2021-05 and PEBB 2021-07** to address how dual enrollment is resolved when an employee, or an employee’s dependent, is dual enrolled in medical, or in both programs without medical
- ▶ **Rescinding PEBB 2022-02:** Employees may waive enrollment in dental

# Dual Enrollment Prohibitions and Vision Benefit Premiums

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- ▶ RCW 41.05.742 limits individuals to a single enrollment in medical, dental, and vision plans in either the school employees' benefits board or the public employees' benefits board
- ▶ As of January 2025, in both the PEBB and SEBB programs the employer pays the entire vision benefit premium
- ▶ When we say “employee” we mean a PEBB employee; when we say “school employee” we mean a SEBB employee



# Proposed Resolution PEBB 2024-01

## Amending Resolution PEBB 2021-02

### Employees may waive enrollment in medical

---

An employee who is eligible for the employer contribution toward PEBB benefits may waive their enrollment in a medical plan if they are enrolled in other employer-based group medical.

Exception: An employee may waive their enrollment in a PEBB medical plan to enroll in a SEBB medical plan only if they are enrolled in a SEBB dental plan and SEBB vision plan. In doing so, the employee also waives their enrollment in PEBB dental and PEBB vision.

# Proposed Resolution PEBB 2024-02

## Amending Resolution PEBB 2021-03 PEBB benefit enrollment requirements when SEBB benefits are waived

---

A school employee who waives SEBB medical, SEBB dental, and SEBB vision for PEBB medical must be enrolled in a PEBB dental plan and a PEBB vision plan. If necessary, they will be automatically enrolled in the associated subscriber's PEBB dental plan and PEBB vision plan.

# Proposed Resolution PEBB 2024-03

## Amending Resolution PEBB 2021-04 Resolving dual enrollment when an employee's only medical enrollment is in SEBB

---

If the employee is enrolled only in PEBB dental and PEBB vision, and is also enrolled in SEBB medical, and no action is taken to resolve their dual enrollment, the employee will remain in their SEBB benefits and they will be auto-disenrolled from the PEBB dental plan and PEBB vision plan in which they are enrolled. The employee's enrollments in PEBB life, AD&D, and LTD will remain.

# Proposed Resolution PEBB 2024-04

## Amending Resolution PEBB 2021-05 Resolving dual enrollment when an employee's only medical enrollment is in SEBB

---

If the employee is enrolled in PEBB medical as an employee and is also enrolled in SEBB medical as a school employee, and the employee has been enrolled in SEBB benefits longer than they've been enrolled in PEBB benefits, but no action is taken by the employee to resolve their dual enrollment, they will remain in their SEBB benefits and will be auto-disenrolled from their PEBB medical ~~and~~, PEBB dental, and PEBB vision plans. The employee's enrollments in PEBB Life, AD&D, and LTD will remain. If an employee is not enrolled in any medical but is enrolled ~~only~~ in PEBB dental, PEBB vision, SEBB dental, and SEBB vision (~~with or without SEBB dental~~), the employee will be kept in SEBB benefits and auto-disenrolled from PEBB dental benefits.

# Example

## Proposed Resolution SEBB 2024-04

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**Example:** Paolo has been a part time nurse at Timberline High School since 2020. His wife works for Boeing, so he waived his SEBB medical to enroll in medical under her plan. He is enrolled in SEBB dental and SEBB vision.

In 2025, he gets a part-time job at Western State Hospital and is eligible for PEBB benefits. He continues to work at Timberline High School. He waives PEBB medical but does not correctly waive PEBB dental and PEBB vision, so he is defaulted into PEBB dental and PEBB vision. Now he is dual-enrolled.

# Example (*cont.*)

## Proposed Resolution SEBB 2024-04

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Paolo does not act in response to attempts from HCA asking him to affirmatively choose enrollment in either the PEBB or SEBB plan(s).

- ▶ How does HCA resolve the school employee's dual enrollment? Paolo will be kept in SEBB dental and SEBB vision and will be auto-disenrolled from PEBB dental and PEBB vision.

# Proposed Resolution PEBB 2024-05

## Amending Resolution PEBB 2021-06 Resolving dual enrollment involving a PEBB dependent with multiple medical enrollments

---

If an employee's dependent is enrolled in any PEBB benefits and the dependent is also a SEBB eligible school employee who is enrolled in SEBB medical as a school employee, and no action is taken by either the employee or the dependent to resolve the dependent's dual enrollment, the dependent will remain in SEBB benefits and will be auto-disenrolled from the employee's PEBB medical, dental, and/or dental vision plans in which they are enrolled.

# Proposed Resolution PEBB 2024-06

## Amending Resolution PEBB 2021-07 Resolving dual enrollment involving a member with multiple medical enrollments as a dependent

---

If an employee's dependent is enrolled in both PEBB medical and SEBB medical as a dependent and has been enrolled in SEBB benefits longer than they have been enrolled in PEBB benefits, but no action is taken to resolve the dual enrollment, the dependent will remain in SEBB benefits and will be auto-disenrolled from the employee's PEBB medical, dental, and/or dentalvision plans if they are enrolled.

If an employee's dependent is not enrolled in any medical but is enrolled only in both a PEBB and SEBB dental and/or and SEBB-vision (with or without SEBB dental) plan as a dependent, the dependent will be kept in SEBB benefits and auto-disenrolled from PEBB dentalbenefits.

Exception: If there is a National Medical Support Order or a court order in place, enrollment will be in accordance with the order.



# Proposed Resolution PEBB 2024-07

## Amending Resolution PEBB 2021-08 PEBB benefit automatic enrollments when SEBB benefits are auto-disenrolled

---

If an employee's dependent, who is also a school employee, ~~who~~ was auto-disenrolled from their SEBB dental and SEBB vision as a result of SEBB Board Resolution 2021-04, the employee's dependent will be automatically enrolled in the employee's PEBB dental plan and PEBB vision plan, if they are not already enrolled.

# Proposed Resolution PEBB 2024-08

## Amending Resolution PEBB 2021-09 Enrollment Requirements When An Employee Loses Dependent Coverage In SEBB Benefits

---

If an employee who is eligible for the employer contribution towards PEBB benefits was enrolled as a dependent in SEBB benefits and is dropped by the SEBB subscriber, HCA will notify the employee of their removal from the SEBB subscriber's account and that they have experienced a special enrollment event. The employee will be required to return from waive status and elect PEBB medical ~~and,~~ PEBB dental, and PEBB vision. If the employee's employing agency does not receive the ~~school~~ employee's required forms indicating their medical ~~and,~~ dental, and vision elections within sixty days of the employee losing SEBB benefits, they will be defaulted into employee-only PEBB medical, ~~and~~ PEBB dental, and PEBB vision.

# Proposed Resolution PEBB 2024-09

## Amending Resolution PEBB 2021-25 PEBB Continuation Coverage Eligibility for Employees' Dependents

---

If an employee's dependent was auto disenrolled from PEBB dental and PEBB vision because the employee was auto disenrolled from PEBB benefits to remain in SEBB benefits, the dependent may elect to enroll in PEBB dental and PEBB vision. These benefits will be provided for a maximum of 36 months on a self-pay basis.

# Proposed Resolution PEBB 2024-10

## Rescinding Resolution PEBB 2022-02

### Employees may waive enrollment in dental

---

PEBB 2022-02 states: “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 2024-11

## Amending 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 or SEBB benefits. The subscriber will be exempt from the deferral form requirement.

# Next Steps

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- ▶ Incorporate Board feedback in the proposed policies
- ▶ Submit feedback to [HCAPEBSEBBoardPolicyFeedback@hca.wa.gov](mailto:HCAPEBSEBBoardPolicyFeedback@hca.wa.gov) by April 1, 2024
- ▶ Bring recommended proposed policy resolutions to the Board for action at the April 11, 2024 Board meeting

# Questions?

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# Appendix





# Resolution PEBB 2021-02

## Employees may waive enrollment in medical

---

**(as passed on 4/14/2021)**

**Resolved that**, effective January 1, 2022, the Waiver of Coverage policy, as adopted in May 1995, is rescinded and is replaced with the following: An employee who is eligible for the employer contribution toward PEBB benefits may waive their enrollment in a medical plan if they are enrolled in other employer-based group medical. Exception: An employee may waive their enrollment in a PEBB medical plan to enroll in a SEBB medical plan only if they are enrolled in a SEBB dental plan and SEBB vision plan. In doing so, the employee also waives their enrollment in PEBB dental.

# Resolution PEBB 2021-03

## PEBB benefit enrollment requirements when SEBB benefits are waived

---

**(as passed on 4/14/2021)**

**Resolved that,** a school employee who waives SEBB medical, SEBB dental, and SEBB vision for PEBB medical must be enrolled in a PEBB dental plan. If necessary, they will be automatically enrolled in the associated subscriber's PEBB dental plan.

# Resolution PEBB 2021-04

## Resolving dual enrollment when an employee's only medical enrollment is in SEBB

---

**(as passed on 4/14/2021)**

**Resolved that**, if the employee is enrolled only in PEBB dental, and is also enrolled in SEBB medical, and no action is taken to resolve their dual enrollment, the employee will remain in their SEBB benefits and they will be auto-disenrolled from the PEBB dental plan in which they are enrolled. The employee's enrollments in PEBB life, AD&D, and LTD will remain.

# Resolution PEBB 2021-05

## Resolving dual enrollment involving dual subscriber eligibility

---

**(as passed on 4/14/2021)**

**Resolved that,** if the employee is enrolled in PEBB medical as an employee and is also enrolled in SEBB medical as a school employee, and the employee has been enrolled in SEBB benefits longer than they've been enrolled in PEBB benefits, but no action is taken by the employee to resolve their dual enrollment, they will remain in their SEBB benefits and will be auto-disenrolled from their PEBB medical and PEBB dental plans. The employee's enrollments in PEBB Life, AD&D, and LTD will remain. If an employee is not enrolled in any medical but is enrolled only in PEBB dental and SEBB vision (with or without SEBB dental), the employee will be kept in SEBB benefits and auto-disenrolled from PEBB dental.

# Resolution PEBB 2021-06

## Resolving dual enrollment involving a PEBB dependent with multiple medical enrollments

---

**(as passed on 4/14/2021)**

**Resolved that,** if an employee's dependent is enrolled in any PEBB benefits and the dependent is also a SEBB eligible school employee who is enrolled in SEBB medical as a school employee, and no action is taken by either the employee or the dependent to resolve the dependent's dual enrollment, the dependent will remain in SEBB benefits and will be auto-disenrolled from the employee's PEBB medical and/or dental plans in which they are enrolled.

# Resolution PEBB 2021-07

## Resolving dual enrollment involving a member with multiple medical enrollments as a dependent

---

**(as passed on 4/14/2021)**

**Resolved that,** if an employee's dependent is enrolled in both PEBB medical and SEBB medical as a dependent and has been enrolled in SEBB benefits longer than they have been enrolled in PEBB benefits, but no action is taken to resolve the dual enrollment, the dependent will remain in SEBB benefits and will be auto-disenrolled from the employee's PEBB medical and/or dental plans if they are enrolled.

If an employee's dependent is not enrolled in any medical but is enrolled only in PEBB dental and SEBB vision (with or without SEBB dental) as a dependent, the dependent will be kept in SEBB benefits and auto-disenrolled from PEBB dental.

Exception: If there is a National Medical Support Order or a court order in place, enrollment will be in accordance with the order.

# Resolution PEBB 2021-08

## PEBB benefit automatic enrollments when SEBB benefits are auto-disenrolled

---

**(as passed on 4/14/2021)**

Resolved that, if an employee's dependent, who is also a school employee who was auto-disenrolled from their SEBB dental and SEBB vision as a result of SEBB Board Resolution 2021-04, the employee's dependent will be automatically enrolled in the employee's dental plan if they are not already enrolled.

# Resolution PEBB 2021-09

## Enrollment requirements when an employee loses dependent coverage in SEBB benefits

---

**(as passed on 4/14/2021)**

**Resolved that**, if an employee who is eligible for the employer contribution towards PEBB benefits was enrolled as a dependent in SEBB benefits and is dropped by the SEBB subscriber, HCA will notify the employee of their removal from the SEBB subscriber's account and that they have experienced a special enrollment event. The employee will be required to return from waive status and elect PEBB medical and PEBB dental. If the employee's employing agency does not receive the school employee's required forms indicating their medical and dental elections within sixty days of the employee losing SEBB benefits, they will be defaulted into employee-only PEBB medical and PEBB dental.



# Resolution PEBB 2021-25

## PEBB Continuation Coverage Eligibility for Employees' Dependents

---

**(as passed on 7/14/2021)**

**Resolved that**, if an employee's dependent was auto disenrolled from PEBB dental because the employee was auto disenrolled from PEBB benefits to remain in SEBB benefits, the dependent may elect to enroll in PEBB dental. These benefits will be provided for a maximum of 36 months on a self-pay basis.

# Resolution PEBB 2022-02

## Employees may waive enrollment in dental

---

**(as passed on 4/14/2022)**

**Resolved that,** 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.

# Resolution PEBB 2022-04

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

---

**(as passed on 04/14/2022)**

**Resolved that,** 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.

# Resolution SEBB 2021-04 (as passed on 4/7/2021) Resolving Dual Enrollment When A School Employee's Only Medical Enrollment Is In PEBB

---

Resolved that, if the school employee is enrolled only in SEBB dental and SEBB vision, and is also enrolled in PEBB medical, and no action is taken to resolve their dual enrollment, the school employee will remain in their PEBB benefits and they will be auto-disenrolled from the SEBB dental and vision plans in which they are enrolled. The school employee's enrollments in SEBB life, AD&D, and LTD will remain.

**TAB 8**

# Vision Benefit Design Implementation

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Beth Heston  
Procurement Manager  
Employee and Retiree Benefits Division

Stella Ng  
Policy and Rules Coordinator  
Employee and Retiree Benefits Division

March 21, 2024

# Objectives

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- ▶ Raise general awareness of vision benefit coverage for Employees and non-Medicare retirees
- ▶ Talk about PEBB Program vision benefit change
- ▶ Discuss communication plan for members about changes for 2025
- ▶ Introduce proposed fully-insured vision plans resolutions

# Background on Vision Benefits

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- ▶ The PEBB Program's vision benefit has been a portion of employee-paid medical coverage since it was introduced to the employee portfolio
- ▶ In 2018, when staff did analysis for introducing the SEBB Program, we determined that most K-12 program portfolios – particularly the Washington Education Association (WEA) portfolio – had a mandatory standalone vision benefit
- ▶ For the SEBB Program, we procured three standalone vision carrier plans to offer a vision benefit
  - ▶ These three carriers provide statewide coverage and a choice of plans in as many counties as possible



# Proposed Changes for the PEBB Program

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- ▶ During the launch of the SEBB Program, HCA's procurements and contracts were crafted to allow the results to be leveraged for both the PEBB and SEBB Programs
- ▶ During the 2023 Legislative session, the state budget modeling assumed an **employer-paid** standalone vision benefit would be implemented for the PEBB Program in 2025
- ▶ Beginning in January 2025, we hop to offer the same vision benefits in both the PEBB and SEBB Programs

# Medical Benefits for Eye Disease

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- ▶ Some eye-related conditions have always been handled under a subscriber's medical benefits:
  - ▶ Treatment of infection and injury to the eye
  - ▶ All eye surgery
  - ▶ Monitoring and treatment of diseases like
    - ▶ Glaucoma
    - ▶ Cataracts
    - ▶ Diabetic Retinopathy
- ▶ These conditions will continue to be covered by PEBB medical plans

# Vision Benefit for Employees and non-Medicare Retirees

---

- ▶ What is covered in the standalone benefit?
  - ▶ A yearly routine eye exam for members
  - ▶ Dependents 19 and under receive a pair of glasses (or contacts in lieu of glasses) every year
  - ▶ **\$200** every two years to be spent on a pair of glasses (frame and lenses) or contact lenses in lieu of frame and lenses, beginning 2025.
  - ▶ Beginning in 2025, the two-year benefit reset occurs **in numerically-odd years** (2025, 2027, 2029, etc.)

# PEBB Vision Plans Lens Enhancements

## Member Costs

Enhancement	Davis Vision	EyeMed Vision	MetLife Vision
Anti-reflective coating	\$35 to \$85	\$45 to \$85 (\$5)*	\$41 to \$85
Scratch-resistant	\$0	\$0 (\$5)*	\$17 to \$33
Polycarbonate	\$30	\$40	\$31 to \$35
Photochromic/transitions	\$65	\$75	\$47 to \$82
Polarized	\$75	80% of retail price	80% of retail price
Tinting	\$0	\$15	\$17 to \$44
UV treatment	\$12	\$15	\$0

\*Amounts in parentheses indicate the highest amount the plan pays out-of-network.

# Pediatric Vision Coverage

	Davis Vision	EyeMed Vision	MetLife Vision
Routine Eye Exam	\$0 (\$40)*	\$0 (\$90)*	\$0 (\$45)*
Frames	\$0 up to \$200, then 80% of balance (\$50)*; or \$0 at Visionworks or for any of the Davis Vision Frame Collection	\$0 up to \$150, then 80% of balance (\$75)*	\$0 up to \$150, then 80% of balance (\$70)*; or \$85 allowance at Costco, Walmart, or Sam's Club
Lenses	\$0 (single \$40; bifocal \$60; trifocal \$80; lenticular \$100)*	\$0 (single \$25; bifocal \$35; trifocal \$53; lenticular \$53)*	\$0 (single \$30; bifocal \$50; trifocal \$65; lenticular \$100)*
Progressive Lenses	\$50 to \$175	\$0 to \$175 (\$40)*	\$0 to \$175 (\$50)*

\*Amounts in parentheses indicate the highest amount the plan pays out-of-network.

# Pediatric Lens Enhancements

Enhancement	Davis Vision	EyeMed Vision	MetLife Vision
Anti-reflective coating (depends on level of coating)	\$35 to \$85	\$45 to \$85 (\$5)	\$41 to \$85
Scratch-resistant	\$0	\$0 (\$8)	\$0
Polycarbonate	\$0	\$0 (\$20)	\$0
Photochromic/transitions	\$0	\$75	\$47 to \$82
Polarized	\$75	\$0	\$0
Tinting	\$0	\$15	\$17 to \$44
UV treatment	\$0	\$15	\$0

\*Amounts in parentheses indicate the highest amount the plan pays out-of-network.

# In-Network Retail Locations

---

- ▶ In addition to local providers' offices:
  - ▶ **Davis Vision by MetLife:** America's Best, Costco Optical, Sam's Club, Visionworks, and Walmart
  - ▶ **EyeMed Vision:** LensCrafters, Pearle Vision, and Target Optical, and many others
  - ▶ **MetLife Vision:** America's Best, Costco Optical, Pearle Vision, Sams Club, Visionworks, and Walmart

# Communications Plan

## Audiences

---

- ▶ All PEBB Program non-Medicare members
- ▶ PEBB Program benefits administrators
- ▶ PEBB Program medical carriers
- ▶ Vision carriers
- ▶ Stakeholders (including labor coalitions, retiree associations)



# Communications Plan

## Schedule and Methods

---

### ▶ Spring 2024

- ▶ Announcement to benefits administrators
- ▶ Internal HCA FAQ on SharePoint
- ▶ Article in May *For Your Benefit* newsletters
- ▶ Announcement on HCA website news page
- ▶ Social media posts

### ▶ Summer 2024

- ▶ Inform PEBB Program labor coalition about the change
- ▶ Postcard #1
- ▶ Social media posts

# Communications Plan (*cont.*)

## Schedule and Methods

---

### ▶ Fall 2024

- ▶ October *For Your Benefit* newsletter article
- ▶ Forwardable message for benefits administrators and stakeholders
- ▶ Postcard #2
- ▶ Benefit Fairs

### ▶ December 2024

- ▶ Letters with information about default plan and right to appeal

# Proposed Resolutions

# Introduction of Proposed Resolutions

---

PEBB 2024-12	Fully insured vision plans
PEBB 2024-13	Default enrollment if an employee did not enroll in a PEBB vision plan during the annual open enrollment in 2024
PEBB 2024-14	Non-Medicare retiree requirement

# Introduction of Proposed Resolutions (*cont.*)

---

PEBB 2024-15      Amending PEBB 2021-12  
(PEBB 2020-04 Default  
enrollment for an employee  
who fails to make a timely  
election)

PEBB 2024-16      Amending PEBB Policy  
Resolution "Error Correction"  
adopted on July 16, 2014

# Proposed Resolution 2024-12

## Fully Insured Vision Plans

---

The benefit design for the embedded refraction vision exam and hardware coverage for Employees and non-Medicare Retirees included in prior Board Policy decisions and resolutions is rescinded and replaced with the following:

Beginning January 1, 2025, the PEBB Program will offer standalone fully-insured vision plans by EyeMed Vision, Davis Vision, and MetLife Vision as presented at the March 21, 2024, Board meeting.

# Proposed Resolution PEBB 2024-13

## Default enrollment if an employee did not enroll in a PEBB vision plan during the annual open enrollment in 2024

---

All employees who are eligible for the employer contribution towards PEBB benefits as of December 31, 2024 and did not make an election during an enrollment period established by the Health Care Authority in 2024, will be auto-enrolled in a PEBB vision plan as designated by the director or designee effective date of January 1, 2025. Any dependents on the account that are enrolled in PEBB medical will be enrolled in the same PEBB vision plan as the subscriber.

# Proposed Resolution PEBB 2024-14

## Non-Medicare Retiree Enrollment Requirement

---

A non-Medicare retiree must enroll in medical to be able to enroll in dental, in vision, or in both dental and vision.



# Proposed Resolution PEBB 2024-15

## Amending PEBB 2021-12 (Amending Resolution PEBB 2020-04 Relating to Default Enrollments for an employee who fails to make a timely election)

---

Amending PEBB 2021-12 to read:

The default election for an eligible employee who fails to timely elect coverage will be as follows:

- Enrollment in employee-only medical coverage;
- Enrollment in employee-only dental coverage;
- Enrollment in employee-only vision coverage;
- Enrollment in basic life insurance;
- Enrollment in basic AD&D;
- Enrollment in employer-paid long-term disability insurance; and
- Enrollment in employee-paid long-term disability insurance at the 60% coverage level.

# Proposed Resolution PEBB 2024-16

## Amending PEBB Policy Resolution

### “Error Correction” adopted on July 16, 2014

If an employing agency fails to enroll an employee in benefits, medical, ~~and~~ dental, and vision enrollment will be effective the first day of the month following the date the enrollment error is identified, unless the Health Care Authority determines additional recourse is warranted. If the enrollment error is identified on the first day of the month, enrollment is effective that day.

# Next Steps

---

- ▶ Incorporate Board feedback in the proposed policies
- ▶ Submit feedback to [HCAPEBSEBBoardPolicyFeedback@hca.wa.gov](mailto:HCAPEBSEBBoardPolicyFeedback@hca.wa.gov) by April 1, 2024
- ▶ Bring recommended proposed policy resolutions to the Board for action at the April 11, 2024 Board meeting

# Questions?

Beth Heston, Procurement Manager  
Employee and Retiree Benefits Division

[Beth.Heston@hca.wa.gov](mailto:Beth.Heston@hca.wa.gov)

Stella Ng, Policy and Rules Coordinator  
Employees and Retirees Benefits Division

[Stella.Ng@hca.wa.gov](mailto:Stella.Ng@hca.wa.gov)

# Appendix

# Policy Resolution

## Error Correction

---

**(as adopted on 7/16/2014)**

**Resolved that**, if an employing agency fails to enroll an employee in benefits, medical and dental enrollment will be effective the first day of the month following the date the enrollment error is identified, unless the Health Care Authority determines additional recourse is warranted. If the enrollment error is identified on the first day of the month, enrollment is effective that day.

# PEBB 2021-12

## Amending Resolution PEBB 2020-04 Relating to Default Enrollments for an employee who fails to make a timely election

(as adopted on 4/14/2021)

**Resolved that,** Amending PEBB 2020-04 to read:  
The default election for an eligible employee who fails to timely elect coverage will be as follows:

- Enrollment in employee-only medical coverage;
- Enrollment in employee-only dental coverage;
- Enrollment in basic life insurance;
- Enrollment in basic AD&D;
- Enrollment in employer-paid long-term disability insurance; and
- Enrollment in employee-paid long-term disability insurance at the 60% coverage level.

**TAB 9**



# SmartHealth Update

---






Kristen Stoimenoff  
Washington Wellness Manager  
Employees and Retirees Benefits Division  
March 21, 2024

# Transition Overview

---

- ▶ As of January 2, 2024, WebMD is the new SmartHealth vendor
- ▶ Key changes
  - ▶ Shift to WebMD web-based platform
  - ▶ Shift to WebMD “Wellness at Your Side” mobile app
  - ▶ New features and opportunities to qualify for the \$125 wellness incentive
- ▶ Staying the same
  - ▶ SmartHealth name
  - ▶ SmartHealth URL – [www.smarthealth.hca.wa.gov](http://www.smarthealth.hca.wa.gov)
  - ▶ Incentive requirements and deadlines

# Program Participation 2022-2023

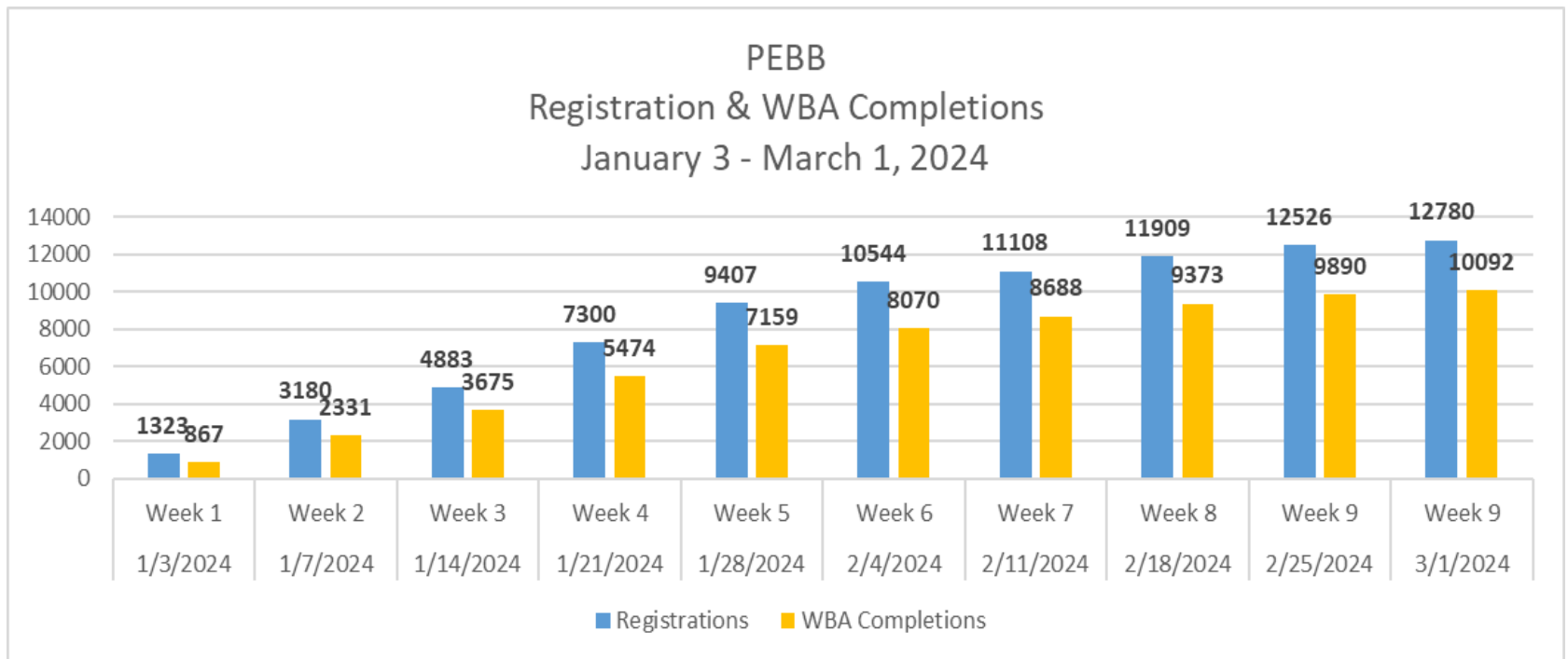
	 Registration	 Assessment	 Incentive	 Participation	 Satisfaction
<b>2022</b>	70,727	25,497 (36%)	17,488 (25%)	37%	4.2/5
<b>2023</b>	68,895	24,474 (36%)	17,000 (25%)	37%	4.1/5

# Launch Experience

---

- ▶ The new SmartHealth launched on January 2, 2024
- ▶ Communications sent
  - ▶ Email to members from the Public Employees Benefits Board (PEBB) Program
  - ▶ Email from wellness coordinators & benefits administrators to employees
  - ▶ Home mailer to all eligible SEBB & PEBB Program members
- ▶ Data as of March 1
  - ▶ 12,780 PEBB Program subscribers registered
    - ▶ 10,092 completed well-being assessment (WBA)
    - ▶ 551 calls, 523 emails (SEBB & PEBB Programs combined)

# Registration & Well-being Assessment Completion Trends



# Most-Used Features

## PEBB Program

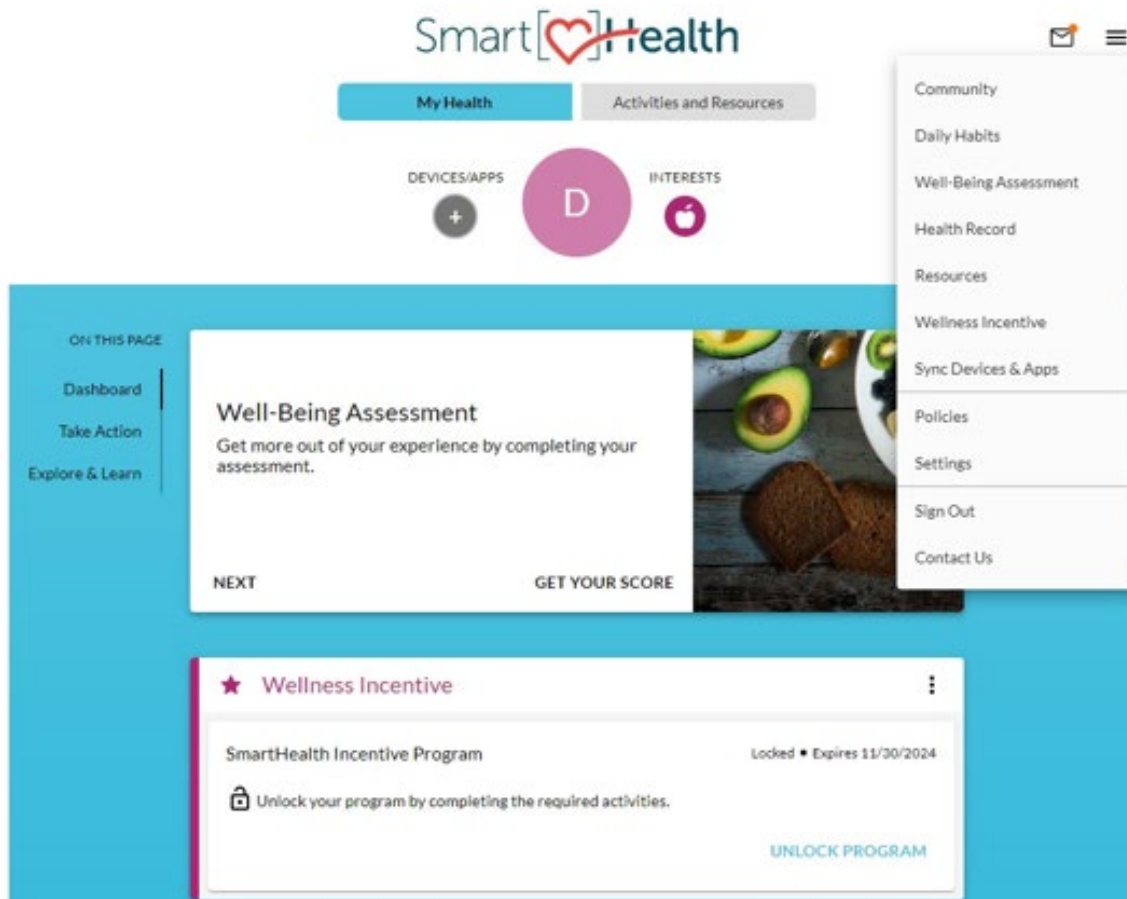
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- ▶ As of March 1, registered PEBB Program members are using the following within the SmartHealth platform
  - ▶ Well-being Assessment – 79%
  - ▶ Wellness At Your Side app – 24%
  - ▶ Trackers – 19%
  - ▶ Device Connection Center – 8%
  - ▶ Health Record – 8%

# 2024 SmartHealth Program Overview



# Navigating SmartHealth



## Menu Bar:

- ❖ Community
- ❖ Daily Habits
- ❖ Well-being Assessment
- ❖ Health Record
- ❖ Resources
- ❖ Wellness Incentive
- ❖ Sync Devices & Apps



My Health

Activities and Resources

DEVICES/APPS



INTERESTS



ON THIS PAGE

Dashboard

Take Action

Explore & Learn

## Diabetes

Take steps to prevent diabetes complications.



NEXT

PUT A PLAN IN ACTION

### ★ Wellness Incentive



SmartHealth Incentive Program

Expires 11/30/2024

2,150 Points

★ Earn your next Milestone in 1,850 Points



CONTINUE

### Daily Habits

**Today's Status**

Work Life Balance

+ Add A New Plan

Today's Status

0

MISSED

6/6

TODAY

9

UPCOMING

### Health Trackers

**Exercise**

5 hours ago

**45 mins**

**Steps**

a day ago


**8,352 steps**

FILTER

## THINGS I'M WORKING ON

**Community Group**

**Connect with the Community**  
Check in with your Community and see what you've missed.




**CONNECT**

**WorkLifeBalance**

**Progress Recorded!**  
Consistency is the key to change and today you're on track!

**VIEW PROGRESS**



**Great job!**  
You finished your assessment and you're on the way to well-being!


**VIEW RESULTS**

# Well-Being Assessment

Well-being assessment | *Results*

↓ DOWNLOAD REPORT ▾

### Wellness Score




76  
Out of 100

[Learn more about your score](#)

**TAKE IT AGAIN**


### TOP ITEMS FOR IMPROVEMENT

#### Asthma




High Risk

#### Coronary Heart Disease



High Risk


#### Diabetes - Type 2



High Risk

### Your score went up!


You have raised your score to 76. Your last score was 71 on 12/14/23. Prior to that, your score was 73 on 12/7/23.



Last score was 71

### The average score is 70

You scored better than the average person your age.



Average person

## TAKE ACTION

These important well-being activities help you maintain your healthiest you

### Diabetes



Take steps to prevent diabetes complications.

**PUT A PLAN IN ACTION**

### Asthma



Take an active role in your asthma care and help prevent future attacks.

**TAKE CONTROL**

# Welcome to SmartHealth

## CORE ACTIVITIES



### Well-being Assessment

Complete the well-being assessment to unlock your incentive program.

800 POINTS

GO NOW



### Daily Habits

Start and track to completion, one of several Daily Habit Plans.

150 POINTS

START A PLAN



### Sync Your Device

Keep track of activity! Sync your device with WebMD and earn 50 Points.

50 POINTS

LET'S GO!



### Join a Community Group

Join a Community Group and interact with your peers by posting comments.

25 POINTS

GO NOW



### Join the Million Steps Challenge

Track 1 million steps in 2024.

200 POINTS

SEE YOUR PROGRESS



### Wellness at Your Side

Download the WAYS app to access your SmartHealth account on your mobile device!

50 POINTS

DOWNLOAD NOW

# BENEFIT ACTIVITIES



**How do I find my \$125?**  
Find your Kaiser Permanente WA \$125 wellness incentive.

**125 POINTS**                      **LEARN HOW**



**Learn About MetLife Advantages**  
Review the MetLife Advantages overview.

**100 POINTS**                      **LEARN MORE**



**Get an Annual Eye Exam-MetLife Vision**  
To complete this, get an eye exam.

**100 POINTS**                      **FIND A PROVIDER**



**Find a Vision Provider-MetLife Vision**  
Find a vision provider.

**100 POINTS**                      **LEARN HOW**



**Protect Your Loved Ones' Future**  
Review your life and AD&D insurance.

**150 POINTS**                      **LEARN MORE**



**Who is your life insurance beneficiary?**  
Review your beneficiary designations.

**100 POINTS**                      **REVIEW NOW**



**Create a MySmile Account-DeltaCare**  
Create a MySmile account online.

**100 POINTS**                      **LEARN MORE**



**Preventive Dental Visit-DeltaCare**  
See your dentist for preventive care.

**100 POINTS**                      **LEARN MORE**







**Cancer Screenings-Kaiser Permanente WA**  
Learn about cancer screenings.




**50 POINTS**                      **LEARN MORE**

# EARN POINTS

Complete the following by November 30, 2024.

 Overall Well-being	Earn up to 1,400 Points You've earned 800/1,400 Points	▼
Physical Well-being	Earn up to 300 Points	▼
 Social Well-being	Earn a maximum of 300 Points You've earned 75/300 Points	▼
 Kaiser Permanente WA Activities	Earn up to 1,325 Points You've earned 625/1,325 Points	▼
 MetLife Activities	Earn up to 350 Points You've earned 250/350 Points	▼

# COMPLETED

 Required Activity	 Milestone Program unlocked!
You completed this on 12/8/2023	
 Dental Wellness	★ 200 Points earned
You completed this on 12/7/2023	
 Vision Wellness	★ 200 Points earned
You completed this on 12/7/2023	

## Explore

Your Personalized Content Hub

All Your Pins

Article  
**What Causes Obesity? More Science Points to the Brain**  
A new way of looking at a misunderstood disease is revolutionizing treatments and transforming lives.



Article  
The  
W



Article  
Re  
Pr  
Ea



Video  
Niacin (Vitamin B3)



Video  
What Is a Rotator Cuff Tear?

- Community
- Content Hub**
- Daily Habits
- Well-being assessment
- Health Record
- Resources
- Wellness Incentive
- Sync Devices & Apps
- Policies
- Settings
- Sign Out
- Contact Us

### Today's Feed



Video



Filter By Topic

Interests & Conditions

Exercise

High Cholesterol

Nutrition

# Welcome to the Community!


Find support, offer encouragement, and work toward goals together.



Activity      **My Groups**      Discover


- Community
- Content Hub
- Daily Habits
- Well-being assessment
- Health Record
- Resources
- Wellness Incentive
- Sync Devices & Apps
- Policies
- Settings
- Sign Out
- Contact Us

## My Groups

 Exercise

**Be Active**

Share your workouts and connect with others around staying active.



VISIT


 Social Wellbeing

**Be Social**

Connect and collaborate with others on ways to stay social.




VISIT


 Nutrition

**Eat Well**

Join other foodies to eat healthy and share favorite recipes.




VISIT


 From Sponsor

**General**

View important announcements for all Community members.




VISIT


 Weight

**Healthy Weight**

Collaborate with others as you move toward your weight goals.




VISIT


 Healthy Aging

**Joyful Longevity**

Connect with others who care about healthy aging and living a balanced life.




VISIT


 Sleep

**Sleep Tight**

Find support and learn what others are doing to stay rested.




VISIT

 Stress

**Stress Less**

Learn from others and explore strategies to support a low-stress life.



VISIT

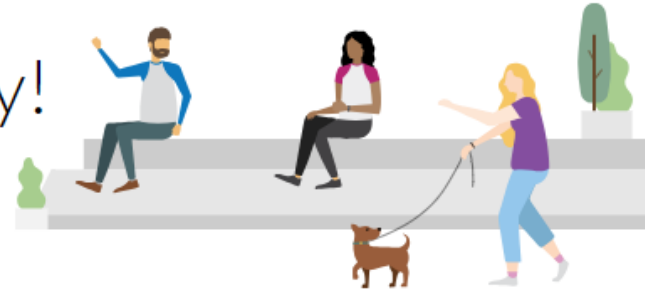


My Health

Activities and Resources

# Welcome to the Community!

Find support, offer encouragement, and work toward goals together.



Activity

My Groups


Discover

SS

Ask a question, share your progress, or encourage your community!





LO

Last One >  Eat Well  
Dec 12 at 5:59 pm




What is everyone's favorite type of pasta?

 LIKE

 COMMENT



Rocky Raccoon >  General  
Dec 11 at 2:41 pm




Does anyone have a running shoe recommendation?

 2

4 Comments

 LIKE

 COMMENT

[Load Previous Comments](#)

LO

Last One  
I love my running shoes from walmart!



Like | Reply 1w

### Filter Activity By:

All

Be Active

Be Social

Eat Well

General

Healthy Weight

Joyful Longevity

My Activity

Sleep Tight

Stress Less

# Wellness At Your Side App

Smart[]Health

My Health    Activities and Resources

## Connection Center

Find your device or app and link its data to help you reach your health goals.

• BACK TO ALL APPLICATIONS

### Wellness at Your Side

#### Let's get your phone connected

- 1 Install the FREE Wellness app from one of these stores:
- 2 Open the app and enter this Connection Code:  
**smarthealth**



3:20

Connect to your wellness provider

Connection Code

The connection code is provided by your employer or health plan provider.

Continue

AT&T Wi-Fi    3:18 PM    50%

WebMD health services

## Welcome

Sign in using company's SSO

v. 4.25.9.1349

# Resources

---

- ▶ SmartHealth (SEBB)
  - ▶ <https://www.hca.wa.gov/employee-retiree-benefits/smarthealth-sebb>
- ▶ Accessing SmartHealth
  - ▶ <https://www.hca.wa.gov/employee-retiree-benefits/accessing-smarthealth>
- ▶ SmartHealth FAQs
  - ▶ <https://www.hca.wa.gov/assets/pebb/smarthealth-faqs-66-0002.pdf>
- ▶ SEBB SmartHealth incentive flyer
  - ▶ <https://www.hca.wa.gov/assets/pebb/66-0017-sebb-smarthealth-incentive-flyer-2024.pdf>
- ▶ Your SmartHealth Guide (video)
  - ▶ <https://www.youtube.com/watch?v=zPljoSzHzZc>
- ▶ SmartHealth Overview (Jan 25 webinar)
  - ▶ <https://www.youtube.com/watch?v=j8Zfvp6HPOk>

# Questions?

Kristen Stoimenoff, Washington Wellness Program Manager  
Employees and Retirees Benefits Division

[Kristen.Stoimenoff@hca.wa.gov](mailto:Kristen.Stoimenoff@hca.wa.gov)

**TAB 10**

# Inflation Reduction Act Update

---

Luke Dearden  
Clinical Pharmacist  
Clinical Quality and Care Transformation Division  
March 21, 2024

# Outline

---

- ▶ Provide an overview of pharmacy provisions within the Inflation Reduction Act (IRA)

# IRA Overview

---

- ▶ Signed by President Biden in August 2022
- ▶ Pharmacy provisions center around Medicare Part D
  - ▶ Restructures Medicare Part D benefit design
  - ▶ Enables the federal government to negotiate drug prices with manufacturers
  - ▶ Limits manufacturer's ability to increase drug prices at a higher rate than inflation
  - ▶ Caps insulin cost share at \$35 per month
- ▶ These provisions impact PEBB Program members enrolled in a Part D plan



# IRA Overview (*cont.*)

---

- ▶ IRA provisions apply to:
  - ▶ All Part D plans on the commercial market
  - ▶ PEBB Program's Part D offerings (UnitedHealthcare)
- ▶ IRA provisions do not apply to:
  - ▶ UMP Classic Medicare *current* pharmacy plan
    - ▶ Would apply to the Part D option (if adopted for 2025)
  - ▶ PEBB Program Medicare pharmacy plans with creditable drug coverage (Kaiser Permanente of the Northwest and Kaiser Permanente of Washington)

# Part D Benefit Design

---

- ▶ Fully effective in 2025, with smaller modification starting in 2024
- ▶ Costs are shifted away from members
  - ▶ Maximum out of pocket cost will be \$2,000 starting 2025
- ▶ Increases responsibility of the drug manufacturer in the catastrophic coverage phase
- ▶ Limits base beneficiary premium increase to no more than 6% from the previous year

# Drug Price Negotiations

- ▶ Negotiated prices will be effective 2026
- ▶ Drugs eligible for negotiation include:
  - ▶ No generic availability
  - ▶ At least 7 years since FDA approval or 11 years for biologics
- ▶ Drugs picked for negotiation must be covered by all Part D plans

Effective Year	Number of Drugs Eligible
2026	10
2027	15
2028	15 (may include Part B drugs)
2029 +	20

# Drugs Picked for 2026

Drug Name	Participating Manufacturer
Eliquis	Bristol Myers Squibb
Jardiance	Boehringer Ingelheim
Xarelto	Janssen Pharms
Januvia	Merck Sharp Dohme
Farxiga	AstraZeneca AB
Entresto	Novartis Pharms Corp
Enbrel	Immunex Corporation
Imbruvica	Pharmacyclics LLC
Stelara	Janssen Biotech, Inc.
Fiasp; Fiasp FlexTouch; Fiasp PenFill; NovoLog; NovoLog FlexPen; NovoLog PenFill	Novo Nordisk Inc.

Source: Centers for Medicare and Medicaid Services (CMS)

# Drug Price Increase Protection

---

- ▶ Effective 2023
- ▶ Applies to Part D drugs and some Part B drugs
- ▶ Drug manufacturers will be required to pay the federal government for price increases above the rate of inflation
- ▶ Speculation that manufacturers will inflate launch prices of new drugs as a result

# Cap on Insulin Cost-share

---

- ▶ Effective 2023
- ▶ Requires maximum cost share of \$35 per month for insulins for Medicare Part D members
  - ▶ Shifts cost from member to payer
- ▶ This was already in effect for PEBB Program members per Washington law
  - ▶ Senate Bill 5546 (2022)
  - ▶ Senate Bill 5729 (2023)

# Questions?

Luke Dearden, Clinical Pharmacist  
Clinical Quality and Care Transformation

[Luke.Dearden@hca.wa.gov](mailto:Luke.Dearden@hca.wa.gov)

**TAB 11**



# 2025 UMP Medicare Plan Option

---

Ellen Wolfhagen  
Retiree Benefits Manager  
ERB Division

Luke Dearden  
Clinical Pharmacist  
CQCT Division

Stella Ng  
Policy & Rules Coordinator  
ERB Division

Molly Christie  
Fiscal Analyst  
Financial Services  
March 21, 2024

# Follow Up to February Retreat

---

- ▶ Overview for today
  - ▶ Communications
  - ▶ Financial insights
  - ▶ Benefit design
  - ▶ Resolution

# Communications So Far

---

- ▶ Quick facts document
  - ▶ What remains the same
  - ▶ What changes
  - ▶ Some of the most common drugs and copays
- ▶ Town halls
  - ▶ Added additional session for February 27
  - ▶ Overall attendance - 216
  - ▶ Feedback on the option generally very positive
- ▶ Updated FAQs on retiree engagement page

# Feedback Themes

---

- ▶ Support for transition of Uniform Medical Plan (UMP) Classic Medicare prescription drug benefit to a Part D plan
- ▶ Biggest economic impact for members
- ▶ Presentation materials were easy to follow
- ▶ Do we need to pay Part D separately?
- ▶ Can you better explain the “donut hole”?
- ▶ How will members know if there would be an impact on the drugs they take?
- ▶ If can't use manufacturers' coupons, will increase in cost wipe out premium savings?

# Financial Insights



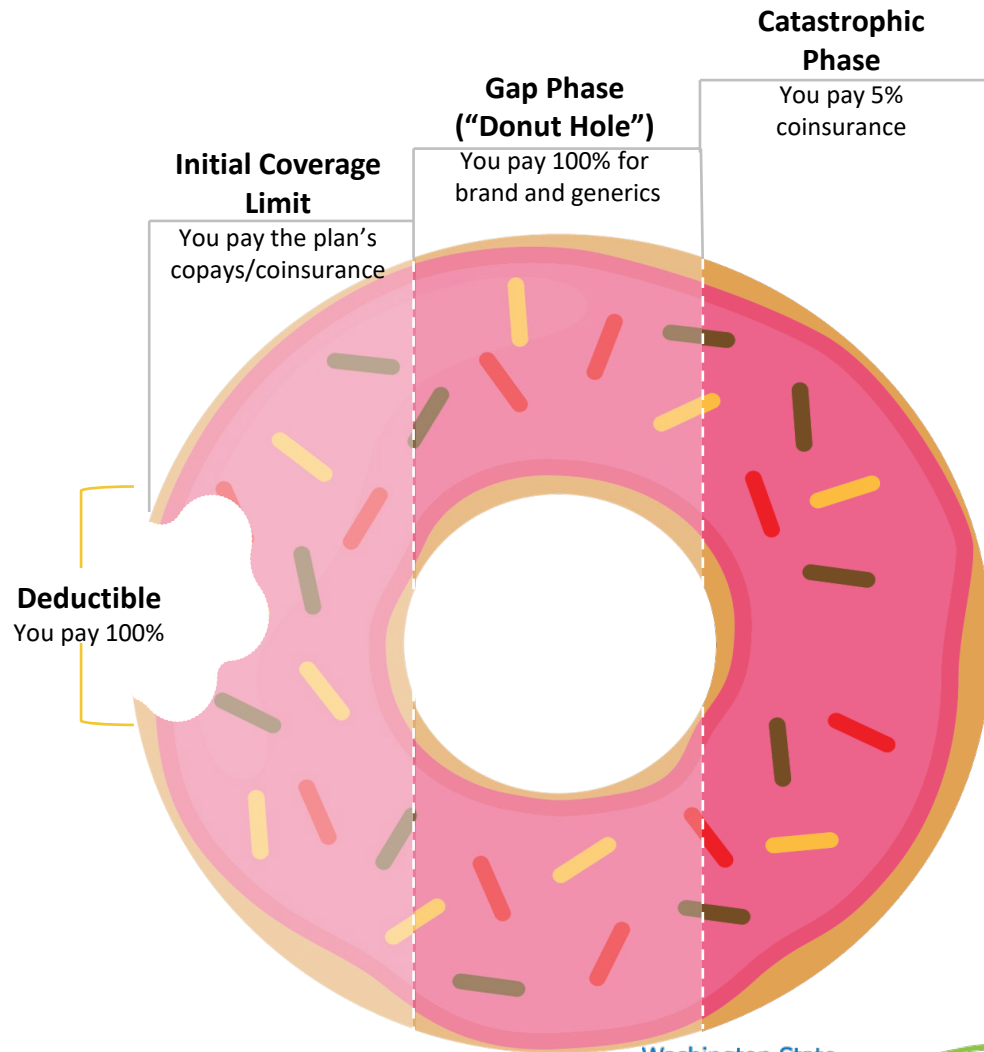
# Refined Financial Insights

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- ▶ Interim estimated UMP + Part D retiree premium savings remain in line with previous analysis in legislative report
  - ▶ Based on 2022 UMP claims experience but include several updated assumptions for rebates, enrollment, formulary and benefit design changes, and Moda administrative fees
  - ▶ Significant premium reductions still expected compared to projected 2025 premium for UMP “status quo”
- ▶ Final rates will be available on usual timeline (May/June)
- ▶ Annual rate renewal timeline dependent on:
  - ▶ Claims runout, medical and pharmacy trend updates, plan design changes, federal guidance for Medicare Advantage (MA) and Part D plans, etc.

# History of the “Donut Hole”

- ▶ The “donut hole” was a gap in coverage under the Standard Defined Part D Benefit where enrollees paid 100% of drug costs

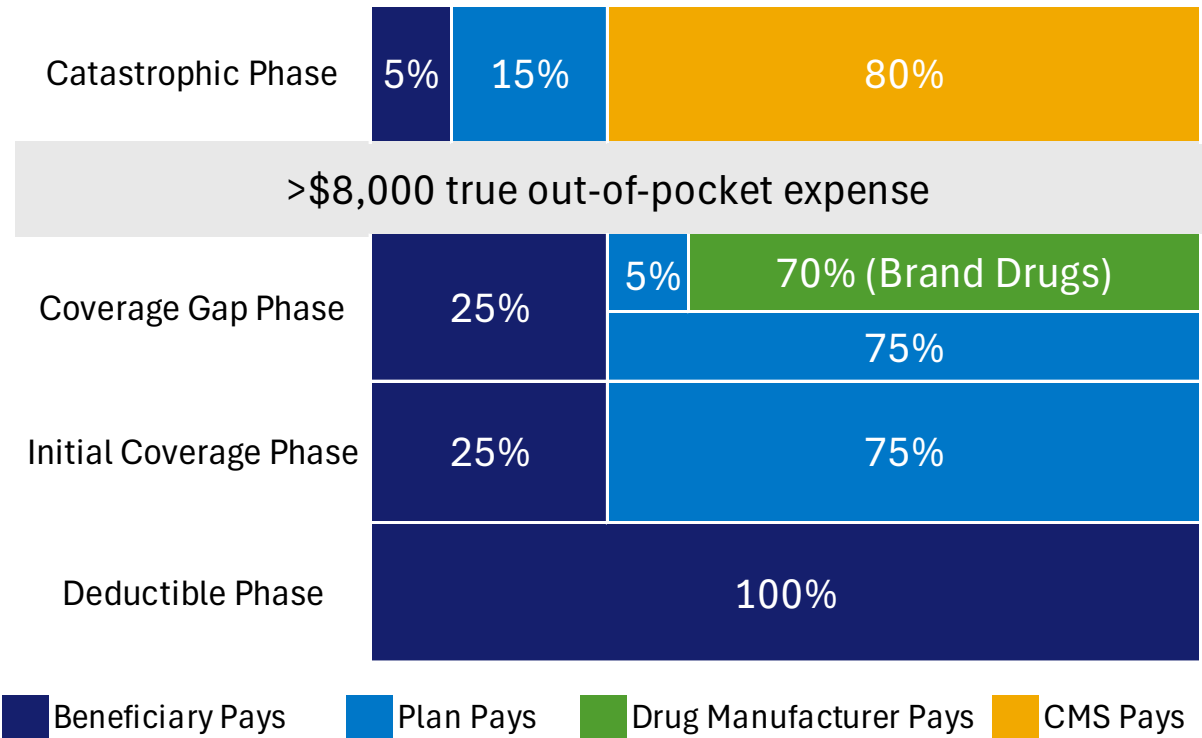


# Current Part D Coverage Phases

## 2024 Part D Standard Benefit Design

- ▶ The Affordable Care Act gradually reduced enrollee cost-sharing in the coverage gap phase from 2011 to 2019

- ▶ The donut hole closed for all drugs in 2020

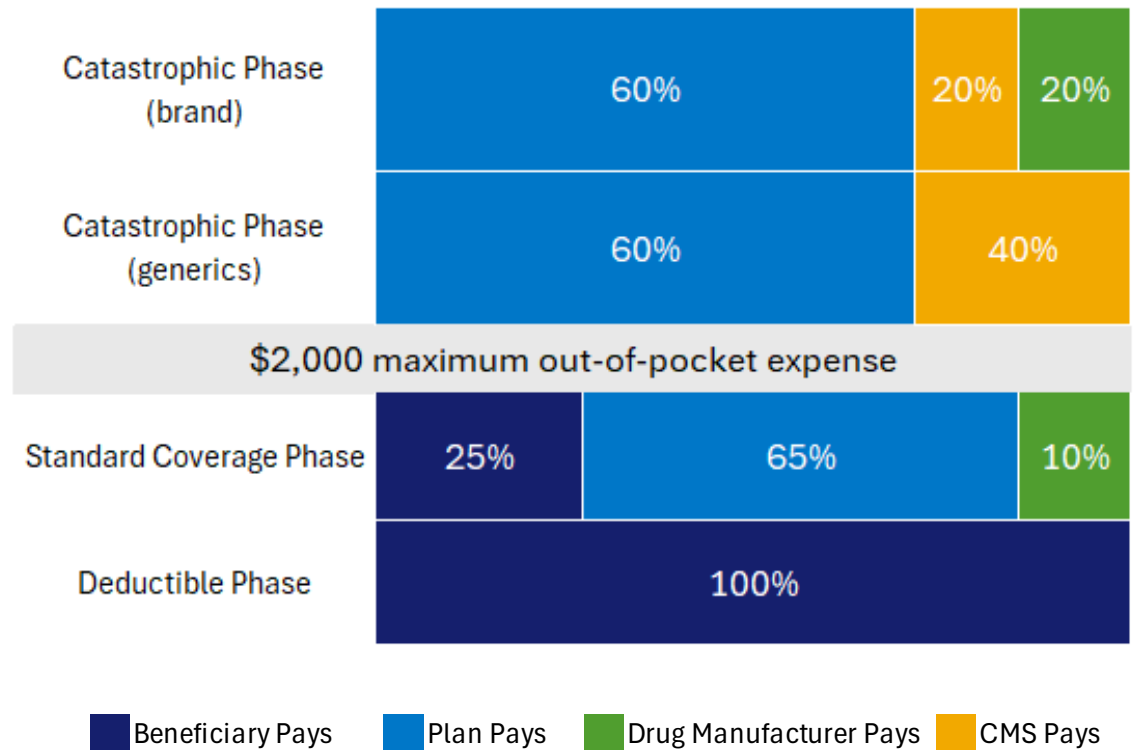




# IRA Eliminates Part D Coverage Gap for 2025

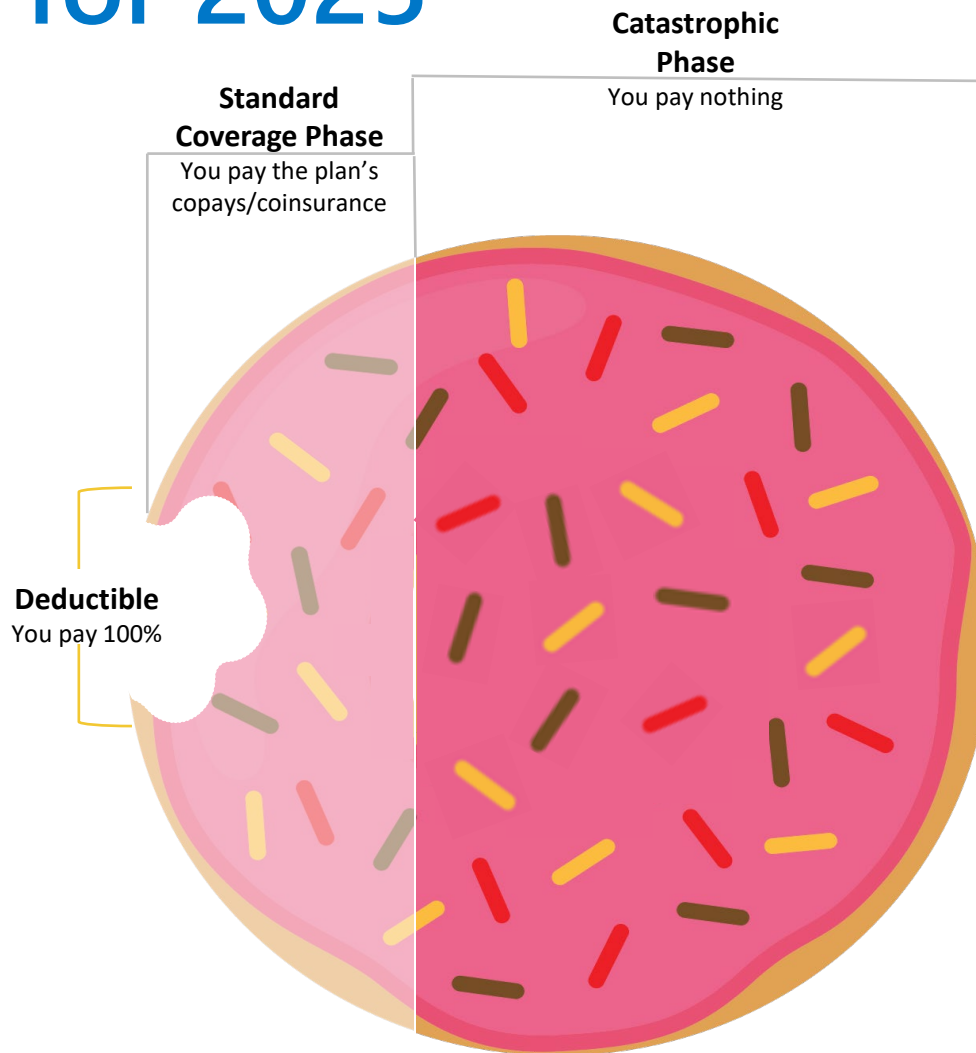
- ▶ In 2025, after meeting the deductible, enrollees pay 25% cost-share for Part D drugs under the standard benefit until they reach \$2,000 in out-of-pocket spending
- ▶ The standard defined benefit is the highest cost-sharing Part D plans can charge enrollees; under the UMP Part D benefit design, members would have significantly lower cost-share for covered drugs

2025 Part D Standard Benefit Design



# IRA Eliminates Part D Coverage Gap for 2025

- ▶ The coverage gap phase is **eliminated** in 2025



# Plan Design Details

# Cost Share Structure Comparison

Type of Drug	UMP Current Cost Share (30 day supply)	Part D Cost Share (30 day supply)
Preventive/High value generics	\$0 for preventive 5% up to \$10	\$0
Preferred generics	10% up to \$25	\$0
High-cost generics	30% up to \$75	\$10
Preferred brands	30% up to \$75	\$40
Non-preferred brands	Not covered*	\$75
Preferred specialty	30% up to \$75	\$90
Non-preferred specialty	Not covered*	\$100

*\*Unless exception is met*

# 90-Day Supply Comparison

Type of Drug	UMP Current Cost Share (90 Day Supply)	Part D Cost Share (90 Day Supply)
Preventive/High value generics	\$0 for preventive 5% up to \$30	\$0
Preferred generics	10% up to \$75	\$0
High-cost generics	30% up to \$225	\$20
Preferred brands	30% up to \$225	\$80
Non-preferred brands	Not covered*	\$150
Preferred specialty	30-day supply only	30-day supply only
Non-preferred specialty	Not covered*	30-day supply only

*\*Unless exception is met*

# Personalized Outreach

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- ▶ Before January 1, 2025, impacted members will receive a letter to facilitate continuity of care
- ▶ This will include:
  - ▶ Medication that may not be covered under the part D option
  - ▶ Therapeutic alternatives that are covered
  - ▶ Steps to obtain a new prescription from their prescriber
  - ▶ Steps to request an exception, if necessary
- ▶ January 1, 2025 and after, all impacted members will automatically receive a 30-day supply of non-covered medications within the first 90 days of enrollment
  - ▶ At this time, the member will be notified again that they may need to switch to a therapeutic alternative

# Step Therapy

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- ▶ Step therapy is when a plan requires trial of different medication(s) prior to covering the requested medication
- ▶ All plans employ step therapy as a method to ensure the most cost-effective medications are tried first, including UMP
  - ▶ *The part D plan employs step therapy significantly less frequently than UMP*
- ▶ If a member demonstrates they have previously tried the step medication(s), or are unable to try them, they would be approved for the requested medication
- ▶ This same general process is used by UMP

# Prior Authorization (PA)

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- ▶ PA is used by all plans, including UMP
  - ▶ Ensures medications are being used effectively
  - ▶ Directs members to the most cost-effective medication
- ▶ PAs typically expire after 6 months to 1 year and require renewal for continued medication coverage
- ▶ *Nearly all drugs that require prior authorization under the Part D plan are either not covered by UMP or also require prior authorization by UMP*



# Continuity of Care

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- ▶ Moda Health will continue to be the pharmacy benefit administrator
- ▶ Drugs requiring PA or step therapy under the Part D option will require review even if previously approved through UMP
- ▶ Moda has access to historical UMP pharmacy claims data which may streamline coverage decisions
- ▶ Members will be automatically granted up to a 30-day supply within the first 90 days of enrollment

# Compounded Drugs

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- ▶ Medicare Part D covers certain compounded drugs
  - ▶ Components must meet the definition of a Part D drug
  - ▶ Bulk powders are not covered by Medicare Part D
- ▶ An estimated 116 members may be impacted
  - ▶ Generally, compounded medications have covered alternatives
  - ▶ Impacted members will receive personalized member outreach

# Drug Copay Coupons

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- ▶ Provided by drug manufacturer to reduce or eliminate a member's out-of-pocket costs
  - ▶ Health plan still pays for the remaining drug cost
  - ▶ Most coupons don't work unless the medication is already covered by the plan
- ▶ Federal anti-kickback statute makes it a crime for manufacturers to offer drug coupons to Medicare beneficiaries
  - ▶ Drug coupons cannot be used in Medicare Part D plans
- ▶ UMP retiree members currently benefiting from drug coupons would need to pay full cost share under the Part D option

# Drug Copay Coupons (*cont.*)

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- ▶ Undermines the plan's ability to direct members to the most cost-effective drug
- ▶ Can incentivize members to use expensive brand-name medications when less costly, equally effective options are available
- ▶ May contribute to higher premiums for all members
- ▶ Drug coupons may be withdrawn by the manufacturer at any time

# Drug Coupon Example

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- ▶ Tony is a UMP Medicare member who uses a specialty medication to control his immunological condition
- ▶ He currently uses a drug manufacturer coupon which eliminates his monthly cost share (\$0 per month)
  - ▶ The plan (UMP) pays the remainder of the drug cost
- ▶ Under the Part D option, Tony would be responsible for the full cost share amount (\$90 per month)
- ▶ Monthly premium savings are expected to outweigh impact of drug coupons

# Timeline

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- ▶ PEB Board vote – April 11, 2024
- ▶ 2025 formulary finalization – August 2024
  - ▶ CMS defined timeline
- ▶ Moda customer service available to answer questions – Fall 2024
- ▶ Drug look up tool – Fall 2024
- ▶ Open enrollment – Fall 2024
- ▶ Go-live – January 1, 2025

# Why Wasn't This Talked About Before?

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- ▶ Historical context – value formulary conversation
- ▶ Extent of recent premium increases
- ▶ Retirees in 2022 reinforced the importance of UMP
- ▶ Experience with an Employer Group Waiver Plan (EGWP) Part D plan as part of the UnitedHealthcare MA-PD plans
- ▶ Inflation Reduction Act improved Part D plan benefits for Medicare enrollees

# Benefit and Policy Proposed Resolutions



# Introduction of Proposed Resolutions

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- PEBB 2024-17 UMP Classic Medicare Part D coverage
- PEBB 2024-18 Automatic Enrollment – UMP Classic Medicare – Annual Open Enrollment 2024
- PEBB 2024-19 UMP Classic Medicare Enrollment
- PEBB 2024-20 UMP Classic Medicare Plan Enrollment During Gap Month(s)

# Introduction of Proposed Resolutions (*cont.*)

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- PEBB 2024-21 Amending PEBB 2022-03 Medicare Advantage Prescription Drug plan enrollment during gap month(s)
- PEBB 2024-22 When a subscriber is involuntarily terminated by a Medicare Part D plan

# Proposed Resolution PEBB 2024-17

## UMP Classic Medicare Part D Coverage

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The UMP Classic Medicare prescription drug benefit will change from creditable drug coverage to Part D Medicare drug coverage effective January 1, 2025.

# Initial Auto-Enrollment

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- ▶ Medicare Part D has special rules
  - ▶ Requires the applicant's signature
- ▶ An EGWP allows an employer group to forego individual signatures and use "auto-enrollment" to initially transfer enrollees from an existing plan to a Part D plan
- ▶ Members will have appeal rights

# UMP Classic Medicare Enrollment and Disenrollment Processes

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- ▶ Members who want to return to (or join) UMP Classic Medicare from another plan will need to re-enroll during Open Enrollment
- ▶ To enroll in UMP Classic Medicare plan, our Medicare enrollees must enroll in both Medicare Part A and Part B
- ▶ Medicare Part D plan enrollment and disenrollment requests are prospective and based on signature date

# Proposed Resolution PEBB 2024-18

## Automatic Enrollment – UMP Classic Medicare – Annual Open Enrollment 2024

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All Medicare enrollees who are enrolled in UMP Classic Medicare with creditable drug coverage as of December 31, 2024, where the subscriber did not make an election during the PEBB annual open enrollment period held in 2024, will be auto-enrolled in the UMP Classic Medicare with Medicare Part D drug coverage with an effective date of January 1, 2025.

# Proposed Resolution PEBB 2024-19

## UMP Classic Medicare Enrollment

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If a subscriber elects to enroll in the Uniform Medical Plan (UMP) Classic Medicare plan, any non-Medicare enrollees on the account will be enrolled in the UMP Classic.

# Proposed Resolution PEBB 2024-20

## UMP Classic Medicare Enrollment During Gap Month(s)

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



# Example

## UMP Classic Medicare Plan Enrollment During Gap Month(s)

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**Example:** Joan's retirement date is July 1, 2025. The PEBB Program receives her retiree election forms on August 17, 2025. For medical, Joan selected UMP Classic Medicare (Part D) plan. Because Joan's enrollment in PEBB retiree insurance coverage must be July 1, 2025 (consistent with her retirement date) and enrollment in the Medicare Part D 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 transitional UMP coverage for the months of July and August before UMP Classic Medicare (Part D) plan begins.

# Proposed PEBB 2024-21

## Amending 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 (MA-PD) plan, and the required forms are received by the PEBB Program after the date the PEBB retiree insurance coverage is to begin, the subscriber and their enrolled dependents will be enrolled in ~~Uniform Medical Plan (UMP) Classic~~ transitional UMP coverage during the gap month(s) prior to when the MA-PD coverage begins.

# Proposed Resolution PEBB 2024-22

## When a subscriber is involuntarily terminated by a Medicare Part D plan

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When a subscriber or their dependent must be disenrolled by a Medicare Part D plan as required by federal law, the subscriber and their enrolled dependents will be enrolled in a PEBB medical plan as designated by the director or designee. The new medical plan coverage will begin the first day of the month following the date the UMP Classic Medicare plan is terminated.

# Next Steps

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- ▶ Incorporate Board feedback in the proposed policies
- ▶ Submit feedback to [HCAPEBSEBBoardPolicyFeedback@hca.wa.gov](mailto:HCAPEBSEBBoardPolicyFeedback@hca.wa.gov) by April 1, 2024
- ▶ Bring recommended proposed policy resolutions to the Board for action at the April 11, 2024 Board Meeting

# Questions?

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# Appendix



# Resolution PEBB 2020-05

## Medicare Advantage - Prescription Drug (MA-PD) Plan Enrollment

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**(as adopted on 5/28/2020)**

**Resolved that**, if a subscriber selects a PEBB Program MA-PD plan, any non-Medicare enrollees on the account will be enrolled in the Uniform Medical Plan (UMP) Classic.

# Resolution PEBB 2022-03

## Medicare Advantage Prescription Drug plan enrollment during gap month(s)

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**(as adopted on 4/14/22)**

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



# Resolution PEBB 2023-02

## When a subscriber is involuntarily terminated by a MA or MA-PD plan

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**(as adopted on 4/13/2023)**

**Resolved that,** when a subscriber or their dependent must be disenrolled by a Medicare Advantage (MA) plan or Medicare Advantage-Prescription Drug (MA-PD) plan as required by federal law, the subscriber and their enrolled dependents will be enrolled in a PEBB medical plan as designated by the director or designee. The new medical plan coverage will begin the first day of the month following the date the MA or MA-PD plan is terminated.