

Public Employees Benefits Board
Meeting Minutes

June 30, 2021
Health Care Authority
Sue Crystal Rooms A & B
Olympia, Washington
12:00 p.m. – 4:15 p.m.

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

Members Present via Phone

Sue Birch, Chair
Leanne Kunze
Elyette Weinstein
Tom MacRobert
Scott Nicholson
Yvonne Tate
John Comerford
Harry Bossi

PEB Board Counsel

Michael Tunick, AAG

Call to Order

Sue Birch, Chair, called the meeting to order at 12:03 p.m. Sufficient members were present to allow a quorum. Board introductions followed. Due to COVID-19 and the Governor's Proclamation 20-28, this meeting was virtual only.

Meeting Overview

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

Continuing my series about the regions we serve, today we highlight the Upper Peninsula. The presenters have an image of the lavender fields near Sequim in Clallam County. I'm going to share information about Clallam, Jefferson, and Kitsap Counties as you head over the Narrows Bridge, and up and out towards the ocean. Overall, in that three-county region, between the PEBB and SEBB Programs, HCA covers about 8% of the population. For Medicaid, there's about 21% of the population of those three counties covered by the Health Care Authority. Combined between PEBB, SEBB, and

Medicaid, HCA administers programs covering just under a third of the residents of that three-county region.

I always highlight demographics like unemployment, uninsured, and poverty rates within the areas we serve relative to statewide averages. Crossing the Narrows Bridge and heading towards the ocean is Kitsap County, with generally lower than average statewide unemployment, uninsured, and poverty rates. Jefferson County, next on your driving tour, has about equal to statewide averages on those three metrics. Traveling further north and west into Clallam County, you see significantly higher unemployment, uninsured, and poverty rates compared to statewide averages. When I say significant unemployment, statewide average is about 5.3%, but unemployment in Clallam County is 7.7%. The uninsured rate statewide is about 6.8% with Clallam County about 8.9%. The average state poverty rate is about 15% and Clallam County is just shy of 20%. Those are the demographics of the areas.

All three counties have lower rates of preventable hospital admissions, but significantly worse rates of high dose opioid prescriptions related to opioids. Talking primary care visits, there's a regional concern about access, and low rates of utilization of primary care provider (PCP) visits. For example, in Clallam County, the estimate is about 8% of the population we serve is reaching out and having a PCP visit, which is lower to peer groups, which are more around 20-22%. It indicates a common understanding that there's general difficulty in accessing and recruiting primary care services within rural settings. We are seeing that play out as one might normally expect.

My final highlight, there's been a lot of market changes in the region, particularly in Kitsap County in recent years, like affiliations, mergers, acquisitions, etc., and a variety of changes within the infrastructure of the health system that's introduced a variety of changes on pricing and payments, with volatility in those rates. At the same time, that's playing out now with those various changes in relationships of the provider networks there. It's important to note that to date, we're not seeing changes in the local referral utilization patterns or things significantly being transitioned over, having services provided in urban areas like Tacoma and Seattle. We're still seeing the referrals and most services continuing to happen out on the Peninsula.

I'll end my opening remarks with a land acknowledgement statement. I acknowledge our meetings to be supported physically here in Olympia on the traditional territory of the Coast Salish people. This area was the primary portage way to and from the Puget Sound. These lands were shared by several tribes, including those we know today as the Squaxin Island Tribe and the Nisqually Tribe. HCA honors and thanks their ancestors and leaders who have been stewards of these lands and waters since time immemorial.

Approval of March 17, 2021 Meeting Minutes

Tom MacRobert moved, and Leanne Kunze seconded a motion to approve the March 17, 2021 meeting minutes. Minutes approved as written by unanimous vote.

Executive Session

Pursuant to RCW 42.30.110(1)(l), the Board met 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.

Back to Public Session

2022 Annual Procurement Update and UMP Benefit Resolution

Beth Heston, PEBB Procurement Manager/Senior Account Manager, ERB Division, continued the discussion on annual procurement and the proposed changes to PEBB's medical plans for 2022.

Slide 3 – Changes to Uniform Medical Plan. Details about the changes are in the Appendix.

Slide 4 – Resolution PEBB 2021-16 - UMP Accumulators. Accumulators are the amounts accrued toward out-of-pocket maximums and benefits, or visit limits, such as deductibles, number of visits, and benefit usage. If a PEBB Program subscriber changes plans within PEBB UMP due to a special open enrollment or other circumstance, their accumulator transfers with them. There is a slight change to the resolution since the last meeting to make it clear that it only pertains to the PEBB Program and not across to the SEBB Program.

Dave Iseminger: The change to the Resolution was due to a question about changing UMP plans from PEBB to SEBB or SEBB to PEBB. The Resolution was clarified to address that question. A comparable resolution in the SEBB Program was passed last week. HCA will continue to see if we can do something comparable when people switch between the PEBB Program and the SEBB Program administered by the Health Care Authority.

Sue Birch: Vote - Resolution PEBB 2021-16 - UMP Accumulators

Resolved that, beginning January 1, 2022, when a subscriber enrolled in a PEBB Program Uniform Medical Plan (UMP) changes their enrollment to another PEBB Program UMP plan during the plan year (excluding Open Enrollment), the amounts accrued toward insurance accumulators (such as deductibles, out-of-pocket maximums, and benefit and visit limits) will transfer into their new UMP plan.

Yvonne Tate moved, and Leanne Kunze seconded a motion to adopt.

Voting to Approve: 7

Voting No: 0

Sue Birch: Resolution PEBB 2021-16 passes.

Beth Heston: Slide 5 – Additional Proposed Change for the Uniform Medical Plan Consumer Driven Health Plan (CDHP). HCA has been evaluating IRS Notice 2019-45 since its release in 2019. It allows high deductible and consumer driven plans to offer certain preventive services before the deductible is met in high deductible plans.

Slides 6 & 7 - IRS Allowed Changes to UMP. HCA is proposing the services listed on these two slides be allowed before the deductible is met on the Uniform CDHP. The

IRS periodically reviews the allowable services since the law doesn't define preventive care in detail. These determinations are made within the Secretary of the Treasury's authority under statute. Decisions are usually based on the cost of service; medical evidence to support high-cost efficiency of preventing or the exacerbation of a chronic condition, or the development of a secondary condition; and is there strong documented clinical evidence the service or use of the item will prevent the worsening of a chronic condition, or the development of a secondary condition. Those selected are the most cost effective and the most evidence based to change. The IRS and the Treasury looked at CDHP's high deductible plans in 2019 and expanded what preventive services could be covered. It's a choice by the health plan to cover these preventative medications and supplies for certain chronic conditions under preventive care services, i.e., before deductible on the UMP CDHP.

The list on these two slides shows the chronic condition, preventive care covered, where the terms of coverage fall within, and what coverage would be if approved.

Slide 8 – Proposed Resolution PEBB 2021-23 – UMP CDHP Preventive Care. HCA will bring this resolution to the Board for action on July 14.

Scott Nicholson: The IRS has allowed these types of conditions, or treatments for these conditions, to be provided without having to meet the deductible. Is there a more expansive list and we're just choosing? Or is this proposal only for a subset of that? Or is it everything that IRS is allowing, in this case, being moved forward?

Dave Iseminger: This is the medical part of the IRS notice. There were pieces that would fall under the medical benefit and the pharmacy benefit. We are still looking at the pharmacy component of that notice and anticipate that we'll likely, next Board season, bring something else that might focus on the pharmacy side. HCA didn't want to hold up the medical pieces any further. You might wonder, if the notice came out in 2019 and it's now 2021, why now? I believe the notice in 2019 came out in late June or early July, at the end of our rate season. We were unable to account for it in the 2020 rate development process. And with the pandemic, it didn't meet the prioritization review process for last year's rate setting for this year. There are items in the notice that HCA will look at, but we are comfortable bringing this list to the Board today.

Beth Heston: For this notice, the federal government did the research and became aware that cost barriers for care kept a lot of people with chronic conditions from using the effective care. The consequences of that can be severe, amputations, blindness, heart attacks, or strokes.

Dave Iseminger: Scott, I'll have the team follow-up to describe other parts within medical that are still under evaluation or what we aren't recommending, just to be 100% crystal clear on the medical review part of the notice.

Scott Nicholson: Thank you.

Harry Bossi: I think this is good to do. I just want to confirm, this is not an all-inclusive list, in that there are certain preventive services, medical visits that are already available prior to the deductible within the CDHP. This just elaborates certain other things that we will now approve prior to the deductible. Is that correct?

Beth Heston: Yes. There are lists of available treatments that have been incorporated in the past. This is a new list.

Slides 10 – Kaiser Foundation Health Plan of the Northwest (KPNW) changes Summary lists 2022 plan changes.

Slide 11 – KPNW Additional New Proposed Benefit Change. On June 3, the Oregon Legislature passed a law to place a \$75 cap per month on insulin prescription refills which goes into effect January 1, 2022. Currently there is a \$100 cap because of a similar law passed in the Washington Legislature last year. When Kaiser Northwest, which is based in Portland, heard about the new law in Oregon, they asked if HCA would be willing to change the out-of-pocket cap for each insulin prescription filled from \$100 to \$75 on just Kaiser Northwest's plan. The majority of actual member cost is usually well under either \$100 or \$75 on our ERB plans. This cap wouldn't change the insulin drug tier or related tier costs, but where the member currently pays an amount below \$75, they would continue to owe the lower cost share. If the Board approves this proposal, it will accept this change in insulin prescriptions for Kaiser Northwest.

Dave Iseminger: This change is accounted for in the rates Tanya will present for action during her presentation. There is no impact or adjustment needed to the rates. The non-Medicare rates for action in July will also capture this change.

Beth Heston: Slide 13 – Kaiser Foundation Health Plan of Washington (KPWA) Changes Summary lists changes that will be included in the rates presented in July. If you accept the rates, you also accept these changes to the plan.

Elyette Weinstein: I don't understand the cap. How does it work with respect to the \$100 and the \$75? Is it a cap after which you don't pay anything? Or is it a cap after which you pay more?

Beth Heston: It's a cap which you only pay up to \$75 on these particular plans. They're offered in Clark and Cowlitz Counties. In the rest of Kaiser Washington's area in Washington State, the cap is \$100. The member never pays more than \$100. That's the way it is in UMP as well because of state law.

Elyette Weinstein: Thank you very much.

Additional Medical Plan Offerings Update

Jean Bui, Manager, Portfolio Management and Monitoring Section. Today's presentation reviews the results of adding SEBB plans into PEBB. Slide 2 – Portfolio Design for PEBB Program. The creation of the SEBB Program provided an opportunity for HCA to possibly leverage some of those new plans for the PEBB Program. HCA began a two-year process to review this possibility for the 2022 and 2023 plan years.

Slide 3 – Reasons for the Alignment.

Slide 4 – Guiding Principles.

Slide 5 – Procurement Activities.

Slide 6 – Results. After HCA’s review, we are not recommending plans be added to the PEBB Program at this time. HCA will enter the second review phase with the same commitment of providing access, choice, and value for our members.

Slide 7 – Next Steps. The Board will be updated on this work during the next Board season.

Chiropractic, Acupuncture, Massage (CAM) Utilization Summary & Benefit Proposal for Uniform Medical Plan (UMP)

Selena Davis, UMP Senior Account Manager, ERB Division, and **Sara Whitley**, Fiscal Information and Data Analyst, Financial Services Division. HCA’s goal is to improve our chiropractic, acupuncture, and massage (CAM) therapy benefits specific to our UMP plans.

Slide 2 – Motivation for Proposal explains the why HCA is interested in this proposal.

Slide 3 – Guiding Principles – CAM Benefit Adjustment.

Slide 4 addresses the Guiding Principles in greater detail.

Slide 5 – Current PEBB UMP CAM Benefit Design.

Slide 6 – Proposed UMP CAM Benefit Design proposes increasing the annual visit limits with a copay of \$15 for each CAM therapy.

Sara Whitley: Slide 7 – PEBB UMP Utilization Summary.

Slides 8 – 10 show the detailed utilization of each benefit individually. The slides include a count of distinct utilizers in each of the benefit visit categories based on average claims captured from 2017 to 2019. The bar chart is a graphical representation of the information contained within the table, showing what percentage of members are utilizing the benefit in each of those visit count categories in the table.

John Comerford: Sara, do we do any member satisfaction surveys on different products?

Dave Iseminger: John, we do CAP surveys, which are done by the plans. But not in the sense I think you're asking, about the general benefit design. Part of the CAP survey is satisfaction with the plan. There are a lot of different factors that go into it. There are a few of the people who, for example, when asked if they are satisfied with the high deductible health plan say, “No, because things aren't covered.” But the nature of a high deductible health plan is you have to meet the high deductible first. It brings us back to thinking about health literacy. We get a bit of insight on overall plan satisfaction from those CAP surveys, but nothing that gets to the granular parts of benefit design.

John Comerford: Many businesses are doing that now to get a sense for what benefits are -- we see utilization here. But which benefits are most appreciated? Thank you.

Sue Birch: We can put that in a parking lot as a future issue, because that might be something interesting for us to do with our SmartHealth tiles and do some kind of survey about these CAM benefits. So, thanks for that, John. We'll take that under advisement.

Selena Davis: Slide 11 – CAM Benefit Adjustment Proposal recaps our presentation and our proposal of how to better meet our members' needs, maintain the value of these alternative therapies, limit out-of-pocket costs, and maintain cost neutrality.

Slides 12-13 – Proposed Resolution PEBB 2021-24 – UMP Chiropractic, Acupuncture, Massage Benefits.

Dave Iseminger: I want to acknowledge two things. First, we've highlighted back on Slide 11 that there is a need to maintain cost neutrality in UMP. I want to say this for the record, because budget provision language about changing the benefit design on the PEB Board requires a comprehensive cost analysis. We have done, for the record, that discussion with the PEB Board with the information that is proprietary in Executive Session. Although we don't want to bring that out into the public venue because of some of its proprietary nature, I did want to acknowledge, on the record, that there was an Executive Session conversation that helps address that budget provision language requirement.

The second piece that I want to highlight is in the resolution itself on Slide 12. The syntax will be familiar to the Board from a previous meeting when the Board took action on the long-term disability benefit. The opening clause does a repeal of the prior coverage decisions related to CAM therapies. Again, the PEBB Program has been around for over 40 years, and sometimes it's very difficult to find some of the original policy decisions documented extraordinarily well to do a specific repeal and replace. So, we're describing a general repeal. And you should be able to build from the ground up the entirety of the benefit structure in these two slides dealing with treatment limitations, cost share, network status, relationship to Medicare, IRS overlay of the UMP CDHP, all of those things. This is designed to describe the entirety of that benefit structure as if it's being born today. But the parts that are describing out-of-network services is really just a recodification of the existing structure, that the change is supposed to be in the in-network aspects as we have been presented.

Elyette Weinstein: When you say this CAM benefit will apply to all plans, does that include Medicare plans?

Dave Iseminger: Yes.

Elyette Weinstein: Thank you.

Tom MacRobert: I have a couple of questions. Let's say I'm a chiropractor, and if my understanding is correct, I will no longer need a referral from a doctor for my patient. That patient can come to me and say, "I need work on my shoulder." And when they have finished, I will pay that chiropractor a \$15 copay and they will simply submit that to Regence for their payment. Is that correct?

Selena Davis: Currently, members can self-refer to chiropractic, and so that's correct. You would go to an in-network chiropractic, and it would be billed through the third-party administrator (Regence) as normal practice. They need a prescription -- massage benefit therapy is an in-network benefit only. You would need a prescription from a provider to use your massage benefit.

Tom MacRobert: But under this proposal, I will no longer need that, correct?

Selena Davis: Under this proposal, massage remains an in-network benefit. You would still need a prescription to get a massage, and it would be an in-network provider only. But you can self-refer to any chiropractor.

Tom MacRobert: So, you will still need a referral for massage, or massage and acupuncture?

Selena Davis: A referral for massage only.

Dave Iseminger: Tom, it's covered out-of-network for chiropractic and acupuncture if you see an out-of-network provider by the plan at the coinsurance cost shares as Selena described. But for massage, there currently is no out-of-network coverage by the plan. Under this proposal, that does not change. And the way you see that in the resolutions, for clarity, is on Slide 13 where the first bullet says, "out-of-network services will not have copays, and will have:" third sub-bullet, "coverage only for chiropractic and acupuncture services." That's saying there's only out-of-network coverage for chiropractic and acupuncture, if this passes, just like the world exists today.

Tom MacRobert: I am curious as to why you will still need a referral for massage. Because that did not used to be the case. Regence was the one that imposed that two years ago.

Dave Iseminger: Tom, we'll follow-up on this, but I believe that's been a long-standing requirement. The way that authorization is reviewed may have changed, but the lack of coverage, or non-coverage, for out-of-network massage, is not a recent benefit change.

Tom MacRobert: No, what has occurred is an increase. Originally, when you go all the way back to when this was originally part of the benefit package, you didn't need a referral. They have added that over time so that the actual amount of paperwork that has been required for the massage practitioner has increased. But originally, if you go all the way back to before Regence was involved, there was no requirement.

Sue Birch: Tom, I wish Dr. Transue was here, but I believe that because somebody may think massage will take care of something, and they might not clinically understand that there could be a tumor pressing on something or stress. I believe the clinicians would tell you that they want some handle on why we are moving into soft tissue work. Or why we are moving into massage therapy. I think because the basis of education is a little different for acupuncture and for chiropractic, and not diminishing massage at all, I believe that the medical providers need a bit of a handle on what's causing the need for this. Is it stress related? What is it? We can certainly get Dr. Transue to weigh in as well. But it's my understanding that's pretty standard in the health care arena to

need that. And it's not a prescription each time. Frequently, a provider will give a blanket order for up to 24 massages in a year.

Tom MacRobert: Yes, because one of the complaints I've heard from massage practitioners is the increasing amount of paperwork they're being required to do in order to see patients. It's not just that they have to do paperwork, but rather the amount of paperwork has increased, which significantly impacts them. Sometimes they have to go back to the doctors, which is an increased imposition on the doctors as well because they have to fill out the correct form and make the correct recommendation. It's what Dr. Transue actually said when they make the doctors the gatekeepers. Okay, we can take that to another discussion.

Dave Iseminger: Tom, we'll look at some things. We introduce these resolutions at one meeting and a follow-up action at the next meeting so we can address questions. We'll dig into this topic and see if Dr. Transue can attend to provide some clinical pieces. It very well could be the case that people are mixing up prior authorization requirements for massage and physical therapy (PT). I might even be conflating those prior authorization processes right now. I want to make sure we're able to step back to fully answer your question and distinguish it from PT if there's some confusion. We'll take this topic as a follow-up piece to bring back as we bring the resolution for final action.

Tom MacRobert: Okay, thank you.

Dave Iseminger: There is one other piece that's important for me to highlight on the bottom of Slide 13. It's the penultimate part of the resolution that says, "This benefit design applies only if approved by both PEBB Board and the SEB Board." A similar proposal will be presented to the SEB Board, as well. Under our third-party administrator contract, HCA needs to have substantial similarity in the benefit design for their administration. This is one of those items related to that contingency clause. The timeline is being presented to you today, asking for action on July 14, presenting to the SEB Board on July 15, asking them for action on July 22. Assuming everyone along the way passes it, the journey between now and July 22, it will go into effect January 2022.

Comparing PEBB Program and Open Market Medicare Plans

Jean Bui, Manager, Portfolio Management & Monitoring Section. I'm presenting on behalf of Ellen Wolfhagen today.

Slide 2 – Background. Staff are often asked what the difference is between the plans available in the PEBB Program and what is advertised on television or radio. The consumer will likely pay more out-of-pocket for services, or have limited benefits, for the zero premium plans. Similarly, the plans often have annual premium increases. There's also no guarantee that the same county will be included in plan offerings from year to year, which would force members on the open market to have to change plans. Similarly, networks are subject to change without much notice. One of the key differences is that PEBB plan premiums and benefits are negotiated and stable from year to year.

Slides 3 – UnitedHealthcare Plans. The next few slides provide a high-level overview in which we've compared two different PEBB carriers' plan offerings with similar open

market offerings by the same carrier. At a later date, we can explore more detailed comparisons between benefit levels.

This comparison is between the MA-PD plan offerings in the PEBB Program through UnitedHealthcare and UnitedHealthcare's zero premium AARP plan, which is one of the most common. PEBB plans are national plans and there is no difference in cost, whether the services are in-network or out-of-network. For the open market plan, this is an HMO, or a regional network. There are higher costs if the services are out-of-network. The PEBB plans have a lower medical maximum out-of-pocket. For PEBB Balance it's \$500, and for PEBB Complete \$2,000, as compared to the AARP plan between \$4,200 and \$6,700 per year maximum out-of-pocket. PEBB primary care visits are a zero copay for PEBB Complete, \$15 copay for PEBB Balance. The open market plan, primary care visits have a zero copay. A PEBB specialty care visit is a zero copay for PEBB Complete and a \$35 copay for PEBB Balance. For the open market, it's a \$40 copay with a referral required. One to take note of is the inpatient hospital stay. For the PEBB Complete it's a zero cost, and PEBB Balance, it's \$500 per admittance, and that's regardless of the number of days. For the open market, the inpatient hospital stay charge is \$400 per day.

Slide 4 – UnitedHealth Plans (*cont.*). There are some supplemental value-added benefits valued by many Medicare beneficiaries with some differences noted on this slide.

Elyette Weinstein: I just want to make sure I understand. You're comparing the UnitedHealthcare Plan PEBB Complete and PEBB Balance, offered by the state, to UnitedHealthcare open market individual plans. I just want to make sure that I understand it's the same company.

Jean Bui: Exactly. Yes.

John Comerford: Jean, I also wanted to add that what you're looking at on the right-hand side is a Medicare Advantage plan, Part C of Medicare. What I was talking about at the last meeting was Medicare supplements or Medigap plans.

Jean Bui: John, further on in the presentation, we cover those plans.

John Comerford: Great, okay. Even on the Medicare Advantage side, there are companies that will have more benefits than the UnitedHealthcare AARP plan.

Jean Bui: As I mentioned, we wanted to do a high-level comparison to give an idea.

Slide 5 – UnitedHealthcare Drug Benefits shows the differences between the PEBB Complete and PEBB Balance and the open market (individual) plans.

Slides 6 – 8 - Premera Medicare Supplement Plans, also known as the Medigap plans are discussed on these slides. I want to note that Plan F is no longer open to new enrollees, but Plan G is. The only difference between Plans F and G is the Part B deductible is not covered. The plans are subject to Medicare coverage rules.

These plans are designed to provide coverage for the costs not covered by Original Medicare, including Part A deductibles, copays, coinsurance. Premera offers some discounts, whether it's a PEBB Program member or on the open market, which includes \$25 gym membership per month, vision, discounted hardware up to 30%, and hearing aids through Hearing Care Solutions, which can be significant.

Slide 9 – PEBB Plan Elements.

John Comerford: Jean, does this Medigap plan cover CAM benefits?

Jean Bui: Let me find out for sure and I'll bring that back.

John Comerford: The other question I have is what's the premium for the retiree on the Medigap policy?

Jean Bui: In PEBB, the premium is \$99.

John Comerford: That's all the employee pays for the supplement is \$99? It is almost half the cost of the private sector. Every year I shop not only for myself but for my clients. I'm on State Farm Plan G now and it costs me \$169. It's got more benefits, I think, than this particular one has and it's \$169 versus \$99 here.

Sue Birch: I don't believe the Medigap has CAM coverage. I'm certain it doesn't. I really want to thank staff. This was a tremendous effort of accumulating a lot of information. It absolutely shows the gravitas of the PEBB purchasing power, and the staff's ability to really construct things, and again, negotiate some great benefits for our folks. So, thank you, Dave, Jean. And we wish Ellen was here, but we really appreciate all you put into this. This was no small feat to do this analysis.

Elyette Weinstein: What's clear to me is this Plan G, unless I'm missing something, doesn't cover drug costs? Or do they? Did I miss that?

Jean Bui: That's correct. There is no drug coverage with Plan G.

John Comerford: Drug coverage is under a plan D, you need to get a separate policy for that coverage.

Elyette Weinstein: Let's say my biggest costs are drugs, as an older person. I may spend only \$99 for a premium, as you're saying, but as the drug costs keep going up, until you're sick these things look great. But then, when you need that service, often you haven't been paying attention to what's covered. And then they're not so hot.

Jean Bui: Elyette, what I can tell you is that when we do our materials for open enrollment, we do expansive comparison of the Medicare plan offerings available to PEBB Program members. They're very different. Especially this year, we're doing a lot more to explain those differences, and to help give members the tools they need for their particular situation, to choose the plan that fits their needs the best. One of the things we've focused on this year is providing that information for folks to make good choices.

Sue Birch: Again, huge accolades, and thanks for this body of work.

2022 PEBB Medicare Premium Resolutions

Tanya Deuel, ERB Finance Manager, Financial Services Division, will ask the Board to act on the 2022 PEBB Medicare Premiums introduced on June 9. There is one Medicare resolution regarding the Medicare explicit subsidy where HCA has included the full explicit subsidy amount of \$183. The Board, however, could choose to lower that amount. The changes Beth spoke about are in the underlying rates, which the Board would be adopting today.

Sue Birch: Vote – Resolution PEBB 2021-17 – Medicare Premium

Resolved that, the PEB Board endorses the calendar year 2022 monthly Medicare Explicit Subsidy of \$183 or 50% of premium, whichever is less.

Harry Bossi moved, and Scott Nicholson seconded a motion to adopt.

John Comerford: I'd like to go back and make sure I really understand this. So, the \$99 the member is paying is in addition to the \$183. So, the effective cost is really \$282 for that product.

Tanya Deuel: John, for the Plan G that Jean references, \$99 is after the Medicare explicit subsidy. The total composite rate is \$193. The state contributes either \$183 or 50% of the premium. In this plan's instance it is 50% of the premium. So, they get \$94 towards their premium. Then the state adds an admin fee, which is usually around \$5 bringing the single subscriber premium in a Plan G plan to \$99. Those rates are all in your Appendix in the back if you need it for reference.

John Comerford: Okay. Again, the total Medicare cost to the state for Plan G is \$198?

Tanya Deuel: \$193.

John Comerford: \$193. Okay, thank you.

Voting to Approve: 7
Voting No: 0

Sue Birch: Resolution PEBB 2021-17 passes.

Sue Birch: Vote – Resolution PEBB 2021-18 – KPNW Medicare Premiums

Resolved that, the PEB Board endorses the Kaiser Foundation Health Plan of the Northwest Medicare plan premiums.

Elyette Weinstein moved, and Tom MacRobert seconded a motion to adopt.

Voting to Approve: 7
Voting No: 0

Sue Birch: Resolution PEBB 2021-18 passes.

Sue Birch: Vote – Resolution PEBB 2021-19 – KPWA Medicare Premiums

Resolved that, the PEB Board endorses the Kaiser Foundation Health Plan of Washington Medicare plan premiums.

Tom MacRobert moved, and Elyette Weinstein seconded a motion to adopt.

Voting to Approve: 7

Voting No: 0

Sue Birch: Resolution PEBB 2021-19 passes.

Sue Birch: Vote – Resolution PEBB 2021-20 – UMP Medicare Premiums

Resolved that, the PEB Board endorses the Uniform Medical Plan (UMP) Medicare plan premiums.

Tom MacRobert moved, and Harry Bossi seconded a motion to adopt.

Voting to Approve: 7

Voting No: 0

Sue Birch: Resolution PEBB 2021-20 passes.

Sue Birch: Vote – Resolution PEBB 2021-21 – UnitedHealthcare Medicare Premiums

Resolved that, the PEB Board endorses the UnitedHealthcare Medicare Advantage plus Prescription Drug (MA-PD) plan premiums.

Yvonne Tate moved, and Scott Nicholson seconded a motion to adopt.

Voting to Approve: 7

Voting No: 0

Sue Birch: Resolution PEBB 2021-21 passes.

Sue Birch: Vote – Resolution PEBB 2021-22 – Premera Medicare Premiums

Resolved that, the PEB Board endorses the Premera Medicare Supplement plan premiums.

Tom MacRobert moved, and Elyette Weinstein seconded a motion to adopt.

Voting to Approve: 7

Voting No: 0

Sue Birch: Resolution PEBB 2021-22 passes.

PEBB Continuation Coverage Policy Development

Emily Duchaine, Regulatory Analyst, Policy, Rules, and Compliance Section, ERB Division. Slide 2 – RCW 41.05.065(4) is provided for your reference as you consider the proposed resolution.

Slide 3 – Introduction of Proposed Resolution PEBB 2021-25 PEBB Continuation Coverage Eligibility for Employees' Dependents, which addresses PEBB continuation coverage, or dependents who lose PEBB dental benefits, because the employee they were covered under was kept in SEBB medical and was auto-disenrolled from PEBB dental.

Slide 4 – Dual Enrollment work Recap. Senate Bill 5322, prohibiting dual enrollment between School Employees Benefits Board and Public Employees Benefits Board Programs, signed by Governor Inslee on April 7, 2021 made this resolution necessary. The law goes into effect July 25, 2021. During the 2021 Open Enrollment for plan year 2022, employees currently dual enrolled can choose either the SEBB Program or the PEBB Program for their medical, dental, and vision plans for themselves and for all covered dependents. Employees who become newly eligible for PEBB benefits, or who experience a special open enrollment, and who are already enrolled in SEBB benefits, can choose to enroll in PEBB benefits and drop their SEBB benefits. Or they can waive their enrollment in PEBB and maintain their enrollment in SEBB. The Board passed Resolutions PEBB 2021-02 through PEBB 2021-09 on April 7, 2021, to enable the PEBB Program to act on behalf of the employee if the employee does not resolve their dual enrollment on their own during open enrollment.

Slide 5 – Resolution PEBB 2021-04 – Resolving Dual Enrollment When an Employee's Only Medical Enrollment Is In SEBB. While implementing this resolution, staff noted that there is a chance the employee may have dependents who will lose dental benefits. Because of that, we are recommending an additional resolution today.

Slide 6 - Proposed Resolution PEBB 2021-25 - PEBB Continuation Coverage Eligibility for Employees' Dependents. This proposed resolution would allow dependents, or the employee on behalf of the dependent, to continue PEBB dental benefits on a self-pay basis for up to 36 months after the dependent is auto-disenrolled. 36 months of self-pay aligns with the federal requirement when the federal qualifying event is the dependent child ceasing to be a dependent child.

Slide 7 – Proposed Resolution PEBB 2021-25 Example #1

Slide 8 – Proposed Resolution PEBB 2021-25 Example #2

Slide 9 – Federal COBRA Laws that affect this situation. The dependent in Example #2 who lost PEBB dental is not considered a qualified beneficiary under the Public Health Services Act. Only covered employees, federally recognized spouses, and dependent children of the covered employees are considered qualified beneficiaries. Although the dependent in Example #1 experienced a loss of coverage, losing coverage by itself is not considered a qualifying event under the Public Health Services Act. For children, the only qualifying events are death of the employee, or ceasing to satisfy the eligibility criteria under the plan. In Example #1, the PEBB employee didn't act to resolve their dual enrollment on their own and were auto-disenrolled from PEBB to be kept in SEBB.

The school employee also didn't take any action to add the child to the SEBB plan. The Board does have the authority to permit the PEBB Program to expand the right to elect continuation coverage. This is why we are asking the Board to pass a resolution allowing dependents to continue PEBB dental on a self-pay basis only under the specific circumstance where we auto-disenroll a child to resolve a dual enrollment situation.

Slide 10 – Next Steps.

Dave Iseminger: Staff have done some data analytics and we anticipate the population impacted to be relatively small. Between the PEBB and SEBB Programs we have 650,000 covered lives in our medical program, and an additional 50,000 covered lives who aren't in medical but are in dental or vision or some combination thereof. We think it's a couple of dozen individuals that could be in this scenario. We anticipate doing some additional targeted outreach. Our goal would always be to not have to apply these automatic rules created by the Board; but we know that, inevitably, there will be scenarios where somebody doesn't engage, and we need to act on the account. This gives an additional option in that rare occurrence where an individual loses coverage as a result of all of these policies. At least they have the ability to get coverage on a self-pay basis, along with any other opportunities to establish a more permanent legal relationship that would allow them to be enrolled as a dependent on the other account.

Elyette Weinstein: I am not clear with respect to Slide 6 what self-pay basis means. I understand you have to go without insurance, pay out-of-pocket, whatever it costs, and pay the bill. But I don't think that's what you mean by self-pay. I'm wondering what that coverage would look like.

Dave Iseminger: Self-pay basis is the language used at HCA to describe what we call continuation coverage. Continuation coverage is an umbrella term that captures COBRA coverage, as well as the COBRA-like coverage the Board established. We call all of that "continuation coverage" and the premium is self-paid. They are able to have coverage, but without any employer contribution or subsidy. You are paying the full premium on your own.

Elyette Weinstein: Okay, now I get it. So basically, you're paying the full premium. There's no employer contribution.

Dave Iseminger: Correct.

Sue Birch: This isn't a question as much as a comment. I want to applaud staff and leadership for bringing this forward. Because again, Washington is dedicated to keeping a health focus, and keeping people covered. It would be very easy for us to let this slip by. I know it's a small number of people, Dave, but it makes a big difference, especially when the services are needed. So, thank you for catching this detail.

SmartHealth

Kristen Stoimenoff, Manager, Washington Wellness Program, ERB Division. Slide 2 – Topics discussed in this presentation.

Slide 3 – SmartHealth. The numbers on this Slide are for 2020 and compiled by Limeade, our SmartHealth vendor. It represents all employees eligible for SmartHealth in both the PEBB and SEBB Programs.

Slide 4 – Good for Washington State Employers & Good for People shows turnover rates, employee engagement, job satisfaction of SmartHealth users, and participants who improved in the 34 high risk dimensions of well-being.

Slide 5 - Providing Support During COVID-19 Pandemic. HCA provided support to people in areas that have been uniquely important during the Covid 19 pandemic for both PEBB and SEBB Program members.

Slide 6 – Supporting Important Statewide Programs & Initiatives. This Limeade slide shows a few of the statewide programs and initiatives that SmartHealth supported last year.

The next few slides show where PEBB Program members are and have been over the last four years with regard to reaching various incentive levels.

Slide 7 – Incentive Levels identifies the three different levels.

Slide 8 – SmartHealth Levels Completed – 2018-2021. This table shows the percentage of people registered for SmartHealth and reached Level 1 and Level 2.

Slide 9 – Well-being Assessment Trends – 2018-2021. This slide shows incentives reached on a weekly basis. 2021 statistics were smaller than the previous years possibly due to COVID and its impact. HCA did not have in-person Benefits Fairs during 2020 Open Enrollment where we do a lot of education. There were no onsite well-being assessment challenges as in past years. Staff have also not done onsite wellness coordinator visits in a while. Wellness programs have been different since COVID. HCA will continue to send messages in multiple ways and through multiple vehicles to connect with members.

Slide 10 - \$125 Incentive Trends – 2018-2021.

John Comerford: How often do you communicate with the participants in the program? How do you communicate with them?

Kristen Stoimenoff: We communicate in lots of ways like newsletter articles, providing wellness coordinators at different agencies with items to send to their employees and/or post on their websites. Staff put information on our HCA website and on social media. Staff send to anyone signed up on GovDelivery to receive emails directly from the Health Care Authority. Anyone registered for SmartHealth will get emails directly from SmartHealth telling them about new activities that are available, reminding them about incentive deadlines, etc.

John Comerford: Are retirees included in the program?

Kristen Stoimenoff: Retirees who are not in Medicare Part A and Part B are eligible for SmartHealth incentives. So, if a retiree waived PEBB medical retiree coverage, they're not eligible for incentives.

John Comerford: Thank you very much.

Kristen Stoimenoff: Slide 11 – Activities with the Most Participation. This slide compares the top twelve activities with the most participation in 2020 and 2021.

Slide 12 – Enhancing Benefit Awareness. We help employees learn about their PEBB benefits. They are targeted very specifically. When you log into SmartHealth, you get activities for your plan only, if they are plan specific. It shows a few examples around benefit awareness. Options for Knee, Hip, and Spine Care is specific to the UMP Centers of Excellence Program. Only UMP members will see that. Members were able to link directly to whatever was available to them through Kaiser and through UMP.

Slide 13 – Connecting Members with Their Benefits shows another way we've tried to make it easier for employees to connect to their specific plan benefits. Kaiser, for example, has a tile toward the bottom of the SmartHealth screen. When you open it, you will see links to specific Kaiser activities created specifically for those members.

Slide 14 – SmartHealth PEBB Materials. The first flyer explains how SmartHealth supports whole person well-being, how to qualify for the Amazon gift card, and the \$125 wellness incentive. The next three flyers are from toolkits developed specifically for quarter three. Our team works with our communications team to put together these flyers and articles that relate to topics specifically included in SmartHealth. The flyers are sent to our wellness coordinators at the employer groups and others who are champions of well-being in their organizations and encourage them to send them on to their employees.

Slide 15 – What's Next? Last year, HCA created a flyer for the SEBB Program called "Reward Yourself with SmartHealth." It was helpful in generating additional participation. We're doing it for the PEBB Program this year, too. Last year's giving campaign was well attended and helps people, and us, to do a little bit of good in our communities. We will continue connecting employees with those state business resource groups that really help people get involved in a variety of issues.

Public Comment

No public comment.

Next Meeting

July 14, 2021

12:30 p.m. – 3:30 p.m.

Preview of July 14, 2021 PEB Board Meeting

Dave Iseminger, Director, Employees and Retirees Benefits Division, provided an overview of potential agenda topics for the July 14, 2021 Board Meeting.

Meeting adjourned 3:26 p.m.