

Public Employees Benefits Board

January 26, 2022

Public Employees Benefits Board

January 26, 2022

9:00 a.m. – 3:30 p.m.

Zoom Attendance Only

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

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TAB 1

**Public Employees Benefits Board
January 26, 2022
9:00 a.m. – 3:30 p.m.**

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

TO JOIN ZOOM MEETING – SEE INFORMATION BELOW

| | | | | |
|------------|---|-------|--|----------------------------|
| 9:00 a.m.* | Welcome and Introductions | | Sue Birch, Chair | |
| 9:05 a.m. | Meeting Overview | | Dave Iseminger, Director Employees & Retirees Benefits (ERB) Division | Information |
| 9:10 a.m. | Washington’s Health Care Cost Transparency Board | TAB 3 | AnnaLisa Gellermann, Board Manager Cost Board & Commissions Policy Division | Information/ Discussion |
| 9:55 a.m. | Pharmaceutical Initiatives and Transparency | TAB 4 | Donna Sullivan, PharmD, MS Chief Pharmacy Officer Clinical Quality & Care Transformation (CQCT) | Information/ Discussion |
| 10:30 a.m. | Break | | | Information/ Discussion |
| 10:40 a.m. | Cost Transparency and Value- Based Purchasing Impacts Panel Discussion | TAB 5 | Panel Moderator: Dr. Emily Transue, HCA Medical Director Andrew Oliveira, MD, MHA Senior Executive Medical Director Regence Blue Shield, WA Ross Laursen, Vice President Health Care Economics Premera Blue Cross Avantika Waring, MD Medical Director KPWA Diabetes Program and Commercial Business Kelly George, MD Medical Director of Financial Health NW Permanente | Information/ Discussion |
| 11:40 a.m. | Working Lunch • Washington Demographics | TAB 6 | Dave Iseminger, Director, ERB John Partin, Manager Benefits Strategy & Design Section ERB Division | Information/ Discussion |

| | | | | |
|------------|---|--------|--|----------------------------|
| 12:10 p.m. | COBRA Subsidy Final Report | TAB 7 | Kat Cook, Benefit Strategy Analyst Benefits Strategy & Design Section ERB Division | Information/ Discussion |
| 12:30 p.m. | Open Enrollment Update <ul style="list-style-type: none"> • 2022 Open Enrollment Summary • PEBB 2022 Enrollment Changes • Long-Term Disability (LTD) • Benefit Update: Tax-Advantaged Accounts • Dual Enrollment | TAB 8 | Renee Bourbeau, Manager Stacy Grof-Tisza, Customer Service Operations Manager Benefits Accounts Section ERB Division Beth Heston, PEBB Procurement Manager Portfolio Management & Monitoring Section, ERB Division Kimberly Gazard, Contract Manager Portfolio Management & Monitoring Section, ERB Division Marty Thies, Ph.D. Unit Manager Portfolio Management & Monitoring Section, ERB Division Cade Walker, Special Executive Assistant, ERB Division | Information/ Discussion |
| 1:00 p.m. | Break | | | Information/ Discussion |
| 1:10 p.m. | PEBB Modernization Project | TAB 9 | Jessica Pratt-McConnel, Strategic Plan Project Manager Benefits Strategy & Design Section ERB Division | Information/ Discussion |
| 1:30 p.m. | 2022 Legislative Session and Recent Legislative Reports | TAB 10 | Cade Walker, Special Executive Assistant, ERB Division | Information/ Discussion |
| 1:55 p.m. | Governor's Proposed Budget Update - PEBB | TAB 11 | Tanya Deuel, ERB Finance Manager Financial Services Division | Information/ Discussion |
| 2:10 p.m. | Procurement and Benefit Planning Cycles | TAB 12 | John Partin, Manager Benefits Strategy & Design Section ERB Division | Information/ Discussion |
| 2:25 p.m. | PEBB Trend Overview | TAB 13 | Molly Christie, Fiscal Information Data Analyst, Financial Services Division | Information/ Discussion |
| 2:55 p.m. | 2022 Board Preview | | Dave Iseminger, Director ERB Division | Information/ Discussion |
| 3:05 p.m. | Public Comment | | | |
| 3:20 p.m. | Closing | | Sue Birch, Chair | |
| 3:30 p.m. | Adjourn | | | |

***All Times Approximate**

The Public Employees Benefits Board will meet Wednesday, January 26, 2022, for their annual Board Retreat. Due to COVID-19 and out of an abundance of caution, all Board Members and attendees will attend this meeting virtually.

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

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

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

Materials posted at: <http://www.pebb.hca.wa.gov/board/> by close of business on January 24, 2022.

Join Zoom Meeting

<https://zoom.us/j/91650784868?pwd=TTIFZ202UmlGTTN1Lzk3STV4emxsQT09>

Meeting ID: 916 5078 4868

Passcode: 786843

One tap mobile

+12532158782,,91650784868#,,,,*786843# US (Tacoma)

+13462487799,,91650784868#,,,,*786843# US (Houston)

Dial by your location

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

+1 669 900 6833 US (San Jose)

+1 312 626 6799 US (Chicago)

+1 929 205 6099 US (New York)

+1 301 715 8592 US (Washington DC)

Meeting ID: 916 5078 4868

Passcode: 786843

Find your local number: <https://zoom.us/u/acA6ivcbiV>

PEB Board Members

| Name | Representing |
|--|--------------------------------------|
| Sue Birch, Director Health Care Authority 626 8 th Ave SE PO Box 42713 Olympia WA 98504-2713 V 360-725-2104 sue.birch@hca.wa.gov | Chair |
| Leanne Kunze, Executive Director Washington Federation of State Employees 1212 Jefferson Street, Suite 300 Olympia WA 98501 V 360-352-7603 PEBBoard@hca.wa.gov | State Employees |
| Elyette Weinstein 5000 Orvas CT SE Olympia WA 98501-4765 V 360-705-8388 PEBBoard@hca.wa.gov | State Retirees |
| Tom MacRobert 4527 Waldrick RD SE Olympia WA 98501 V 360-264-4450 PEBBoard@hca.wa.gov | K-12 Retirees |
| Scott Nicholson, Deputy Assistant Director State Human Resources Office of Financial Management PO Box 43113 Olympia WA 98504-3113 scott.nicholson@ofm.wa.gov | Benefits Management/Cost Containment |

PEB Board Members

| Name | Representing |
|--|--------------------------------------|
| Yvonne Tate 1407 169 th PL NE Bellevue WA 98008 V 425-417-4416 PEBBoard@hca.wa.gov | Benefits Management/Cost Containment |
| John Comerford* 121 Vine ST Unit 1205 Seattle, WA V 206-625-3200 PEBBoard@hca.wa.gov | Benefits Management/Cost Containment |
| Harry Bossi 19619 23 rd DR SE Bothell WA 98012 V 360-689-9275 PEBBoard@hca.wa.gov | Benefits Management/Cost Containment |
| Legal Counsel Michael Tunick, Assistant Attorney General 7141 Cleanwater Dr SW PO Box 40124 Olympia WA 98504-0124 V 360-586-6495 MichaelT4@atg.wa.gov | |

*non-voting members

3/12/21



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

PEB BOARD MEETING SCHEDULE

2022 Public Employees Benefits (PEB) Board Meeting Schedule

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

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

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

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

May 12, 2022 - 9:00 a.m. – 2:00 p.m.

June 9, 2022 - 9:00 a.m. – 2:00 p.m.

June 30, 2022 – 9:00 a.m. – 2:00 p.m.

July 14, 2022 - 9:00 a.m. – 2:00 p.m.

July 20, 2022 - 9:00 a.m. – 2:00 p.m.

July 27, 2022 - 9:00 a.m. – 2:00 p.m.

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

7/16/21

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: July 16, 2021

TIME: 2:26 PM

WSR 21-15-079

TAB 2

PEB BOARD BY-LAWS

ARTICLE I

The Board and its Members

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

ARTICLE II

Board Officers and Duties

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

ARTICLE III
Board Committees

(RESERVED)

ARTICLE IV
Board Meetings

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

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

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

ARTICLE V
Meeting Procedures

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

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

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

Last Revised July 15, 2020

TAB 3



Washington State
Health Care Authority

PUBLIC EMPLOYEES BENEFITS BOARD

Washington's Health Care Cost Transparency Board

AnnaLisa Gellermann
Board Manager
Health Care Authority
January 26, 2022

Agenda

- Basics of the Health Care Cost Transparency Board (HCCTB)
- The problem we are solving
- Decisions made and next steps

What is a Cost Growth Benchmark?

What is a cost growth benchmark?

- A health care cost growth benchmark is a per annum rate-of-growth benchmark for health care costs for a given state

Why pursue a cost growth benchmark?

- To curb health care spending growth

Cost Benchmark Purpose

- Increase affordability for the people of Washington through lowering the growth of health care costs to a sustainable rate
- Board identified considerations include:
 - Quality
 - Access
 - Spending on health-related social needs

Board Structure

- **The HCCTB is made up of 14 members**
 - Representation from purchasers, large and small businesses, local and state government, University of Washington, and others
- **Two advisory committees support the HCCTB:**
 - Health Care Providers and Carriers
 - Data Issues

Health Care Cost Transparency Board Members

- Sue Birch, Director, HCA (chair)
- Lois Cook, Owner/Operator, America's Phone Guys
- John Doyle, CFO, Starr Ranch Growers
- Bianca Frogner, PhD, Director of Center for Health Workforce Studies, UW
- Sonja Kellen, Senior Director, Global Health and Wellness, Microsoft
- Pam MacEwan, CEO, WAHBE
- Molly Nollette, Deputy Commissioner for Rates and Forms, OIC
- Mark Siegel, Director of Employee Benefits, Costco
- Margaret Stanley
- Kim Wallace, Medical Administrator, L&I
- Carol Wilmes, Director of Member Pooling Programs, Association of WA Cities
- Edwin Wong, PhD, Research Associate Professor, UW
- Laura Kate Zaichkin, Director of Health Plan Performance, SEIU 775 Benefits Group
- Jody Joyce, CEO, Unity Care NW (Advisory Committee Representative, non-voting member)

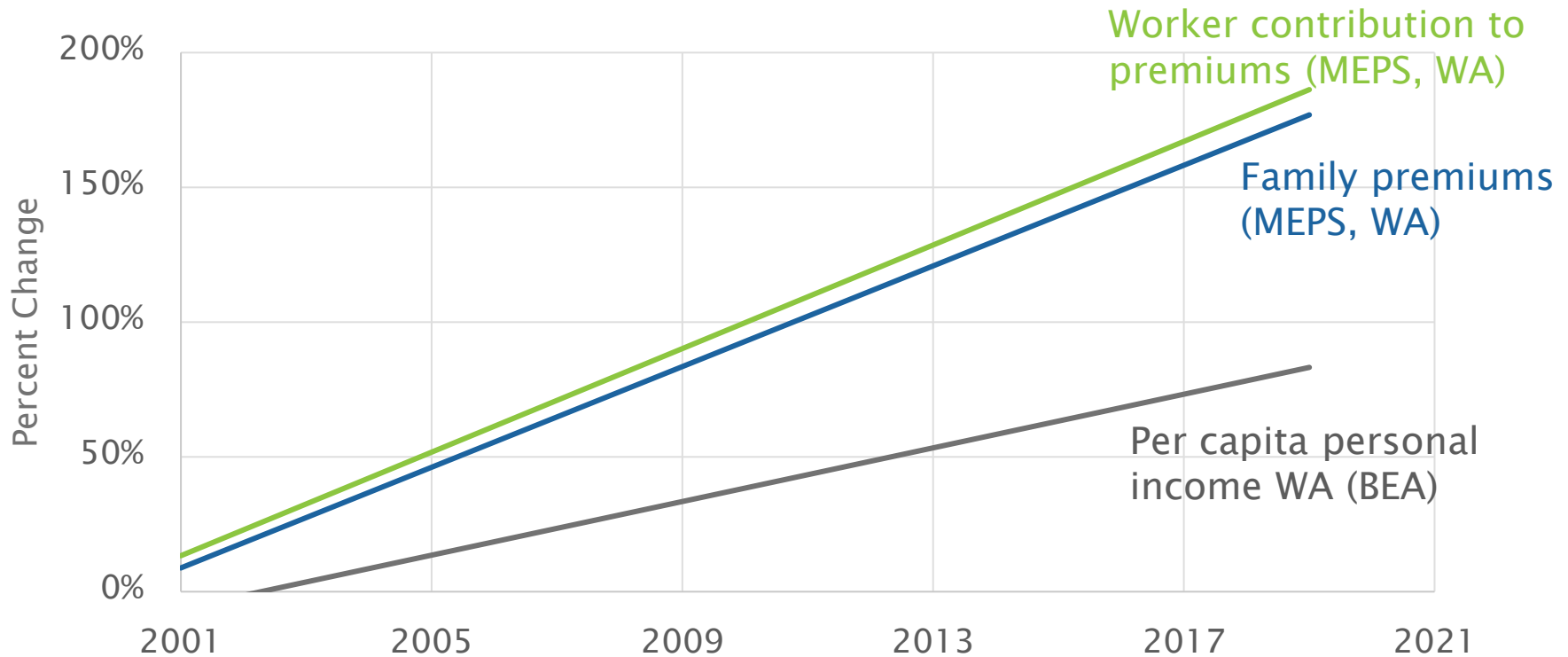
The Problem of High Cost

- We spend too much
 - In 2017, the U.S. spent 17.9% of gross domestic product (GDP) on health care services and Switzerland, the country with the second highest share, spent only 12%
 - Nationally in 2019, total health spending was \$1.4 trillion
 - Government (federal, state, and local) represents roughly 45% of total spending

The Problem of Growing Cost

| Percentage Growth | Economic Indicator | Time Period |
|-------------------|---------------------------------|-------------------|
| 4.0% | Per capita cost | 2017-2018 |
| 2.6% | GDP | Quarter 4 of 2018 |
| 3.38% | Nominal wage growth | December 2018 |
| 6.2% | Health services spending | 2019 |

The Problem of Growing Cost (*cont.*)



Graphs are linear trendlines of the data

Sources: AHRG's Medical Expenditure Survey, Tables D.1 and D.2 for 2001-2019 and Bureau of Economic Analysis

The Problem of Growing Cost (*cont.*)

- The average share of U.S. household budgets devoted to health care increased from 5.2% to 8.2% over 30 years
- Middle class families' spending on health care increased 25% since 2007
- In 2017, roughly 7% of insured adults and 28% of uninsured adults said they delayed or did not receive medical care due to cost

Legislative Charge for the HCCTB: House Bill 2457 (2020)

- Establish a health care cost growth benchmark/target percentage to limit growth
- Annually collect payer spending data
- Determine **total health care expenditures annually** and trends in growth
- Analyze Washington-specific cost drivers
- Provide annual reports and recommendations to the Legislature

HCCTB Decision: Sources for Total Health Care Expenditures

- Medicare
- Medicaid
- Medicare and Medicaid “duals”
- Commercial (fully insured and self-insured)
- L&I’s worker’s compensation (state fund)
- Department of Corrections

HCCTB Decision: Cost Benchmark

- 70% historic median wage and 30% potential gross state product (PGSP)
- Initial period of 5 years
- Assess impacts annually
- Consider change under “extraordinary circumstances”

| Years | Target |
|-------|--------|
| 2022 | 3.2% |
| 2023 | 3.2% |
| 2024 | 3.0% |
| 2025 | 3.0% |
| 2026 | 2.8% |

Cost Benchmarks in Participating States

| | 5-Year Average (2010-2014) | 10-Year Average (2005-2014) | 20-Year Average (1995-2014) | Cost Growth Benchmark |
|-------------------|----------------------------------|-----------------------------------|-----------------------------------|--|
| Massachusetts | 3.0% | 4.7% | 5.1% | 3.6% for 2013-2017 3.1% for 2018-2022 |
| Delaware | 5.1% | 5.7% | 5.6% | 3.8% for 2019 3.5% for 2020 3.25% for 2021 3.0% for 2022-2023 |
| Rhode Island | 2.6% | 3.7% | 5.3% | 3.2% for 2019-2022 |
| Oregon | 5.3% | 5.9% | 5.7% | 3.4% for 2021-2025 3.0% for 2026-2030 |
| Connecticut | 2.4% | 3.9% | 4.8% | 3.4% for 2021 3.2% for 2020 2.9% for 2023-2025 |
| Washington | 4.1% | 5.8% | 6.7% | 3.2% for 2022-2023 3.0% for 2023-2025 2.8% for 2026 |

Source: Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group
National Health Expenditure Data: National Health Expenditures by State of Residence, June 2017

Peterson-Milbank Program for Sustainable Health Care Costs

- Goal to advance state-based efforts to make health care more affordable
- States selected for participation are Connecticut, Nevada, New Jersey, Oregon, and Washington
- Grant includes:
 - Technical assistance on benchmark and cost-driver analysis through Bailit Health
 - Assistance for IT/data development
 - Organized interstate cooperation and education

How Could This Data Be Used?

- Highlight variance for purchasers and policymakers
- Create a common expectation
- Access data insights that can help purchasers shape their benefits and sourcing strategies
 - Identify high-performing providers
 - Identify opportunities for improvement
 - Strategically structure network and benefit design to encourage high-value care

Upcoming Board/Advisory Activities

- Annual data collection design and implementation
- Report to the Legislature
 - Benchmark baseline: 2022
 - Performance against the benchmark: 2023
- Board review of current cost-related initiatives
- Policy recommendations on general cost mitigation strategies
- Analysis of specific cost drivers

Questions?

AnnaLisa Gellermann
HCCT Board Manager
annalisa.gellermann@hca.wa.gov

Board Website:

<https://www.hca.wa.gov/about-hca/health-care-cost-transparency-board>

Appendix

Advisory Committee of Health Care Providers and Carriers

| Name | Title | Place of Business |
|-------------------------|--|--------------------------------------|
| Patricia Auerbach | Market Chief Medical Officer | United Healthcare |
| Mark Barnhart | Chief Executive Officer | Proliance Surgeons, Inc., P.S. |
| Bob Crittenden | Physician and Consultant | Empire Health Foundation |
| Bill Ely | Vice President of Actuarial Services | Kaiser Permanente |
| Paul Fishman | Professor, Dept. of Health Services | University of Washington |
| Jodi Joyce | Chief Executive Officer | Unity Care NW |
| Louise Kaplan | Associate Professor, Vancouver | WSU College of Nursing |
| Stacy Kessel | Chief Finance and Strategy Officer | Community Health Plan of Washington |
| Ross Laursen | Vice President of Healthcare Economics | Premera Blue Cross |
| Todd Lovshin | Vice President and WA State Executive | PacificSource Health Plans |
| Vicki Lowe | Executive Director | American Indian Health Commission |
| Mike Marsh | President and Chief Executive Officer | Overlake Hospital and Medical Center |
| Natalia Martinez-Kohler | Vice President of Finance and CFO | MultiCare Behavioral Health |
| Megan McIntyre | Pharmacy Director, Business Services | Virginia Mason |
| | | |
| Mika Sinanan | Surgeon and Medical Director | UW Medical Center |
| Dorothy Teeter | Consultant | Teeter Health Strategies |
| Wes Waters | Chief Financial Officer | Molina HealthCare of Washington |

Advisory Committee on Data Issues

| Name | Title | Place of Business |
|--------------------|---|---------------------------------------|
| Megan Atkinson | Chief Financial Officer | Health Care Authority |
| Amanda Avalos | Deputy, Enterprise Analytics, Research, and Reporting | Health Care Authority |
| Allison Bailey | Executive Director, Revenue Strategy and Analysis | MultiCare Health System |
| Jonathan Bennett | Vice President, Data Analytics, and IT Services | Washington State Hospital Association |
| Purav Bhatt | Regional VP Operations, Management, and Innovation | OptumCare Washington |
| Bruce Brazier | Administrative Services Director | Peninsula Community Health Services |
| Jason Brown | Budget Assistant | Office of Financial Management |
| Jerome Dugan | Assistant Professor, Department of Health Services | University of Washington |
| Leah Hole-Marshall | General Counsel and Chief Strategist | Health Benefit Exchange |
| Scott Juergens | Division Director, Payer Analytics and Economics | Virginia Mason Franciscan Health |
| Lichiou Lee | Chief Actuary | Office of the Insurance Commissioner |
| Josh Liao | Medical Director of Payment Strategy | University of Washington |
| Dave Mancuso | Director, Research and Data Analysis Division | DSHS, Research and Data Analysis |
| Ana Morales | National Director, APM Program | United Healthcare |
| Thea Mounts | Senior Forecast Coordinator | Office of Financial Management |
| Hunter Plumer | Senior Consultant | HealthTrends |
| Mark Pregler | Director, Data Management and Analytics | Washington Health Alliance |
| Julie Sylvester | Senior Consultant, Contracting and Payer Relations | University of Washington Medicine |

TAB 4



Pharmaceutical Initiatives and Transparency

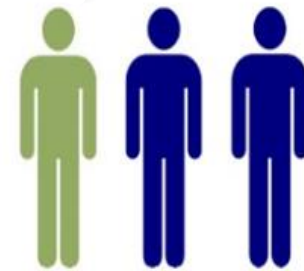
Donna L. Sullivan, PharmD, MS
Chief Pharmacy Officer
Health Care Authority
January 26, 2022

What We Do at HCA

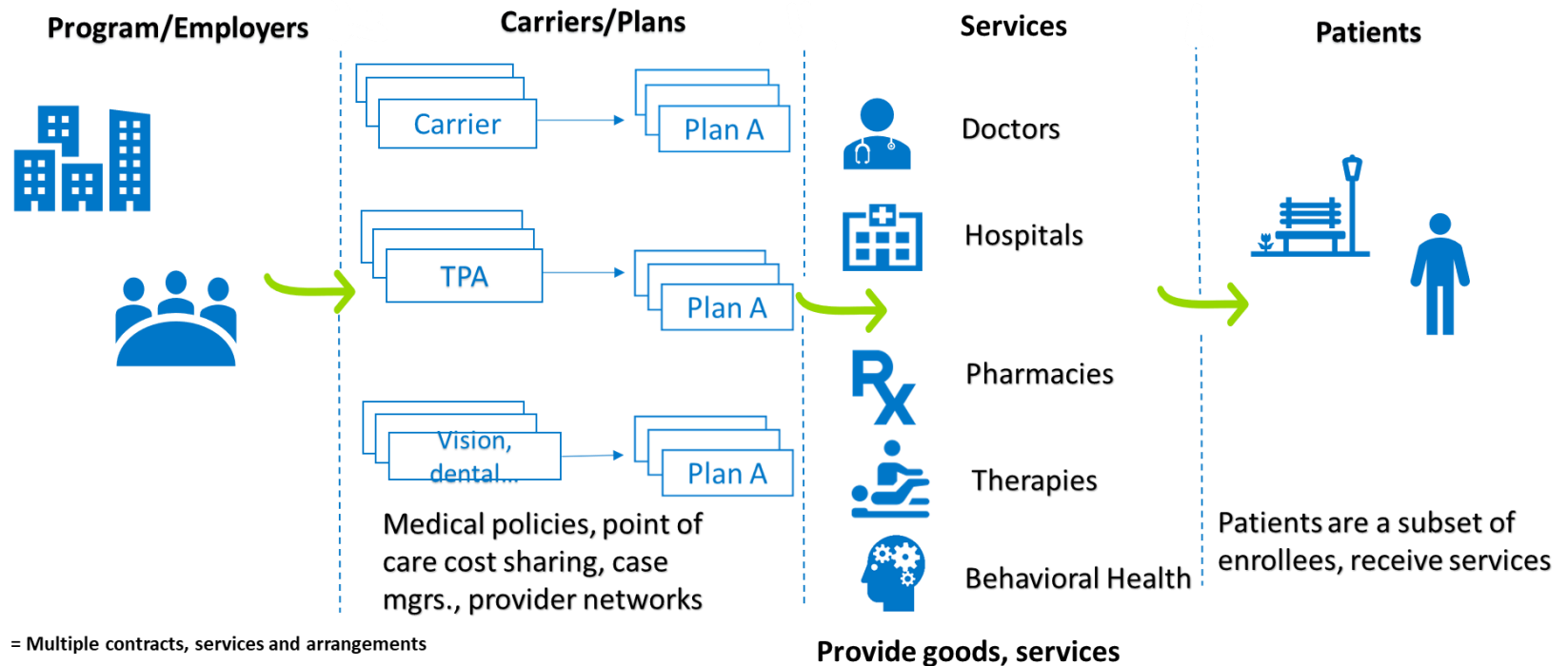
State's largest health care purchaser:

- Medicaid (Apple Health)
 - 1.9 million people
- Public Employees Benefits
 - 380,000 people
- School Employees Benefits
 - 265,000 people

We purchase care for 1
in 3 non-Medicare
Washington residents
with an annual spend
over \$14B, \$2.5B is
drug costs



Simplified-US Healthcare System Overview



Simplified Pharmacy Distribution/Purchasing Overview

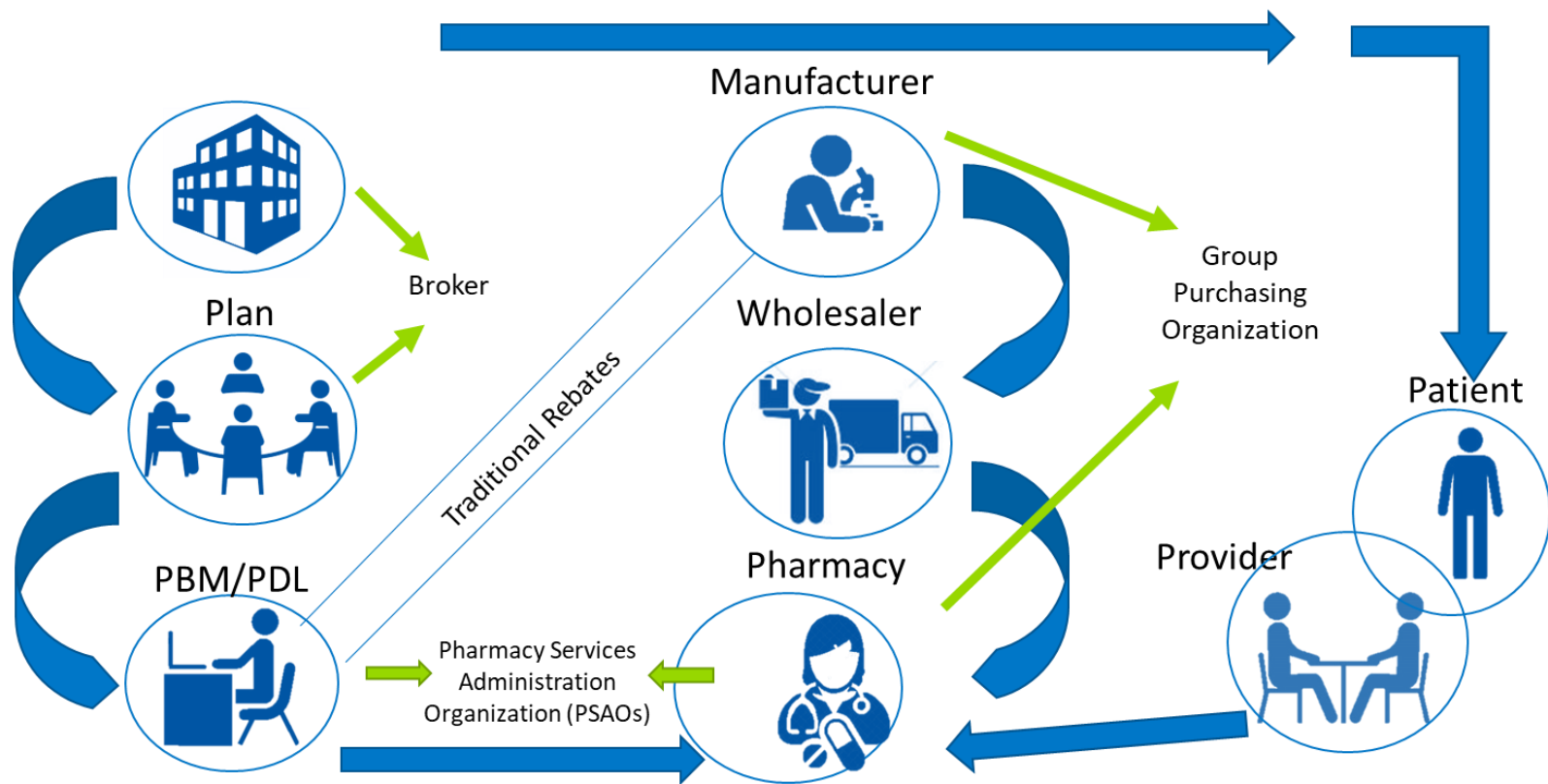
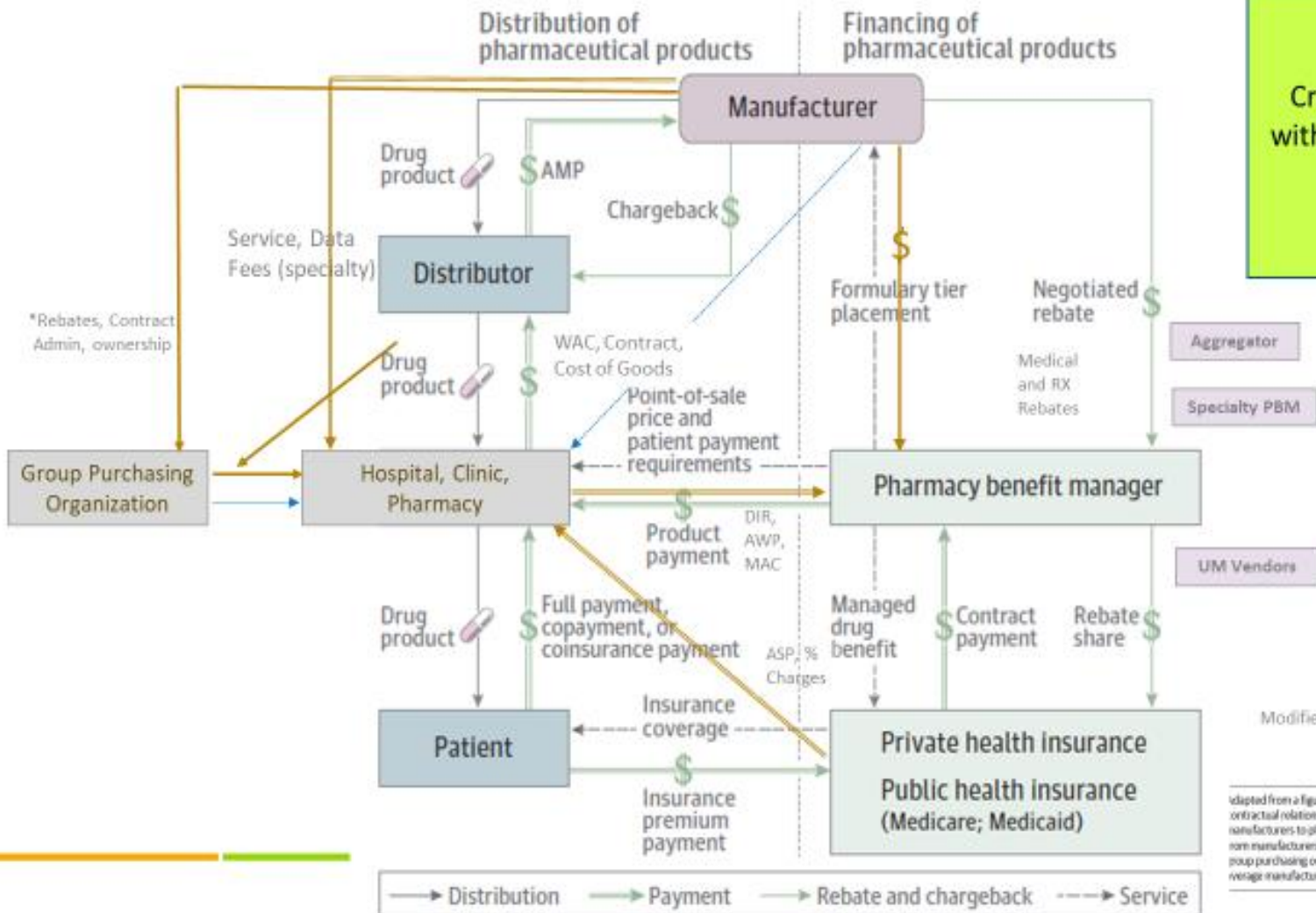


Figure. Flow of Pharmaceutical Funds, Products, and Services



Creating transparency within this pricing design is a challenge.

Modified MM 1/2021

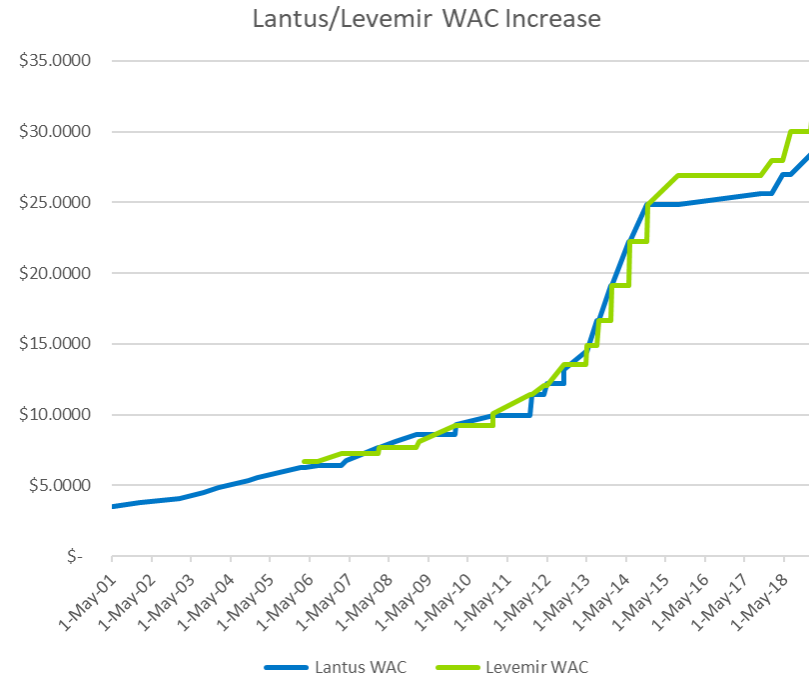
Adapted from a figure by the Congressional Budget Office. Services represent contractual relationships between entities. Rebates are payments from manufacturers to pharmaceutical benefit managers. Chargebacks are payments from manufacturers to distributors. Retailers include pharmacies, hospitals, group purchasing organizations, and mail-order programs. AMP indicates average manufacturer price; WAC, wholesale acquisition cost.

All Types of Payers Purchase Drugs

- Public, private, and uninsured purchase drugs from the same drug distribution system (i.e., manufacturer to wholesaler to pharmacy)
- Federal laws regulate how federal programs reimburse for drugs based off pricing benchmarks, using percentages off prices that manufacturers set
- Manufacturers can set prices high enough to ensure revenue from payers, to compensate for discounts required under federal programs (Medicaid)

Price Increases

- As manufacturers determine the WAC (wholesale acquisition cost) they'd like to charge; the impacts are felt throughout the system, especially if there are no other comparable drugs
- No control over price
Purchasers can only negotiate rebates and manage utilization
- 258 drugs (NDCs) had a price increase in July 2021 ranging from a 1% increase to a 908% increase



Current Major Initiatives...

- Prescription Drug Consortium
- Drug Price Transparency Program
- Total Cost of Insulin Work Group
- SB 5203 - Lowering the cost of insulin and generic drugs for all WA residents through arrangements with a GPO, manufacturer, pharmacy benefit manager (PBM), wholesaler, or other states
- SB 5195 - Exploring a group purchasing arrangement for opioid reversal medication

Working Strategies: the NW Drug Purchasing Consortium

- An inter-state agreement between the states of Oregon and Washington designed to meet the pharmacy program needs of public and private entities
- Overseen by WPDP and OPDP, it offers services including:
 - PBM services (network management, rebating, claims payment, billing and reconciliation)
 - GPO Program (managed via a national GPO, aggressive class of trade pricing, integration with PBM services where applicable, regular market checks)
 - A discount card program (discount card offers individual consumers pricing comparable to participating groups under the NW Consortium)
- There is a legislative requirement for state purchasers to participate in the Consortium unless they are receiving a better price
- Participation in the Consortium is available for other states and organizations



Drug Price Transparency Program

Reporting Entities

Carriers

- 17 of 19 carriers submitted successfully

PBMs

- 19 of 24 PBMs submitted successfully

PSAOs

- 0 of 6 PSAOs have reported

Manufacturers

- 1,237 covered drug reports and 263 new drug reports

Enforcement

Enforcement process designed and may begin early 2022

Annual report due January 1, 2022

Will include:

- Changes to drug spending and health plan premiums 2017–2019
- Underpaid pharmacy appeals 2018–2019
- Reported price increases 2019–2021

HB 2662: Total Cost of Insulin Workgroup

Workgroup Directive

Review strategies to reduce the cost of and the total expenditures on insulin in WA, including:

- State agency becoming a wholesaler
- State agency becoming a pharmacy benefit manager
- Purchasing drugs directly from other states or in coordination with other states

Status

Identifying workgroup members

- Expect Governor appointments soon

First meeting planned for March 2022

- Will form sub-groups after this meeting

Governor's budget and agency request legislation to restore funding and adjust timelines

SB 5203: Generic Drug & Insulin Purchasing

Directive

Lower the cost of insulin for all WA residents

Via arrangements with a GPO, manufacturer, PBM, wholesaler, or pharmacy

Status

Contracted with the Center for Evidence-Based Medicine at Oregon Health and Science University (OHSU) for:

- Stakeholder engagement
- Market research (including a survey sent to stakeholders)
- Identify approaches, levers, and options
- Draft report
- Data analytics

SB 5195: Naloxone

Directive

Status

Provide training and technical assistance to providers

Educational materials have been drafted

- Input received from the Department of Health and the Addictions Drug and Alcohol Institute (ADAI)

Pay for naloxone for uninsured WA residents

Anticipated start date: January 1, 2022

Establish a bulk purchasing and distribution program for opioid overdose reversal medication

- Currently working with OHSU to explore options
- Stakeholder engagement
- **Will provide legislature with costs to implement once a plan is finalized**

Questions?

Donna L. Sullivan, Chief Pharmacy Officer
Clinical Quality & Care Transformation

Donna.Sullivan@hca.wa.gov

TAB 5



Cost Transparency & Value-Based Purchasing Impacts Panel Discussion

Emily Transue, MD
HCA Medical Director
Panel Moderator
January 26, 2022

Andrew B. Oliveira, MD, MHA

*Senior Executive Medical Director,
Population Health, Regence Blue Shield, WA*

Dr. Oliveira received his medical degree from the University of California, at San Francisco School of Medicine. Drew completed his residency at Swedish Hospital Medical Center. He is board certified in Family Medicine and practiced the full spectrum of family medicine including obstetrics for two decades.

His practice began at the Sea Mar Community Health Center in Seattle, a multi-lingual, low-income practice setting. He then transitioned to Valley Medical Center in Renton, WA where he ran a Family Medicine Residency and practiced for 18 years as the residency program director. He received his Masters in Healthcare Administration from the University of Washington in 2001. Drew spent 13 years prior to Regence with a national carrier spanning the spectrum of traditional medical director roles (PA, UM, Network) through National Accounts sales, marketing, and product development.

For the Regence/Asuris plans, Drew is responsible for the clinical consulting group across the four-state region (executive medical directors, nurses, pharmacist support), provider collaboration in the WA market, population health management design and oversight, and cost stewardship for the health plans at the market level.

Ross Laursen

Vice President, Health Care Economics, Premera Blue Cross

Ross Laursen leads several teams that provide actuarial and analytic support for Premera's provider management and network development activities. Ross provides strategic leadership on emerging health care topics and trends, including architecture and negotiation of value-based payment initiatives.

Ross joined Premera in 2005. Prior to that he was a Principal & Consulting Actuary, specializing in health care with the consulting firm Milliman for twelve years.

Ross is a Fellow of the Society of Actuaries (FSA) and a Member of the American Academy of Actuaries (MAAA). He holds a Bachelor of Science in Mathematics from Pacific Lutheran University.

Avantika Waring, MD

Medical Director for KPWA Diabetes Program and Commercial Business

Dr. Waring joined the Washington Permanente Medical Group (WPMG) in 2016 as an endocrinology physician at Kaiser Permanente's Capitol Hill campus. Avantika currently serves as both the medical director for KPWA's Diabetes Program and the medical director for Commercial Business.

In her clinical role, Avantika works with primary care teams across the state to help optimize diabetes care. Her general endocrine practice is based in Capitol Hill.

Avantika earned her undergraduate degree from Northwestern University, Doctor of Medicine from the University of Pennsylvania, and fellowship at the University of California San Francisco. Although she grew up in New Jersey, she considers herself a West Coaster. Avantika lives in Seattle with her husband and three boys.

Kelly D. George, MD

Medical Director of Financial Health, NW Permanente

Kelly George, MD is an Internal Medicine Physician practicing in her hometown of Portland, Oregon. She has been with NW Permanente since completing her residency training in 2014. After spending the first 6 years of her career as a primary care physician, she has narrowed her practice to focus primarily on diabetes.

In addition to her clinical role, she serves as the Medical Director for Financial Health which encompasses documentation and coding, revenue cycle, risk adjustment, and member financial health and cost transparency. Dr. George firmly believes that when physicians initiate conversations with their patients about cost, it leads to an improved ability to co-create a practical and successful treatment plan.

Questions?

Dr. Emily Transue
HCA Medical Director
Emily.transue@hca.wa.gov

TAB 6



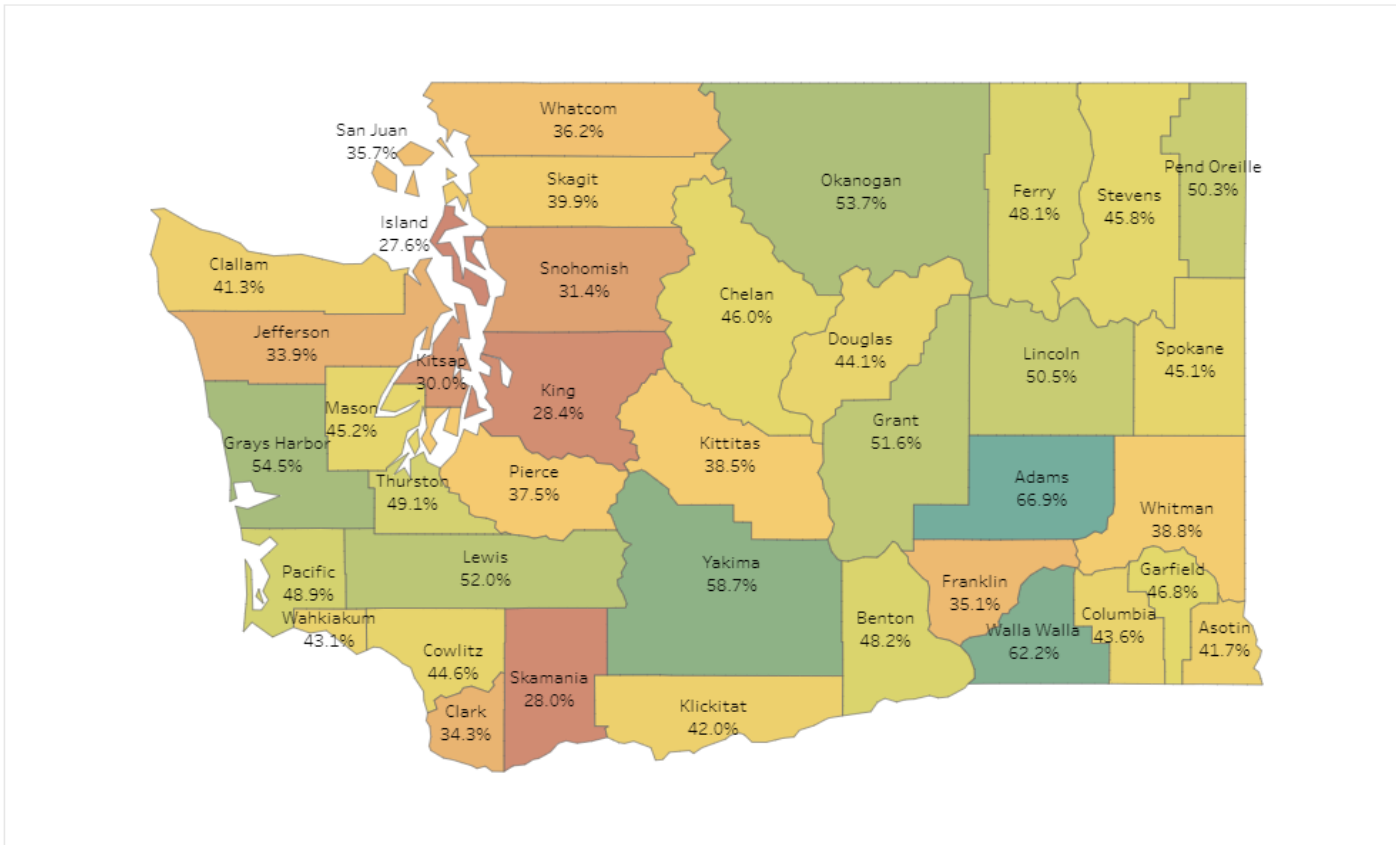
Washington State Demographics

Dave Iseminger, Director
Employees and Retirees Benefits Division
January 26, 2022

John Partin, Manager
Benefit Strategy and Design Section
ERB Division

Residents Covered by HCA Programs

HCA Covered Members by County



- Over 2 million residents access health care programs administered by Health Care Authority

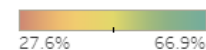
% HCA Covered Members: Percent of total county residents covered by products offered/administered by the Health Care Authority (i.e., Medicaid, PEBB, and SEBB).

Medicaid Eligible Clients: Medicaid clients who are eligible for the month as of November 2021.

PEBB Members: Distinct count of members enrolled PEBB medical, dental, life, or LTD benefits as of November 2021.

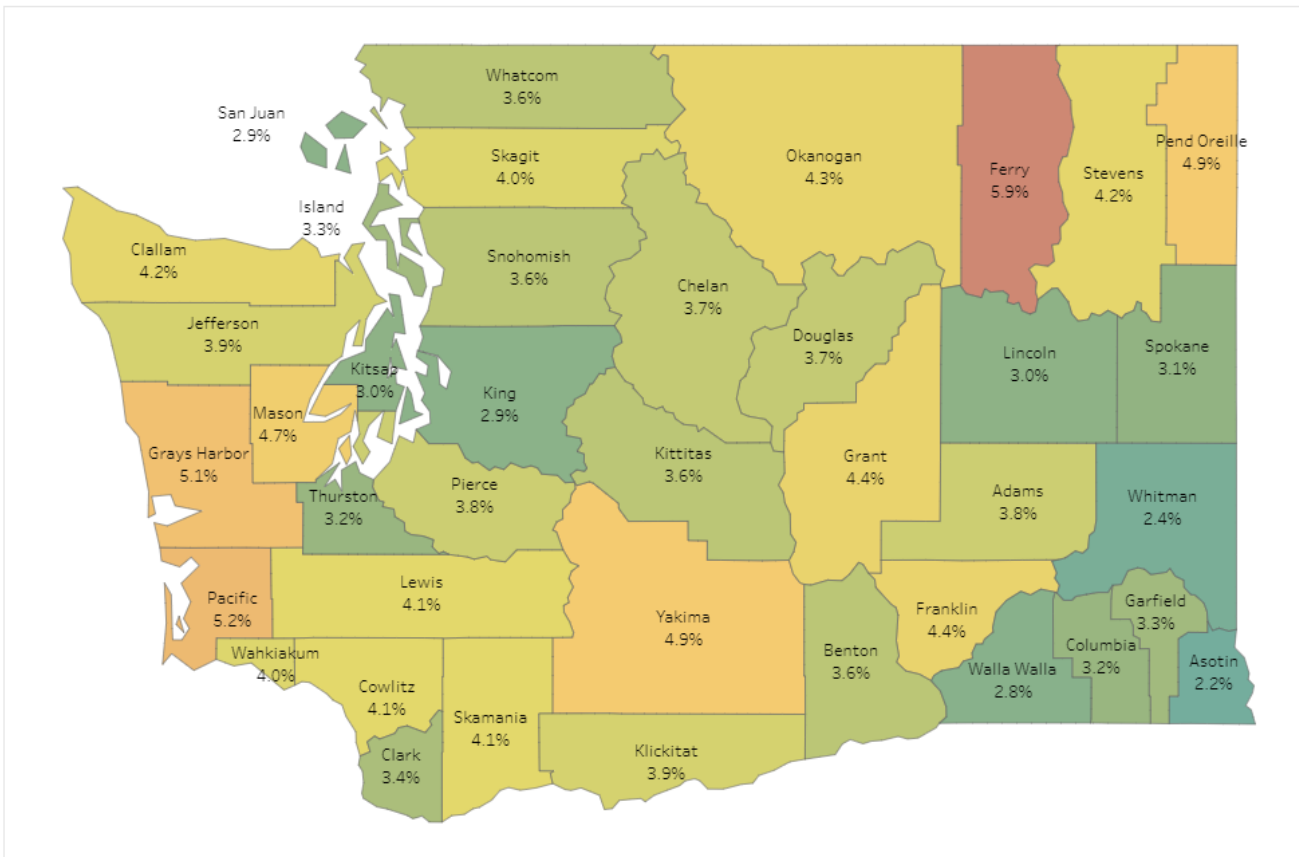
SEBB Members: Distinct count of members enrolled SEBB medical, dental, vision, life, or LTD benefits as of November 2021.

% HCA Covered Membe...



Washington State Unemployment

Unemployment by County



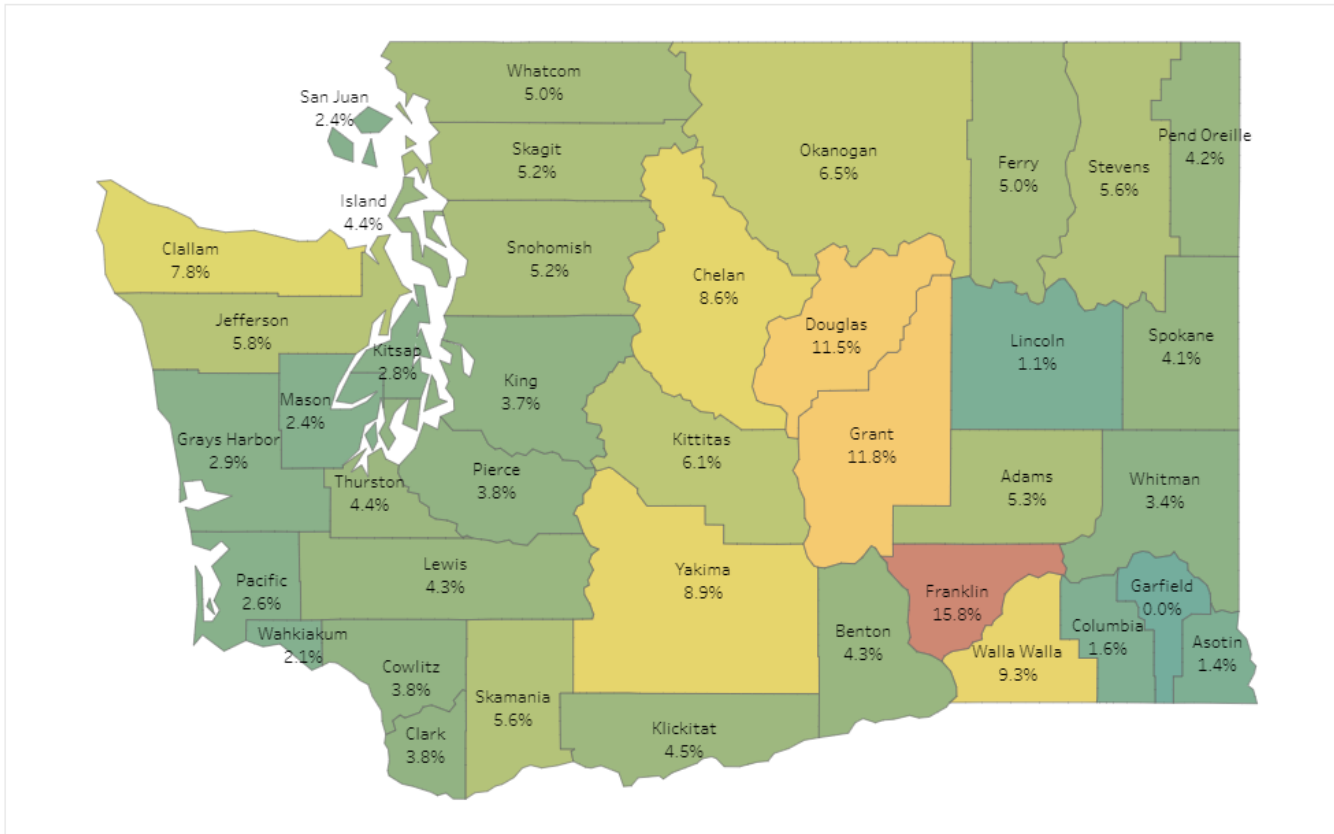
- Unemployment, while low, is higher than the US average
- Apparent impact of retiree populations in some counties

Data Source: Employment Security Department monthly employment statistics by county for November 2021.



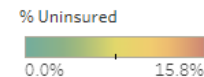
Residents Without Health Insurance

Uninsured by County



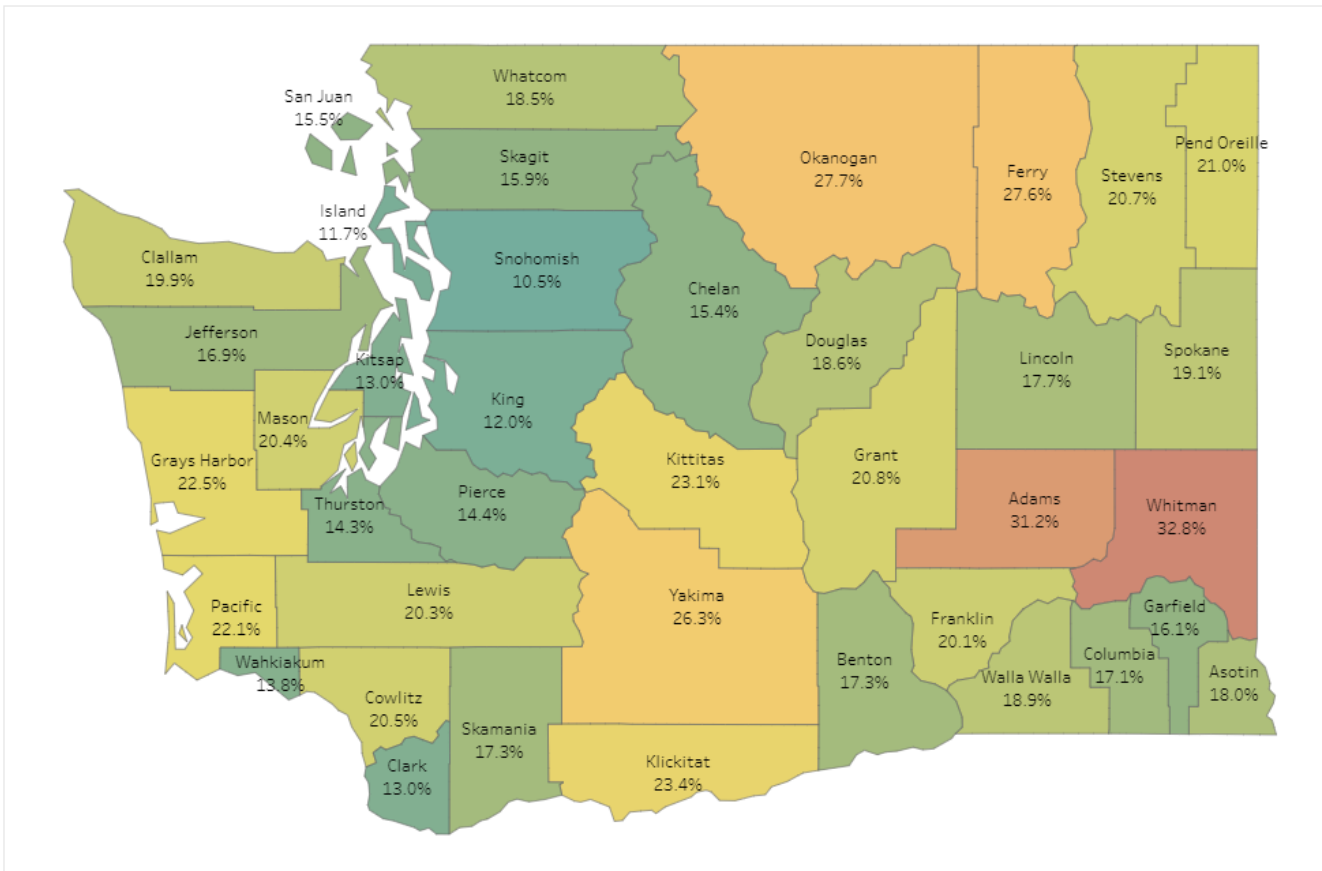
- Uninsured rates are lower than US average
- Low cost of insurance (expressed as percent of median incomes)

Data Source: Office of Financial Management county uninsured estimates, tracked internally, for October 2021.



Residents Living in Poverty

Washington Residents, by County, Living in Poverty

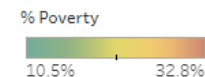


- Poverty rates are essentially at the US average
- Notable variations Eastern vs. Western Washington

Data Source: Department of Health, County Social Determinants of Health.

Percent of Washington residents, by county, living at or below 125% of the Federal Poverty Level over the 2013 - 2017, 5-Year Period.

<https://www.doh.wa.gov/DataandStatisticalReports/WashingtonTrackingNetworkWTN/SocialDeterminantsofHealth/CountyDashboard>



Questions?

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

TAB 7



Washington State
Health Care Authority

PUBLIC EMPLOYEES BENEFITS BOARD

COBRA Subsidy Final Report

Kat Cook, Benefit Strategy Analyst
Benefit Strategy and Design Section
Employees and Retirees Benefits Division
January 26, 2022

What was the COBRA Subsidy?

- The American Rescue Plan Act of 2021 (ARPA) granted a 100% COBRA Subsidy for eligible individuals from April - September of 2021
- COBRA Subsidy eligibility criteria:
 - They are federally eligible for COBRA during the subsidy,
AND
 - They lost group health coverage to involuntary termination OR for a reduction in hours,
AND
 - They don't have access to other group health coverage or Medicare.

Subsidy Denials

- Reasons an applicant was denied:
 - They were eligible for other group coverage or Medicare
 - They were no longer eligible for COBRA (eligibility for continuation coverage from Resolution PEBB 2020-01 does not qualify for the COBRA subsidy)
 - Their termination of employment was voluntary
- A denial letter was sent to any applicant denied coverage, it included:
 - Reason for denial
 - Appeal rights

Why Did a Member's Subsidy End?

- They met their COBRA end date (eligibility for continuation coverage from Board Resolution PEBB 2020-01 does not qualify for the COBRA subsidy)
- They alerted HCA that they became eligible for other group coverage or Medicare
- The subsidy period ended

2021 COBRA Subsidy Statistics

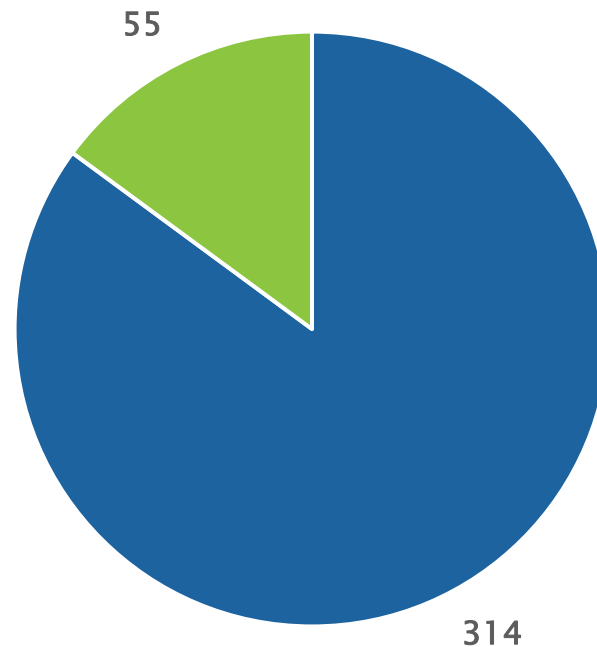
- 40,213 Notices were sent to current/former public employees and dependents
- 681 PEBB Program Applicants
 - 369 Approved
 - 312 Denied

Subsidy Appeals

- 43 total appeals in PEBB Program
- 25 appeals affirmed
- Most common reason for appeal - termination believed to be involuntary by applicant, but there was no supporting data in HCA documentation

2021 COBRA New Enrollees

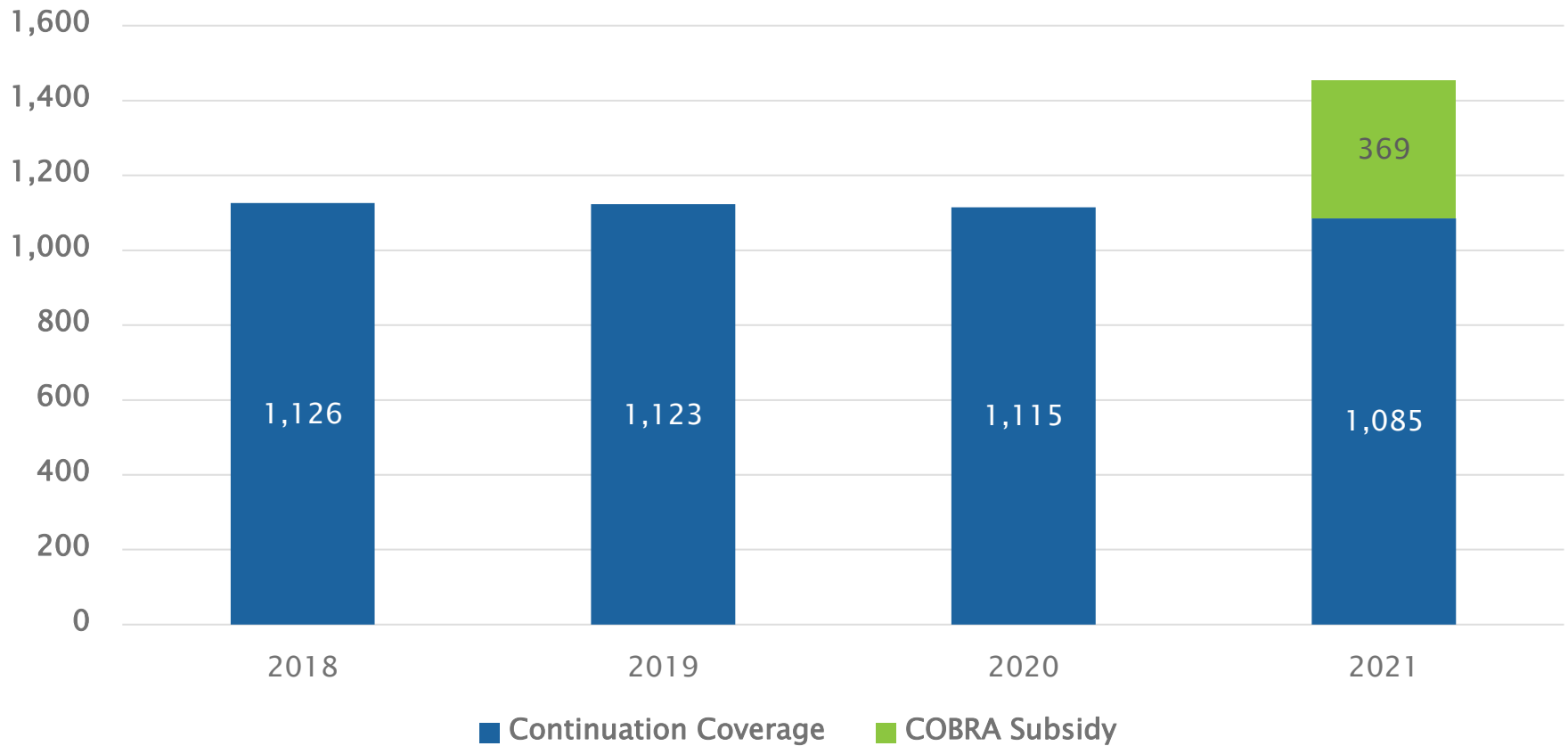
COBRA Subsidy Uptake



N = 369

■ Newly Enrolled in COBRA ■ Previously Enrolled in COBRA

Continuation Coverage Utilization Trends



Takeaways

- Subsidy ended September 30, 2021
- No indication about another subsidy at this time
- 276 subsidy recipients remained in continuation coverage after the subsidy ended

Questions?

Kat Cook, Benefit Strategy Analyst
Benefit Strategy and Design Section
Employees and Retirees Benefits Division

kat.cook@hca.wa.gov

TAB 8



2022 Open Enrollment Summary

Renee Bourbeau, Manager
Benefits Accounts Section
Employees & Retirees Benefits Division
January 26, 2022

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

Benefits Accounts

- Of the five units within the Benefits Accounts Section, the two primary units involved in Open Enrollment activities are:
 - Customer Service
 - Outreach and Training

Customer Service

Customer Service Unit:

- The Customer Service Unit is the first line of contact for Retirees and Continuation Coverage enrollees
- Unlike other typical customer service call centers, this unit of staff performs three primary functions:
 - Answers calls via a toll-free line (and responds to FUZE inquiries)
 - Provides in-person lobby services for walk-in members
 - Reviews members' Retiree or Continuation of Coverage eligibility as they process enrollment forms
- Staff are scheduled daily to perform one or more of these functions

Outreach and Training

Outreach and Training (O&T) Unit:

- The O&T Unit supports over 700 PEBB agencies' and SEBB organizations' payroll and benefit offices
 - Since the agencies and organizations act as the first line of customer service for their employees, O&T staff provide training to the staff of these entities regarding program plan options, covered benefits, eligibility, rules, and enrollment processes
 - When staff in these agencies or organizations come across issues or need additional assistance, they reach out to O&T through a dedicated 1-800 toll-free line and/or a secure online correspondence tool called "FUZE"
- O&T similarly works with staff of state political subdivisions, which can purchase benefits from the PEBB Program as their broker

Open Enrollment Readiness

- Both the Customer Service and O&T Units work with other HCA divisions on open enrollment year round
- Once debriefing and post open enrollment work is completed, kick off activities for the next open enrollment begin
- Yearly pre-open enrollment activity examples:
 - Prepare communications to add in newsletters and letters
 - Pre-open enrollment webinars topics and schedules
 - GovDelivery messaging to forward to the organizations at open enrollment
 - Secure vendors' locations and schedules for in-person benefits fairs (when available)

Open Enrollment Readiness (*cont.*)

- Continue work on the Virtual Benefits Fairs (VBF)
- VBF is an online website created with the same goal in mind as an in-person benefits fair. Some VBF features:
 - Members can **learn about their benefits** from their home
 - Available anytime day or night and can be accessed via a computer, tablet, or smartphone
 - Some carriers provide direct interactive webinars, pre-recorded webinars, and teleconferences to share plan-specific information
- There were no in-person benefits fairs last year. The VBF tool was a great alternative for helping employees decide on their benefit elections for themselves and their families.

Open Enrollment Highlights (November 1-30)

- No technical difficulties with the PEBB *My Account* server
- All enrollment changes were accepted throughout open enrollment
- 10 GovDelivery email messages distributed to agencies' payroll and benefits offices to forward to their employees
- Good success with the Virtual Benefits Fair tool
 - 13,289 visits
 - 3,527 returning visitors

Open Enrollment Highlights (*cont.*)

- Use of PEBB *My Account* for open enrollment change rather than paper form
- For 2019: 86.1% changes made online out of 8,187 plan changes
- For 2020: 82.3% changes made online out of 4,910
- For 2021: 87.8% changes made online out of 3,889
- For 2022: 90.6% changes made online out of 4,281

PEBB *My Account*: Access from www.hca.wa.gov/my-account

PEBB/My Account login

Log into My Account to view your coverage and premium surcharge information, get your statement of insurance, and make open enrollment changes. To learn more about working with My Account, visit our [Help with My Account](#) webpage. We recommend using your personal email address to access your account.

Returning member login

Email Address

Password

[Log into My Account](#)

[Forgot Email?](#) [Forgot Password?](#)

New to My Account? [Register now](#)

Actions you can take using My Account year-round

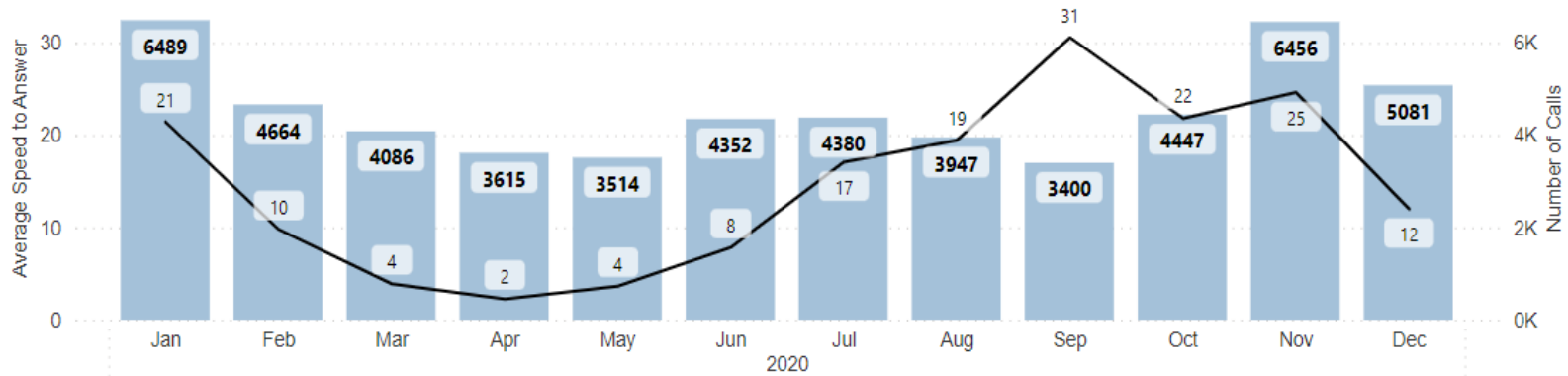
- View your medical and dental coverage information
- View your employer-paid basic life and basic AD&D insurance information (employees only)
- View your long-term disability insurance information (employees only)
- Download your Statement of Insurance
- View your premium surcharge attestations (if applicable)
- Make changes to your tobacco use premium surcharge attestation (if applicable)

Actions you can take during open enrollment (November 1-30) (some restrictions may apply)

- Make changes to your medical and dental coverage
- Attest to the spouse or state-registered domestic partner coverage premium surcharge
- Make changes to a family member's medical and/or dental coverage
- Waive coverage for yourself (employees only)

Customer Service: 2020-2021 Phone Comparison

2020 Number of Calls



Date Selector

1/1/2020 12/31/2020

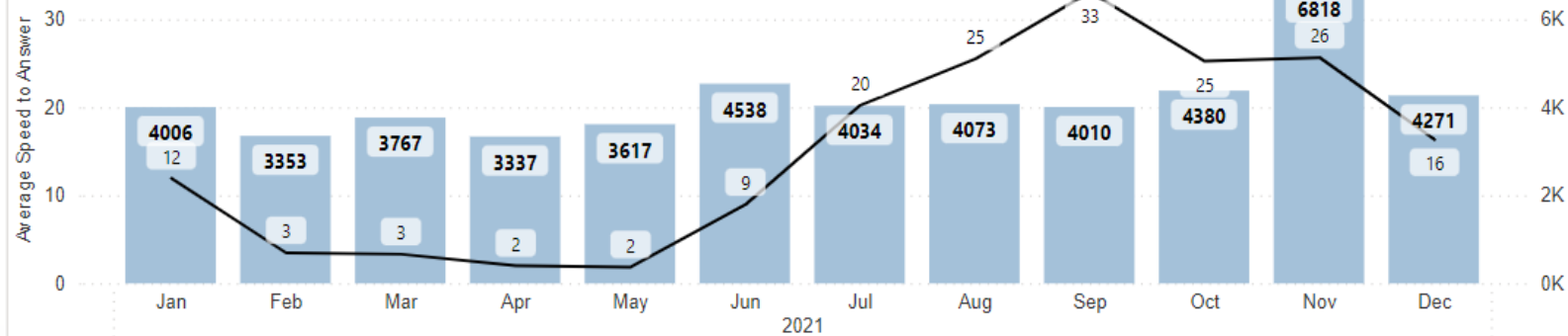
Number of Calls

54431

Avg Speed to Answer

15.3

2021 Number of Calls



Date Selector

1/1/2021 12/31/2021

Number of Calls

50204

Avg Speed to Answer

15.0

Customer Service Documents

- System transition 2020-2021 capturing document data and trends
- In 2021, received 30,000 documents
- Number of documents started to increase in June through December similar to the phone trends
- Balance increased documents with answering phones
- Provide year-to-year comparison at future Board presentations

Open Enrollment Customer Service 2019-2021 Matrix Comparison (November)

| PEBB | 2019 | 2020 | 2021 |
|--|-------------|-------------|-------------|
| Calls | 6,644 | 6,456 | 6,818 |
| Interactive Voice Response (IVR) | N/A | 1,583 | 1,878 |
| Wait Time Average (minutes) | 12 | 25 | 26 |
| Callback Feature Utilized by Caller | 1,104 | 555 | 748 |
| Open Enrollment Forms Received | 1,146 | 2,808 | 3,207 |
| FUZE | 239 | 909 | 1378 |
| Number FTE's | 16 | 18 | 20 |
| Available FTE's | 13 | 11 | 14 |

Future Customer Service Strategies

- PEBB *My Account* Modernization – coming May 2022
- Continue to enhance technology for more self-service options with the IVR line
- Promote the use of FUZE for members to contact us
- Online Retiree Journey Tool – coming Summer 2022
- Continue to look at other technologies in the market

Questions?

Renee Bourbeau, Benefits Accounts Section Manager
Employees and Retirees Benefits Division

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Stacy Grof-Tisza, Customer Service Operations Manager
Employees and Retirees Benefits Division

Stacy.grof-tisza@hca.wa.gov



PEBB 2022 Enrollment Changes

Beth Heston
PEBB Procurement Manager
Employees and Retirees Benefits Division
January 26, 2022

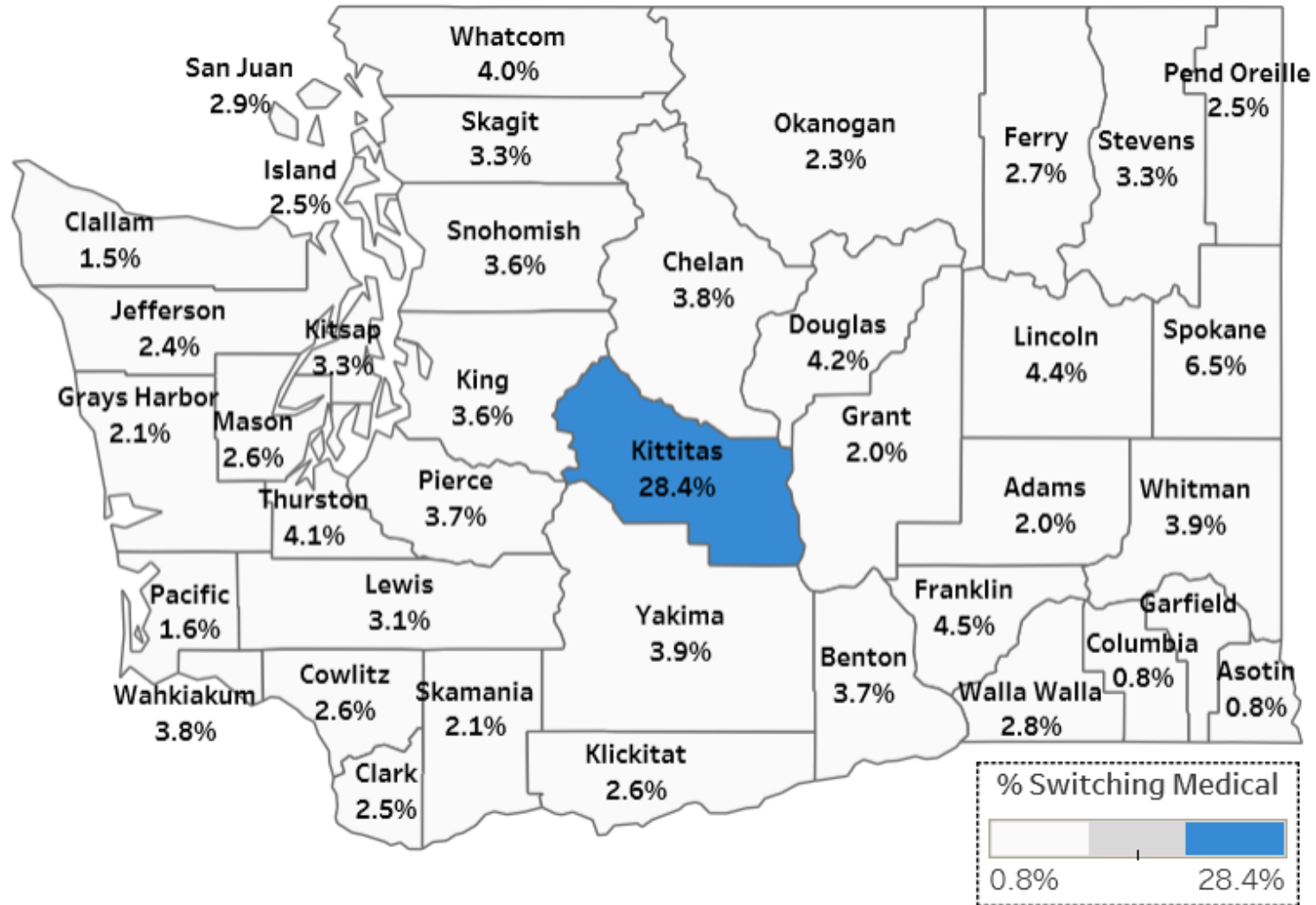
PEBB Program Member Enrollment Net Changes 2021 - 2022

| Carrier | 2021 | 2022 | Change | % Change | % of Total |
|---|----------------|----------------|----------------|--------------|---------------|
| Kaiser NW CDHP | 578 | 562 | (16) | -2.8% | 0.2% |
| Kaiser NW Classic | 3,447 | 3,317 | (130) | -3.8% | 1.2% |
| Kaiser WA CDHP | 5,061 | 4,669 | (392) | -7.7% | 1.7% |
| Kaiser WA Classic | 23,541 | 21,291 | (2,250) | -9.6% | 7.8% |
| Kaiser WA SoundChoice | 9,311 | 9,606 | 295 | 3.2% | 3.5% |
| Kaiser WA Value | 30,078 | 26,302 | (3,776) | -12.6% | 9.6% |
| UMP Plus - Puget Sound High-Value Network | 8,514 | 7,681 | (833) | -9.8% | 2.8% |
| UMP Plus - UW Medicine Accountable Care Network | 22,578 | 21,683 | (895) | -4.0% | 7.9% |
| Uniform Medical Plan CDHP | 23,834 | 23,290 | (544) | -2.3% | 8.5% |
| Uniform Medical Plan Classic | 151,399 | 149,207 | (2,192) | -1.4% | 54.5% |
| Uniform Medical Plan Select | 3,794 | 6,067 | 2,273 | 59.9% | 2.2% |
| Total Members | 282,135 | 273,675 | (8,460) | -3.0% | 100.0% |

PEBB Program Medicare Enrollment Net Changes 2021 - 2022

| Carrier | Carrier Name (Tableau) | Medicare Eligible | 2021 | 2022 | # Change | % Change | % of Total |
|---|---|-------------------|----------------|----------------|------------|-------------|---------------|
| Kaiser NW CDHP | Kaiser Permanente NW CDHP | Yes | 1 | 1 | 0 | 0.0% | 0.0% |
| Kaiser NW Classic | Kaiser Permanente NW Classic | Yes | 2,484 | 2,463 | (21) | -0.8% | 2.3% |
| Kaiser WA Classic | Kaiser WA Classic | Yes | 341 | 324 | (17) | -5.0% | 0.3% |
| Kaiser WA CDHP | Kaiser WA CDHP | Yes | 1 | - | (1) | -100.0% | 0.0% |
| Kaiser WA Medicare | Kaiser WA Medicare | Yes | 24,189 | 23,531 | (658) | -2.7% | 22.4% |
| Kaiser WA SoundChoice | Kaiser WA SoundChoice | Yes | 96 | 95 | (1) | -1.0% | 0.1% |
| Kaiser WA Value | Kaiser WA Value | Yes | 271 | 243 | (28) | -10.3% | 0.2% |
| Premera Blue Cross Medicare Supplement F | Premera Blue Cross Medicare Supplement F | Yes | 15,399 | 15,178 | (221) | -1.4% | 14.5% |
| Premera Blue Cross Medicare Supplement G | Premera Blue Cross Medicare Supplement G | Yes | 4,287 | 4,908 | 621 | 14.5% | 4.7% |
| Uniform Medical Plan Classic | Uniform Medical Plan Classic | Yes | 54,935 | 53,791 | (1,144) | -2.1% | 51.3% |
| Uniform Medical Plan Select | Uniform Medical Plan Select | Yes | 1 | - | (1) | -100.0% | 0.0% |
| Uniform Medical Plan CDHP | Uniform Medical Plan CDHP | Yes | 3 | - | (3) | -100.0% | 0.0% |
| UMP Plus - Puget Sound High-Value Network | UMP Plus—Puget Sound High-Value Network | Yes | 1 | - | (1) | -100.0% | 0.0% |
| UMP Plus - UW Medicine Accountable Care Network | UMP Plus—UW Medicine Accountable Care Network | Yes | 3 | - | (3) | -100.0% | 0.0% |
| UnitedHealthcare PEBB Balance | UnitedHealthcare Medicare Balance | Yes | 156 | 173 | 17 | 10.9% | 0.2% |
| UnitedHealthcare PEBB Complete | UnitedHealthcare Medicare Complete | Yes | 2,643 | 4,229 | 1,586 | 60.0% | 4.0% |
| Total Members | | | 104,811 | 104,936 | 125 | 0.1% | 100.0% |

Switching by County



Kittitas County

PEBB 2022 Open Enrollment

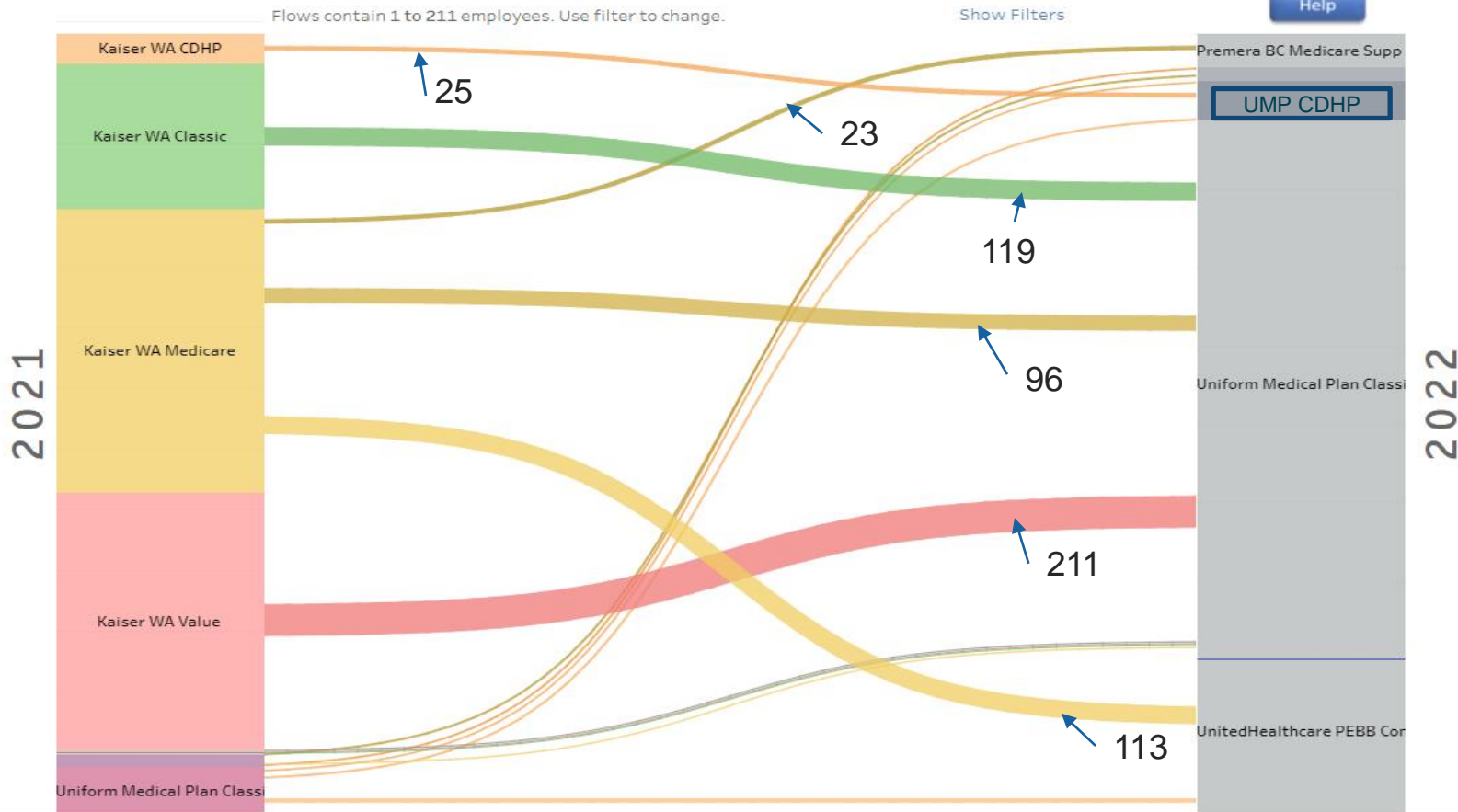
Subscriber Daily Metrics

Through January 12, 2022

Data from Pay1

Medical Switching

Help



Spokane County

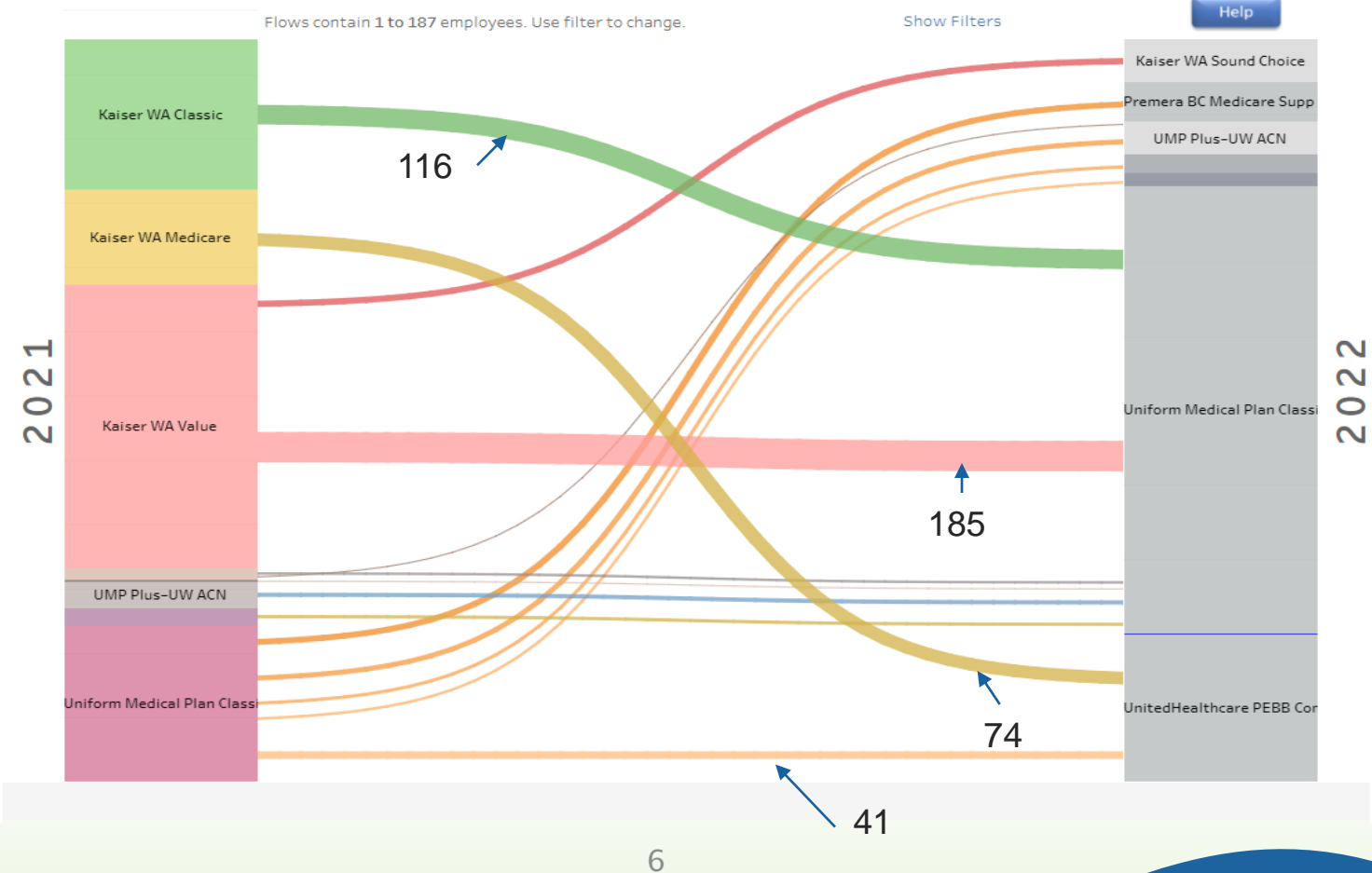
PEBB 2022 Open Enrollment

Subscriber Daily Metrics

Through January 12, 2022

Data from Pay1

Medical Switching



Questions?

Beth Heston, Procurement Manager
Employees and Retirees Benefits Division

Beth.Heston@hca.wa.gov



Long-Term Disability Insurance (LTD)

Kimberly Gazard, Contract Manager
Employees and Retirees Benefits (ERB) Division
January 26, 2022

Employee-Paid Long-Term Disability (LTD) Enrollment Procedures Reminder

- An employee who becomes eligible for the employer contribution towards PEBB benefits on or after January 1, 2022, must make an election (reducing or declining coverage) during the benefit election period. If the employee fails to timely elect coverage, the employee will be defaulted into employee-paid LTD without Evidence of Insurability (EOI).
- After January 1, 2022, an employee at any time may elect to reduce employee-paid LTD to the 50% coverage plan without EOI or fully decline employee-paid LTD. The effective date of the change in coverage will be the first day of the month following the date the employer receives the required election.

Employee-Paid Long-Term Disability (LTD) Enrollment Procedures Reminder (*cont.*)

- Any employee who declines employee-paid LTD insurance will remain enrolled in employer-paid LTD insurance.
- An employee who seeks to increase coverage from the 50% coverage plan to the 60% coverage plan, or access previously declined employee-paid LTD, will be subject to EOI. The effective date of the change in coverage will be the day of the month the contracted vendor approves the required form.

Resolution PEBB 2021-11

Example #1

Ashley is an existing employee on PEBB benefits making \$31,000 annually who did not previously enroll in supplemental LTD in the PEBB Program. During the fall 2021 enrollment period set by HCA, Ashley does not convey an election to Opt-Out or decline employee-paid LTD insurance under the new LTD Opt-Out enrollment process.

What LTD benefits does Ashley have effective January 1, 2022?
Ashley is automatically enrolled in employee-paid LTD insurance at the 60% coverage level and employer-paid LTD insurance.

Resolution PEBB 2021-11 Example #1 (*cont.*)

On January 31, 2022, Ashley sees a deduction of \$12.14 for LTD insurance on the January pay stub and calls the benefits office to ask about the deduction. After learning more information, on January 31, 2022, Ashley submits an election request to decline entirely from employee-paid LTD insurance.

What is the effective date of the requested change in employee-paid LTD insurance? **February 1, 2022**

Will Ashley receive a refund of the \$12.14 premium for January 2022 coverage? **No, the change in coverage is prospective.**

Resolution PEBB 2021-11

Example #2

Shawn is a newly hired employee on January 15, 2022 and determined to be eligible for the employer contribution for benefits that same day. For employee-paid LTD insurance, Shawn submits an election on February 12 to enroll at the 50% coverage level.

What is the last day Shawn could submit a timely election?
February 15, 2022

When will all PEBB benefits, including employee-paid LTD benefits, start? **February 1, 2022**

Will the employer have any LTD premium to return to Shawn? **It depends on the employer's payroll timelines, but the same processes could be used that already exist for premiums associated with the PEBB medical plan default enrollment.**

LTD 2021 Open Enrollment Preliminary Results

| | Prior to OE | After OE |
|--|-------------|----------|
| 60% Coverage | 39,959 | 120,516 |
| 50% Coverage | N/A | 5,597 |
| Declined Employee Paid (employer-paid only) | 104,073 | 18,693 |
| Total Subscribers | 144,032 | 144,806 |

Data as of January 5, 2022

Questions?

Kimberly Gazard, Contract Manager
Employees and Retirees Benefits (ERB) Division

kimberly.gazard@hca.wa.gov



Benefit Update: Tax-Advantaged Accounts

Martin Thies, Ph.D.
Portfolio Management and Monitoring Section
Employees and Retirees Benefits Division
January 26, 2022

Overview

- Recap of the Benefit and Design Change
- 2022 Enrollment Update
- Collective Bargaining Agreement Flexible Spending Arrangement (FSA)

Benefit Recap

Salary Reduction:

Employees can select “*before tax*” benefits funded through their voluntary payroll deductions

- Medical Flexible Spending Arrangement (FSA)
 - Employees pay for eligible out-of-pocket medical expenses
 - \$2,750/year for 2022, usually with annual IRS COLAs
- Dependent Care Assistance Program (DCAP)
 - Employees pay for eligible dependent care expenses
 - \$5,000/year maximum payroll deduction (no COLAs)

2021-2022 FSA/DCAP Savings

(Does not include CBA cohort)

| FSA/DCAP: 2-Year Overview of Participation and Impact | | | | | | |
|--|---------------------|----------------------------|-------------|----------------------------|--------------|---------------|
| 2-Year Totals | | # of Accounts, 2021 | | # of Accounts, 2022 | | |
| | | Medical FSA | DCAP | Medical FSA | DCAP | LP FSA |
| Participants | 33,010 | 15,808 | 2,061 | 15,193 | 2,363 | 328 |
| Elections | \$72,881,896 | \$26,868,460 | \$9,217,400 | \$26,338,500 | \$10,019,997 | \$437,538 |
| Employee Income Tax Saved | \$8,745,829 | \$3,224,215 | \$1,106,090 | \$3,160,620 | \$1,202,400 | \$52,505 |
| Employee FICA Saved | \$5,575,465 | \$2,055,437 | \$705,131 | \$2,014,895 | \$766,530 | \$33,472 |
| Employer FICA Saved | \$5,575,465 | \$2,055,437 | \$705,131 | \$2,014,895 | \$766,530 | \$33,472 |
| TOTAL Tax Benefit | \$19,896,759 | | | | | |

- PEBB Program employees save millions in taxes each year
- PEBB Program employers save millions as well

2022 Design Changes

- Lowered the minimum election by 50%
 - From \$240 to \$120 annually
- Transitioned to Carryover
 - This ends the grace period feature
 - Carryover allows up to \$580 in unspent funds from the previous plan year to be used in the subsequent plan year

Carryover Timing

- 2021 medical FSAs are under the grace period
2021 enrollees with unspent funds have until March 15 to incur new expenses
- 2022 FSA accounts will be subject to the carryover, *and will not have a grace period*
- **January 1, 2023: The first carryover for PEBB**

2022 Design Changes

- Added the Limited Purpose FSA
 - Same minimum, maximum elections
 - Can have Medical FSA or a Limited Purpose FSA but *cannot have both in the same plan year*
- Available to CDHP Subscribers
 - Additional salary reductions
 - Compatible with an HSA

Selected Eligible Expenses

| Which Kind of FSA Covers What? | | |
|--------------------------------|---------------------|-------------|
| Selected FSA-eligible Expenses | Limited Purpose FSA | Medical FSA |
| Orthodontia | ✓ | ✓ |
| Deductible for dental plan | ✓ | ✓ |
| OTC Teeth Pain Products | ✓ | ✓ |
| Eye Exams | ✓ | ✓ |
| Contacts and Eye Glasses | ✓ | ✓ |
| Lasik | ✓ | ✓ |
| Vision Co-Payment | ✓ | ✓ |
| Prescription Sunglasses | ✓ | ✓ |
| SUD Treatment | | ✓ |
| Ambulance | | ✓ |
| Wheelchair and repairs | | ✓ |
| Hip Replacement | | ✓ |
| Midwife | | ✓ |
| Medical Lab | | ✓ |

Limited Purpose FSA Enrollment

| Type of Account | # of Accounts | % of Accounts | Total Annual Elections | AVG Election |
|---------------------|---------------|---------------|------------------------|----------------|
| Medical FSA | 15,193 | 85.0% | \$26,338,500 | \$1,734 |
| Limited Purpose FSA | 328 | 1.8% | \$437,538 | \$1,334 |
| DCAP | 2,363 | 13.2% | \$10,019,997 | \$4,240 |
| TOTAL | 17,884 | 100.0% | \$36,796,035 | \$2,057 |

| All PEBB High Deductible Plans | |
|--------------------------------|--------|
| 2022 Active Subscribers | 14,504 |
| Limited Purpose FSAs | 328 |
| Participation | 2.3% |

Carryover & the CBA Benefit

- 2020 is the only completed year of the benefit
- \$2 million went unclaimed and was forfeited
- 2021 experience is looking similar
- But *under carryover*, the funds won't be pulled back after the grace period is finished— instead, they'll be carried over for the employee

Carryover & the CBA Benefit (*cont.*)

- Year One: Eugene does not spend any of the \$250.
- Year Two: The \$250 carries over and another \$250 is added for a total of \$500. Again, Eugene doesn't use it.
- Year Three: All \$500 carries over, \$250 is added and Eugene now has a total of \$750 in his FSA, but he still doesn't spend it.
- Year Four: Only \$580 of the \$750 carries over, \$250 is added for a total of \$830. Eugene has forfeited \$170.
- Year Five Forward: Again only \$580 of the \$830 carries over, so Eugene will forfeit the added \$250 each year.

CBA Communications

- Updated FAQs, the latest issued this month
- Reminders in *For Your Benefit* newsletters
- Reminder emails sent to PEBB Program employer
- Web announcements
- Alerts sent and banners posted by Navia
- Other efforts

What's Next?

- Increase awareness of the Limited Purpose FSA through communications directed toward high deductible plan enrollees
- Raise enrollment as the retreat of COVID-19 allows health care environments to stabilize
- Procurement in 2022 for go-live January 1, 2024

Questions?

More Information:

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

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Dual Enrollment Implementation

Cade Walker, Executive Special Assistant
Employees and Retirees Benefits (ERB) Division
January 26, 2022

Background

- PEB and SEB Boards both prohibit dual enrollment within respective programs
- ESSB 6189 – School employees’ benefits board – coverage eligibility
- SB 5322 (2021) – clarifying the prohibition of dual enrollment across PEBB and SEBB Programs
- Implementation January 1, 2022
- PEB Board Resolutions 2021-02 through 2021-07
- Prohibition applies to dual enrollments in medical, dental, and vision
- LTD, life, and AD&D dual enrollment not prohibited

Implementation Efforts

- Workgroup formed to coordinate efforts to define dual enrollment prohibition process
- Two-phased approach:
 - 2022 Open Enrollment Period
 - Initial “clean up” process for PEBB-SEBB dual enrollments
 - Ongoing dual enrollment prohibition
 - Post-OE process
- Primary emphases:
 - Communications
 - Default process

2022 Open Enrollment Period Clean-up

- Identified dual enrolled members using Pay1 data from PEBB and SEBB Programs
 - Prior to OE, approximately 4,000 dual enrolled accounts were identified, which consisted of approximately 7,500 total members
- Defaulting logic determined based on PEB/SEB Board resolutions
 - ~25 scenarios identified for each program

Guidelines/Principles for Resolving Dual Enrollments

- Look at where the employee and/or their dependent(s) get their medical
- Determine whether they are enrolled as an employee or as a dependent
- If enrolled as an employee in both programs or as a dependent in both programs, determine the length of time they have been receiving benefits in each program
- If necessary, auto-enroll the employee and/or their dependent(s) in dental (and if in SEBB benefits, in vision)
- Respect the default requirements for each program
- Avoid creating a gap in coverage

2022 Open Enrollment Period Clean-up

- Member communications:
 - PEBB & SEBB OE materials updated to explain new dual enrollment prohibition rules
 - October 2021: Letter mailed to dual enrolled subscriber/member on both PEBB & SEBB account
 - November 2021: Reminder letter mailed to unresolved accounts
 - December 2021: Default notice sent to accounts that did not get resolved during OE
 - Appeal rights included

2022 Open Enrollment Period Clean-up (*cont.*)

- PEBB Program employer communications:
 - FAQs posted to PERSPAY website; sent via GovDelivery
 - New dual enrollment rules highlighted during O&T trainings
 - GovDelivery messages sent prior and during OE to PERSPAY staff reminding them about dual enrollment
 - List of dual enrolled members provided to employers

2022 Open Enrollment Period Clean-up (*cont.*)

- During OE, approximately 2,000 accounts / 5,000 members proactively resolved their dual enrollment
- Defaults:
 - 2,098 accounts defaulted (no action to resolve their dual enrollment during OE)
 - 2,509 members
 - 1,040 accounts were defaulted to PEBB
 - 1,433 members
 - 1,058 accounts were defaulted to SEBB
 - 1,076 members
- 4 appeals as of 1/19/22

Post 2022 Dual Enrollment Prohibition

- Due to system limitations, it is not currently possible to prohibit dual enrollments in real time
 - Pay1 report will be periodically run to identify new dual enrollments
- Process for dual enrollment resolution currently being developed by workgroup

Questions?

Cade Walker, Executive Special Assistant
Employees and Retirees Benefits Division

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TAB 9



Washington State
Health Care Authority

PUBLIC EMPLOYEES BENEFITS BOARD

PEBB Modernization Project

Jessica Pratt-McConnel
Strategic Plan Project Manager
Employees and Retirees Benefits Division
January 26, 2022

Objectives

- Overview of the PEBB Modernization Project
- Introduction into functionality
- Project timeline

What is PEBB Modernization?

An initiative to significantly enhance the PEBB *My Account* online enrollment tool for the PEBB Program.

This tool will be used by payroll and benefits staff in lieu of Pay1 for benefits management.

Some of the features it will offer are:

- Enhanced online tool for benefits management
- User-friendly self-service functionalities for employees
- Reduced reliance on paper forms, decreasing errors
- Advanced tools to continue to safeguard PEBB Program member data and meet security standards

PEBB *My Account* introduces opportunity and change, such as:

| | Employers | Subscriber |
|--|-----------|------------|
| Payroll and benefit staff manage benefits through PEBB <i>My Account</i> instead of PAY1 | ✓ | |
| Employers* will key directly into PEBB <i>My Account</i> | ✓ | |
| PEBB Program employers will create and manage access to PEBB <i>My Account</i> | ✓ | |
| Secure Access Washington (SAW) for subscriber login | | ✓ |
| Make initial plan elections when newly eligible | | ✓ |
| Add/remove dependents during open enrollment | | ✓ |
| Upload dependent verification | | ✓ |
| Submit special open enrollment requests | | ✓ |
| Enroll in employee-paid long-term disability insurance | | ✓ |
| Initiate self-pay coverage | | ✓ |

*This includes all small employers that HCA had previously keyed on their behalf.


Subscriber Introduction

High-level view of employee functionality
Subscriber demographic information is test data

Subscriber Dashboard

The screenshot shows the 'Subscriber Dashboard' for Reubin Christoff. At the top, there is a navigation bar with 'Dashboard', 'Profile', and 'Current Coverage' tabs. Below this is a welcome message: 'Welcome to PEBB My Account. This is where you can manage your enrollment in PEBB benefits. You are currently within your initial eligibility period and have 31 days from your date of eligibility to make benefit elections.' The user's name, 'EASTMONT METROPOLITAN PARKS DISTRICT Subscriber Dashboard', and 'Welcome, Reubin Christoff!' are displayed. Two prominent blue arrows indicate enrollment periods: 'Newly Eligible' from 11/01/2021 to 12/03/2021 for coverage starting Nov 1, 2021, and 'Open Enrollment' from 11/01/2021 to 11/30/2021 for coverage starting Jan 1, 2022, with a note that newly eligible users must complete enrollment. Below these are two main action buttons: 'Profile' (View and manage profile information) and 'Current Coverage' (View/print your current coverage). At the bottom, there is a footer with links for 'Contact HCA', 'Accessibility', 'Language Access', 'Non-discrimination', and 'Privacy practices', along with copyright information for 2020 and the version number 'PEBB My Account v.1.1.211102.1 / 1.1.201011.1'.

Adding a Dependent

 Step 1 - Dependents

Demographics

Dependent demographics

Relation* Quality reason* SSN*

This person currently has no social security number*

First name* Last name* Middle name Suffix

Birth date* Sex assigned at birth* Gender identity Partnership start date*

Gender X means a gender that is not exclusively male or female. This field is optional and will be kept private to the extent allowable by law. To learn more, visit hca.wa.gov/genderx.

Residential address is the same as subscriber

[Let's add coverage to your dependent](#)

+ Enrollments

+ Tobacco attestations

+ Spouse/State-registered partner attestations

+ Dependent review

List eligible dependents you wish to cover or remove from coverage including children as defined in WAC 182-12-260(3).

Dependents cannot be enrolled in two PEBB medical or dental accounts at the same time. If adding a dependent, you must provide proof of dependent eligibility for each dependent within the PEBB Program's enrollment timelines or the dependent will not be enrolled.

For a list of all qualified dependents click [here](#)

Dependents can only enroll in medical coverage if the subscriber is also enrolled. See the [2021 PEBB Employee Enrollment Guide](#) for more information.

[Back to dashboard](#)

Uploading Dependent Verification

Newly Eligible
11/01/2021 - 12/31/2021
for coverage from 1/1/2021

Dependents **Upload** Coverage Attestations Supplemental Benefits Confirmation

Document upload

Guidelines

All dependents must be verified when added to an employee's account before they can be enrolled on the employee's coverage. An employee must submit valid dependent verification to their payroll or benefits office, or uploaded into PEOB My Account.

An eligible dependent is defined in WAC 182-31-540.

Accepted dependent verification documents by dependent type.

Certification of dependent with a disability (follow form instructions, do not upload to PEOB My Account)

All documents must be submitted in English. Documents written in a foreign language must be accompanied by a translated copy produced by a professional translator and certified with a notary public seal.

Upload eligibility documents and indicate applicable dependent(s):

Select files... Drop files here to upload

Tax Return.pdf x

11/27/20

Allowed file types: pdf, jpg, jpeg, png
Maximum file size: 10mb

Associate documents

| | | |
|----------------|--|---|
| Tax Return.pdf | Document type <input type="text" value="Tax Return"/> | Verification applicable to: <input checked="" type="checkbox"/> Spouse Christoff - Pending |
|----------------|--|---|

[Back to dashboard](#)

Employee-paid Long-Term Disability

Your supplemental coverage options

Employee-paid long-term disability (LTD) insurance

The PEBB Program provides LTD insurance up to \$240 per month as an employer-paid benefit for eligible employees. Eligible employees are automatically enrolled into the employee-paid 90 day benefit waiting period and 60% coverage plan. Employees may choose to purchase down to the 50% coverage plan. .

Subscribers can opt-out of employee-paid LTD at any time. After initial eligibility period, evidence of insurability will be required to increase coverage.

For additional information please visit <https://www.hca.wa.gov/employee-retiree-benefits/public-employees/long-term-disability-insurance>

Important notes:

- Employee-paid LTD insurance is not available to seasonal employees working less than 9 months, port commissioners, or board members.
- Eligible employees are also automatically enrolled into employee-paid 90 day benefit waiting period with 60% coverage.
- Higher-education employees retirement plans rates: 60% at 0.59 and 50% at 0.35.

The monthly employee-paid premium displayed is based on the insured monthly earnings salary provided by your employer.

Employee Paid (60% Default Plan)

| | Insured monthly earnings | | Percentage rate | | Monthly premium | Monthly benefit amount |
|----------------------------------|--------------------------|---|-----------------|---|-----------------|------------------------|
| <input checked="" type="radio"/> | 70000 | × | 0.47 | = | 329.00 | 42000.00 |

Employee Paid (50% Buy Down Plan)

| | Insured monthly earnings | | Percentage rate | | Monthly premium | Monthly benefit amount |
|-----------------------|--------------------------|---|-----------------|---|-----------------|------------------------|
| <input type="radio"/> | 70000 | × | 0.28 | = | 196.00 | 35000.00 |

Decline employee-paid LTD

Submit Changes

Confirmation Screen

Step 3 - Coverage

Confirm selections

Dental Selection Message

You have selected DeltaCare, which is a managed care (HMO) plan. You must select and receive care, or a referral to a specialist, from a primary care dentist (general practitioner) in DeltaCare's network. Please make sure your dentist is in DeltaCare's network by calling DeltaCare at 1-800-650-1583. If you use a dentist not in network your claims will not be paid. If you select this plan in error and do not make a plan change by November 30, 2020, you will not be eligible to change your dental plan until the next annual open enrollment period or as allowed due to a special open enrollment event.

Please review the information below

If correct, select Confirm. To adjust your answer, select previous.

- You requested to change your medical plan from Default -- not enrolled with a valid plan to UMP Select.
- You requested to change your dental plan from Default -- not enrolled with a valid plan to DeltaCare.

| Subscriber: | Coverage effective date: | Medical Plan: | Dental Plan: |
|-------------|--------------------------|---------------|--------------|
| LA DOB | 02/01/2022 | UMP Select | DeltaCare |

Enrollment is not complete until PEBB verifies the dependent's eligibility. I understand that if I'm applying to add a dependent to my PEBB insurance coverage, I must provide copies of documents that verify the dependent's eligibility within the PEBB Program's enrollment timelines, or the dependent will not be enrolled.

Employees must enroll in PEBB dental, basic life, basic accidental death and dismemberment, and basic long-term disability insurance. Employees that elect to waive PEBB medical when they become newly eligible or during the annual open enrollment,

Self-pay Introduction

High-level view of functionality

Subscriber demographic information is test data

Self-pay Request

Dashboard

Profile

Tobacco Attestations

Current Coverage

PEBB Continuation and retiree coverage

Continuation coverage

- PEBB Continuation Coverage (COBRA) - a temporary extension of PEBB health plan coverage available to PEBB members defined as qualified beneficiaries under federal Consolidated Omnibus Budget Reconciliation Act (COBRA) rules, and for state-registered domestic partners and their children, based on RCW 26.60.015 and PEBB policy resolution that extends PEBB coverage for dependents not otherwise eligible for COBRA. Coverage may be temporarily extended only if the PEBB member experiences a qualifying event.
- PEBB Continuation Coverage (Unpaid Leave) - a temporary extension of PEBB insurance coverage for employees who lose eligibility for the employer contribution toward insurance coverage due to specific types of leave.






[Learn more about PEBB continuation coverage](#)

Retiree coverage

- Certain eligibility requirements must be met to receive PEBB retiree insurance coverage. Depending on your situation, you may be able to enroll in PEBB retiree insurance coverage now or take action to protect your eligibility for future enrollment.

[Learn more about PEBB retiree coverage](#)

Select the check-box to the left to manage the coverage request and view related forms

| Request type  | Submitted date  | Status  | Review Date  | Manage | Forms |
|--|--|--|---|--------|------------------|
| No records available. | | | | | |
|  | | | | | 0 - 0 of 0 items |

You can only have one draft/pending event at a time. You can edit a request that is in draft/pending status by clicking "edit" on the request. If you need to create a different type of request select the "delete" button on the existing draft/pending request and create a new type. COBRA and unpaid leave requests can only be created if PEBB eligibility has been lost (no longer eligible based on employment status).

Select the appropriate request type*

[Back to dashboard](#)

Payment Selection

Paying for benefits

You have three payment options: pension deduction, invoicing, and Electronic Debit Service. In most cases, you must make your first payment by check before we can enroll you.

How do I make my first payment?

If you select Electronic Debit Service (EDS) or invoicing below, you must make your first payment by check. Your first premium payment and applicable premium surcharges are due no later than 45 days after your 60-day election period ends. We will not enroll you in coverage until we receive your first payment. If you miss this deadline, you may lose your right to enroll in PEBB retiree insurance coverage. You can include your EDS form when mailing to the address shown above (if choosing that option) or you can fax the EDS form separately to 360-753-9152. Make your check payable to Health Care Authority. Send it to:

Washington State Health Care Authority

PO Box 42691

Olympia, WA 98504-2691

If you select pension deduction below, the PEBB Program will send you an invoice if payment is needed. Due to timing issues with the Department of Retirement Systems, a first payment may be required for premiums and applicable premium surcharges that were not deducted from your pension. If you receive an invoice, you must pay by check until your pension deduction is set up. You cannot have a gap in coverage. Premiums are due back to the first month after your employer-paid coverage or continuation coverage ended. Premiums and any applicable premium surcharges are for a full month of coverage and cannot be prorated for a partial month. Payments are processed immediately as required by state law.

What are my future payment options?

After we receive your first full payment and any applicable premium surcharges, you must pay all future continuation coverage premiums and any applicable premium surcharges as they become due. You must make sure the amount of your first premium payment is correct. You may [contact the PEBB program](#) and select option 4 to speak with PEBB Accounting to confirm the amount due. Here are your payment options (please select one):

Pension deduction

I authorize the Department of Retirement Systems to deduct medical and dental premiums (if elected), retiree term life insurance (if elected), and applicable premium surcharges I am required to pay from my retirement pension. Deductions are taken at the end of the month that you receive coverage. For example, if your coverage starts September 1, the deduction will be taken at the end of September.

Automatic bank account withdrawals

I will pay my monthly medical and dental premiums (if elected) and applicable premium surcharges by EDS. I will submit the PEBB Electronic Debit Service Agreement. I understand I must pay by check until I am notified of my EDS effective date, and that I must make my first payment before I will be enrolled. I understand I will receive a separate bill from MetLife for my retiree term life insurance, if elected. To pay by EDS for your retiree term life insurance, call MetLife at 1-866-548-7139.

Mail the [Electronic debit service agreement](#) to the address shown above or fax to 360-753-9152.

A personal check or money order

I will pay my medical and dental premiums (if elected) and applicable premium surcharges monthly by check. I understand I will receive a separate bill from MetLife for my retiree term life insurance, if elected. I understand that I must make my first payment before I will be enrolled.

Health Care Authority
Pebb Program
PO Box 34270
Seattle, WA 98124-1270

I will be deferring enrollment in retiree coverage at this time.

[Previous](#)

[Proceed to enrollment /deferral form](#)

Enrollment Form

Subscriber

Social Security Number

Date of Birth

Sex assigned at birth

Last name

Gender Identity

First name

Middle name

Gender X means a gender that is not exclusively male or female. This field is optional and will be kept private to the extent allowable by law. To learn more, visit HCA's website at hca.wa.gov/gender-x.

Enrollment Form (*cont.*)

Medicare Information

Are you enrolled in Medicare Part A or Part B?

Part A (hospital)

Yes No

If yes, enter the effective date shown on the medicare card



Part B (medical)

Yes No

If yes, enter the effective date shown on the medicare card



If Yes, proof is required. Upload or mail a copy of all pages of your entitlement letter or a copy of your Medicare card if we don't already have a copy. If mailing, write your last name and the last four digits of your Social Security Number on the copy so we can identify your account. If you are eligible for Medicare, you must enroll and stay enrolled in both Medicare Part A and Part B to keep PEBB retiree health plan coverage.

Are you enrolled in Medicare Part D (prescription drug coverage)?

Yes No

If yes, effective date



If Yes, you may enroll only in one of the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) plans or Premera Blue Cross Medicare Supplement Plan G. Some Plan F enrollees may stay in the plan.

Are you enrolled in Medicaid with Medicare Part D?

Yes No

If yes, effective date



I want to...

Enroll in

Medical

Dental

Retiree term life insurance

Defer Defer (postpone) my coverage. Except as stated below, this defers coverage for all eligible dependents

Medical

Deferral date



Enroll after deferring coverage: You will need to provide proof of continuous enrollment in one or more qualifying coverages (with start and end dates).

Enroll after deferring

Deferral date



Enrollment Form (*cont.*)

If deferring or enrolling after deferring, check all the boxes below that apply to you.

- Enrolled as a dependent in a health plan sponsored by the PEBB Program, a Washington State educational service district, or the School Employees Benefits Board (SEBB) Program. This includes coverage under COBRA or continuation coverage.
- Enrolled in employer-based group medical as an employee or employee's dependent, including medical insurance continued under COBRA or continuation coverage. This does not include an employer's retiree coverage.
- Enrolled in medical coverage as a retiree or dependent of a retiree in a TRICARE plan or the Federal Employees Health Benefits Program. You have a one-time opportunity to enroll in a PEBB retiree health plan.
- Enrolled in a Medicaid program that provides creditable coverage and in Medicare Part A and Part B. You may continue to cover eligible dependents who are not eligible for creditable coverage under Medicaid.
- Enrolled in the Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA). You have a one-time opportunity to enroll in a PEBB retiree health plan.
- Non-Medicare subscribers only: Enrolled in qualified health plan coverage through a health benefit exchange established under the Affordable Care Act. This does not include Medicaid (called Apple Health in Washington State). You have a one-time opportunity to enroll or reenroll in a PEBB retiree health plan.

Retiree term life insurance

Retiree term life insurance is available only if you receive PEBB life insurance as an employee or SEBB life insurance as a school employee. You are not eligible for the retiree term life insurance plan if you qualify for a waiver of premium benefit under the PEBB employee life insurance or SEBB employee life insurance plans. To apply for retiree term life insurance, complete and upload the PEBB MetLife Enrollment/Change Form for Retiree Plan (including beneficiary designation) to the PEBB Program with this form. Learn more about [Retiree term life insurance](#)

- I acknowledge that I have completed the [PEBB MetLife Enrollment/Change form for Retiree Plans](#) and will return it with this form.

Tobacco Premium Surcharge

Tobacco use premium surcharge

Response required if you are enrolling in medical coverage. The PEBB Program requires a \$25-per-account premium surcharge in addition to your monthly medical premium if you or an enrolled dependent (age 13 and older) uses a tobacco product. Tobacco use is defined as any use of tobacco products within the past two months except for religious or ceremonial use.

If a provider finds that ending tobacco use or participating in your medical plan's tobacco cessation program will negatively affect your or your dependent's health, see more information in the PEBB Program Administrative Policy 91-1 on HCA's website at hca.wa.gov/pebb-rules under Forms & publications.

If you check Yes or leave this section blank, you will be charged the \$25 premium surcharge. For instructions on how to respond, see the PEBB Premium Surcharge Attestation Help Sheet available on HCA's website at hca.wa.gov/pebb-employee

Does the tobacco use premium surcharge apply to you? check one:

- I am enrolled in Medicare Part A and Part B. The premium surcharge does not apply.
- Yes, I am subject to the \$25 premium surcharge. I have used tobacco products in the past two months.
- No, I am not subject to the \$25 premium surcharge. I have not used tobacco products in the past two months, or I have enrolled in or accessed the tobacco cessation resources noted in the PEBB Premium Surcharge Attestation Help Sheet.

Previous

Proceed to dependent form

Adding Dependents

Dependents

Expand the information menu for any dependent(s) you wish to enroll in PEBB retiree coverage, make the applicable changes, and submit those changes for review. To add new dependents click on "add dependent" and input the required information.

Add dependent

Current dependents

+ t, Jim

Previous

Continue

Back to dashboard

Dependent Enrollment Form

Medicare Information

Are you enrolled in Medicare Part A or Part B?

Part A (hospital)

If yes, enter the effective date shown on the medicare card

Yes No

Part B (medical)

If yes, enter the effective date shown on the medicare card

Yes No

If Yes, proof is required. Upload or mail a copy of all pages of your entitlement letter or a copy of your Medicare card if we don't already have a copy. If mailing, write your last name and the last four digits of your Social Security Number on the copy so we can identify your account. If you are eligible for Medicare, you must enroll and stay enrolled in both Medicare Part A and Part B to keep PEBB retiree health plan coverage.

Are you enrolled in Medicare Part D (prescription drug coverage)?

Yes No

If yes, effective date

Are you enrolled in Medicaid with Medicare Part D?

Yes No

If yes, effective date

If Yes, you may enroll only in one of the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) plans or Premera Blue Cross Medicare Supplement Plan G. Some Plan F enrollees may stay in the plan.

I want to enroll this dependent in..

Medical

Dental

i Premium surcharges do not apply if subscriber is enrolled in Medicare Part A and Part B

Tobacco use premium surcharge

Response required if you are enrolling your spouse or state-registered domestic partner (SRDP) in medical coverage. If you check Yes or do not check any boxes below, you will be charged the \$25-per-account premium surcharge in addition to your monthly medical premium.

For instructions on how to respond, see the *PEBB Premium Surcharge Attestation Help Sheet* available on HCA's website at hca.wa.gov/pebb-employee under *Forms & publications*.

Does the tobacco use premium surcharge apply to you? Check one:

Plan Selections

Medical plan selection

Contact the plans with questions about benefits and providers. Their contact information can be found here. If you move out of the medical plan's service area, you may need to change plans. You must report your new address to the PEBB Program no later than 60 days after you move by using this form or calling 1-800-200-1004 (TRS: 711).

Kaiser Foundation Health Plan of Washington¹

- Kaiser Fdn Hlth Plan WA CDHP¹⁵
- Kaiser Fdn Hlth Plan WA Classic⁷
- Kaiser Fdn Hlth Plan WA Medicare Only³⁴
- Kaiser Fdn Hlth Plan WA SoundChoice⁶⁷
- Kaiser Fdn Hlth Plan WA Value⁷

Kaiser Foundation Health Plan of the Northwest¹

- Kaiser Permanente NW Senior Advantage³
- Kaiser Permanente NW* Classic¹
- Kaiser Permanente NW* Consumer Directed Health Plan (CDHP)

Premera Blue Cross

- Premera Blue Cross Medicare Supplement Plan F
- Premera Blue Cross Medicare Supplement Plan G⁸

Uniform Medical Plan (UMP), administered by Regence BlueShield

- UMP Classic
- UMP Consumer-Directed Health Plan (CDHP)
- UMP Plus - Puget sound High Value Network²⁵
- UMP Plus - UW Medicine Accountable Care Network¹⁵
- UMP Select⁵

UnitedHealthcare Medicare Advantage Prescription Drug (MAPD)⁹

- UnitedHealthcare PEBB Balance
- UnitedHealthcare PEBB Complete

Contact the plans with questions about benefits and providers. Their contact information can be found [here](#). If you move out of the medical plan's service area, you may need to change plans. You must report your new address to the PEBB Program no later than 60 days after you move by using this form or calling 1-800-200-1004 (TRS: 711).

¹These plans have a specific service area. If you move out of the service area, you must change your plan. Otherwise, you will have limited access to network providers and covered services. You must report your new address to your payroll or benefits office and request a plan change no later than 60 days after you move.

²Kaiser Foundation Health Plan of the Northwest offers plans in Clark and Cowlitz counties in Washington and select counties in Oregon.

³These Medicare plans are available only in certain counties. See [medical plans available by county](#) on HCA's website. Also submit [Form C](#) with this form if you live in a county where a Medicare Advantage plan is available.

⁴If someone on your account is not enrolled in Medicare, also select Kaiser Permanent WA Class, Sound Choice or Value for them.

⁵These plans are available only if you and your enrolled dependents are not enrolled in Medicare.

⁶Not all contracted providers in Spokane County are in the SoundChoice network. Please make sure your provider is in-network before you visit.

⁷Only non-Medicare members can enroll in this plan. Members enrolled in Medicare will be enrolled in KaiserPermanente WA's Medicare Plan.

⁸Also submit [Form B](#) to enroll in this plan. It is only available to Medicare members. Any non-Medicare members on your account will be enrolled in UMP Classic.

⁹Also submit [Form C](#) to enroll in these plans. They are only available to Medicare members. Any non-Medicare member on your account will be enrolled in UMP Classic.

Request Status

PEBB Continuation and retiree coverage

Continuation coverage

- PEBB Continuation Coverage (COBRA) - a temporary extension of PEBB health plan coverage available to PEBB members defined as qualified beneficiaries under federal Consolidated Omnibus Budget Reconciliation Act (COBRA) rules, and for state-registered domestic partners and their children, based on RCW 26.60.015 and PEBB policy resolution that extends PEBB coverage for dependents not otherwise eligible for COBRA. Coverage may be temporarily extended only if the PEBB member experiences a qualifying event.
- PEBB Continuation Coverage (Unpaid Leave) - a temporary extension of PEBB insurance coverage for employees who lose eligibility for the employer contribution toward insurance coverage due to specific types of leave.




[Learn more about PEBB continuation coverage](#)

Retiree coverage

- Certain eligibility requirements must be met to receive PEBB retiree insurance coverage. Depending on your situation, you may be able to enroll in PEBB retiree insurance coverage now or take action to protect your eligibility for future enrollment.

[Learn more about PEBB retiree coverage](#)

Select the check-box to the left to manage the coverage request and view related forms

| | Request type  | Submitted date  | Status  | Review Date  | Manage | | Forms |
|--|---|---|---|--|-----------------------|-------------------------|------------------------------|
| <input checked="" type="checkbox"/> | Retiree enrollment/deferral | 12/6/2021 | Waiting for review | N/A | <button>Edit</button> | <button>Delete</button> | <button>Request PDF</button> |
|  | | | | | | | 1 - 1 of 1 items |

Special Open Enrollment

Special Open Enrollment events

The PEBB Program only allows changes outside of annual open enrollment when an event creates an SOE. The change must be allowed under the Internal Revenue Code and Treasury regulations, and correspond to and be consistent with an SOE event for the subscriber, the subscriber's dependent, or both. To disenroll from a Medicare Advantage plan or Medicare Advantage Prescription Drug (MAPD) plan, the change in enrollment must be allowable under 42 C.F.R. Sec. 422.62(b) and 42 C.F.R. Sec. 423.38(c).

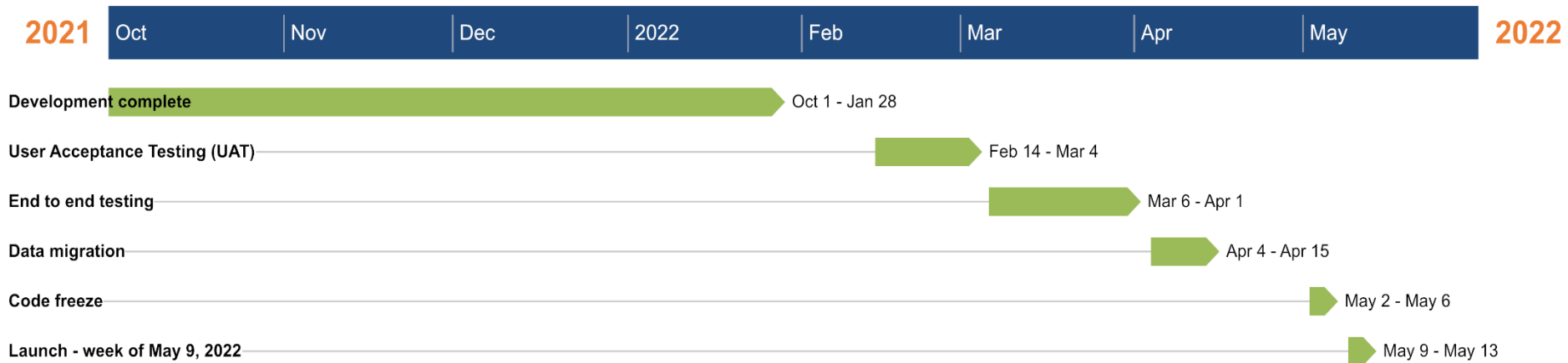
The PEBB Program must receive this form and proof of the event no later than 60 days after the event occurs. To enroll a newborn or child whom you, the subscriber, has adopted or has assumed legal responsibility for support ahead of adoption, you should notify the PEBB Program by submitting the required forms as soon as possible. Doing so will ensure timely payment of claims. If adding the child increases the premium, we must receive the required forms no later than 60 days after the date of the birth, adoption, or the date the legal responsibility is assumed ahead of adoption. In most cases, the enrollment or change will be effective the first day of the month after the date of the event or the date we receive the form, whichever is later. Exceptions apply for new enrollment in a PEBB Medicare Supplement plan, Medicare Advantage plan, or an MAPD plan.

For the most up-to-date information on Special Open Enrollment events click [here](#).

Select the applicable event from the list below (check one)

- Become Eligible for State Premium Assistance Subsidy for PEBB Health Plan Coverage from Medicaid or CHIP
- Birth or Adoption
- Change Under Other Employer-based Group Health Plan's Open Enrollment
- Change in Employment Status (Self)
- Change of Address
- Continuity of Care
- Court Order or National Medical Support Notice (NMSN)
- Dependent Loses Eligibility
- Dependent moves to or from USA
- Dependent's change in employment status
- Gain or Lose Eligibility for Medicaid or CHIP
- Gain or Lose Eligibility for Tricare
- Marriage
- Medical Plan No Longer Available
- Newly Eligible Extended Dependent
- State Registration of Domestic Partnership

High-level Project Timeline



Questions?

Jessica Pratt-McConnel, Project Manager
Employees and Retirees Benefits Division
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TAB 10



2022 Legislative Session & Recent Legislative Reports

Cade Walker, Executive Special Assistant
Employees and Retirees Benefits (ERB) Division
January 26, 2022

Number of 2021 Bills Analyzed by ERB Division

| | ERB Lead | ERB Support | |
|---------------|----------|-------------|-----|
| High Priority | 14 | 41 | 55 |
| Low Priority | 17 | 89 | 106 |
| | 31 | 130 | 161 |

| | |
|-------------------------------|----|
| Hearings (High Priority Only) | 74 |
|-------------------------------|----|

Recent Legislative Reports

- SEBB Waivers (2020 ESSB 6189)
 - Variable funding rate scenarios revealed differing cost impacts to districts based on their district-specific waiver rates when compared to the overall waiver rate for the SEBB Program
 - Districts with lower-than-average waiver rates would experience increased costs, whereas districts with higher than-average waiver rates would have decreased costs
 - No saving to the overall cost of benefits

Recent Legislative Reports (*cont.*)

- Retirees (2021 ESSB 5092)
 - Identified approximately 52,000 retirees that could be eligible for a “second bite at the apple”
 - 55% TRS/SERS plan enrollees; 43% PERS plan enrollees
 - Cost if all came back to PEBB retiree coverage would be ~\$160M annually

Recent Legislative Reports (*cont.*)

- JLARC – SEBB Coverage (2020 ESSB 6189)
 - Under SEBB, 77% of school employees were eligible for health benefits, increasing from 68% eligible during 2018-19
 - Between 2018-19 and 2019-2020 school years, the number of full-time employees increased, while the number of part-time employees decreased
 - Ongoing collection of similar eligibility and cost data would require changes to OSPI and HCA reporting requirements

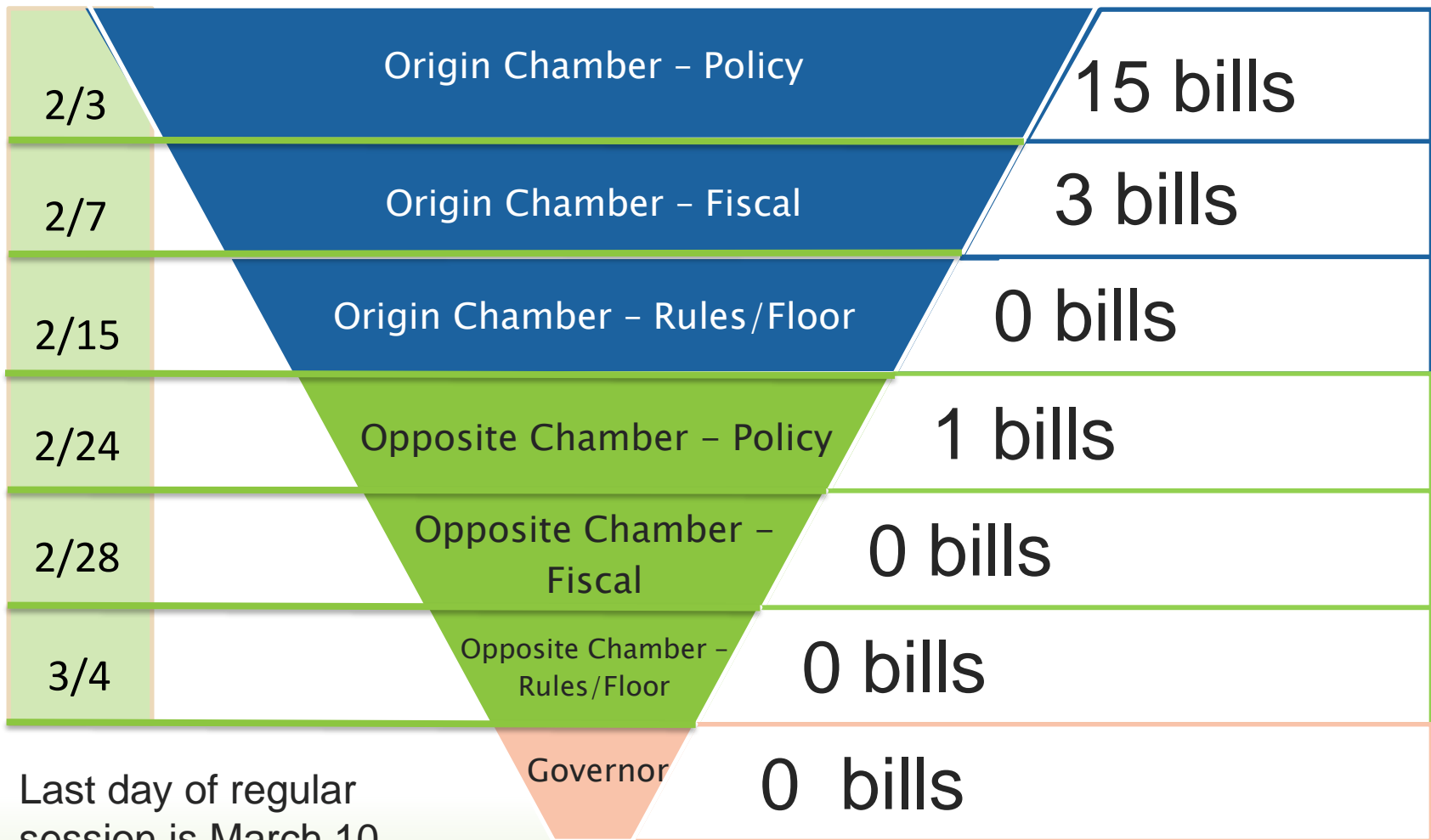
Number of 2022 Bills Analyzed by ERB Division

| | ERB Lead | ERB Support | |
|---------------|----------|-------------|----|
| High Priority | 18 | 6 | 24 |
| Low Priority | 9 | 47 | 56 |
| | 27 | 53 | 80 |

| | |
|-------------------------------|---|
| Hearings (High Priority Only) | 3 |
|-------------------------------|---|

As of 1/19/22

2022 Legislative Session – ERB High Lead Bills



Agency Requested Legislation

- SB 5718 – Concerning insurance benefits for retired or disabled school employees
- Proposed change to the risk pool which retirees who were not yet eligible for Medicare would be eligible to enroll in retiree benefits
- Legislation withdrawn from consideration during this year's legislative session

Topical Areas of Introduced Legislation

PEBB/SEBB Programs

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

Retirees

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

Topical Areas of Introduced Legislation (cont.)

Rx

- 1713/5610 – Rx drug cost sharing

Durable Medical Equipment (DME)

- 1854 – Hearing instruments coverage

Insurance

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

Topical Areas of Introduced Legislation (cont.)

Medical Services

- 1688/5618 – Biomarker testing
- 1939 – Colonoscopy coverage
- 1730/5647 – Fertility services
- 5702 – Donor breast milk coverage

Questions?

Cade Walker, Executive Special Assistant
Employees and Retirees Benefits Division

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TAB 11



Governor's Proposed Budget Update PEBB

Tanya Deuel
ERB Finance Manager
Financial Services Division
January 26, 2022

PEBB Funding Rate

- \$936 FY22 State Funding Rate – *Unchanged*
- \$1,130 FY23 State Funding Rate
 - Per eligible employee per month
 - Adequate to maintain current level of benefits

Medicare Explicit Subsidy

- \$183 Medicare Explicit Subsidy (per Medicare retiree per month)
 - Maintained level from Calendar Year 2022

2022 Supplemental Budget Funded Decision Packages

| Title | FTE | Dollar |
|--|---------|--------|
| <p>Staffing Funding for staffing is requested to address customer service responsiveness and program complexity within Portfolio Management and Monitoring.</p> | 4.5 FTE | \$604K |
| <p>Procurement Resources Funds are requested to maintain, enhance, and replace contracts with the PEBB Program.</p> | NA | \$1.4M |

2022 Supplemental Budget Funded Decision Packages

| Title | FTE | Dollar |
|---|-----------|---------------|
| <p>Mental Health Parity Funding to complete an analysis of mental health benefits in the Uniform Medical Plan and implement necessary changes to comply with federal requirements.</p> | <p>NA</p> | <p>\$350K</p> |

Questions?

Tanya Deuel, ERB Finance Manager

Financial Services Division

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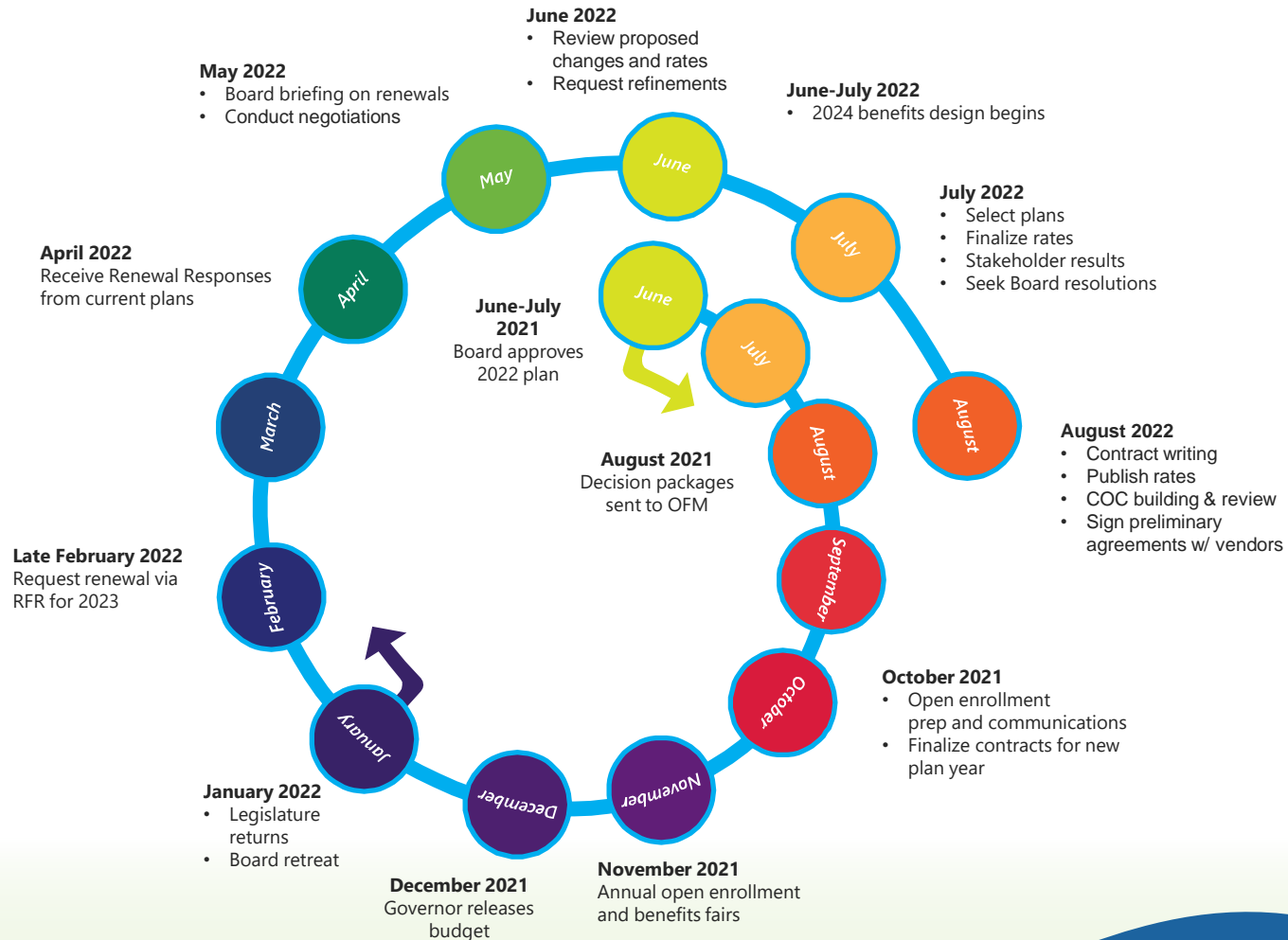
TAB 12



Procurement and Benefit Planning Cycles

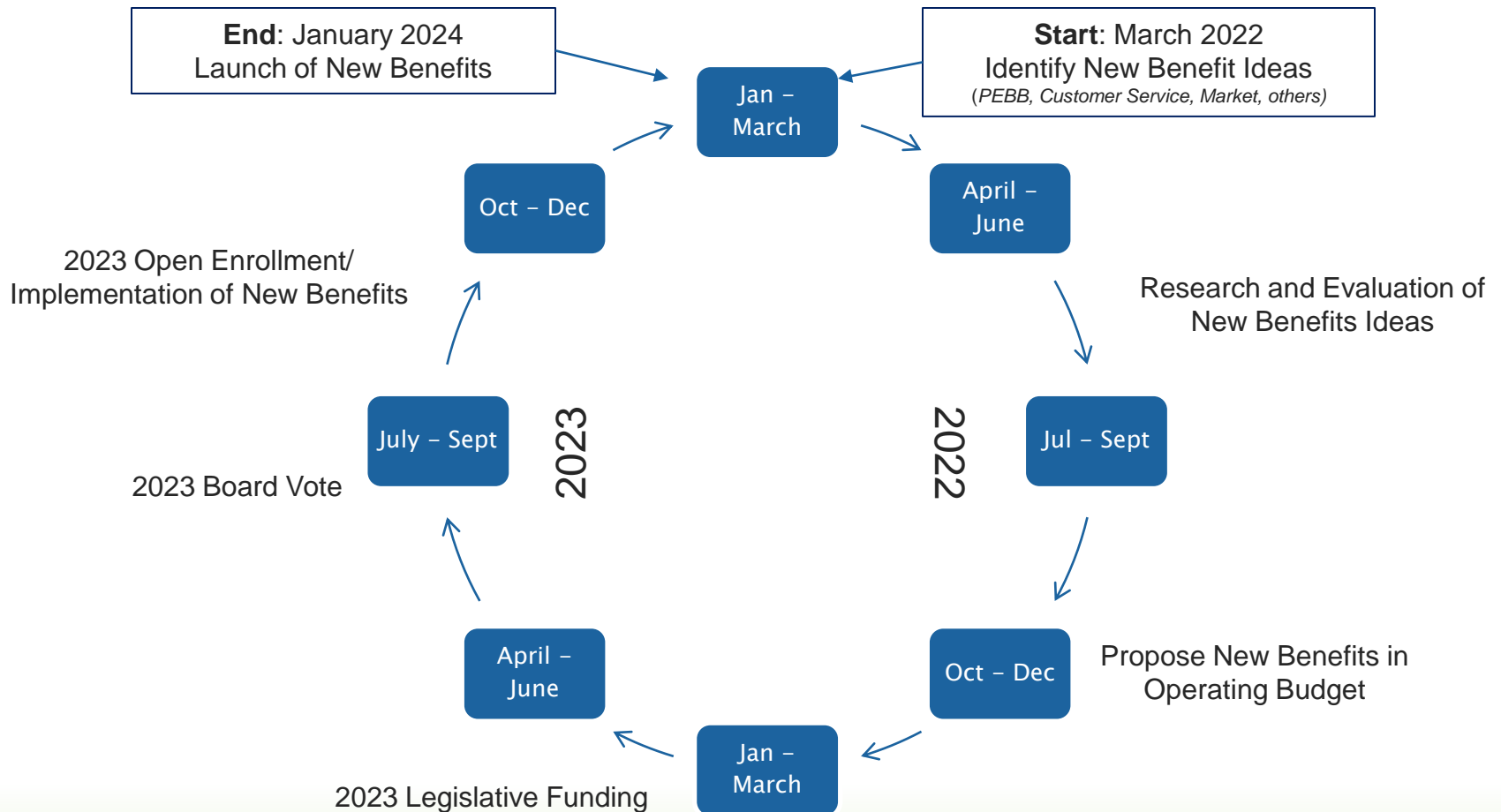
John Partin, Manager
Benefit Strategy and Design Section
Employees & Retirees Benefits Division
January 26, 2022

PEBB Procurement Cycle for Benefit Year 2023



PEBB Benefits Planning Cycle

for Benefit Year 2024



Questions?

John Partin, Manager
Benefit Strategy and Design Section
Employees and Retirees Benefits Division
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TAB 13



PEBB Trend Overview

Molly Christie
Fiscal Information Data Analyst
Financial Services Division
January 26, 2022

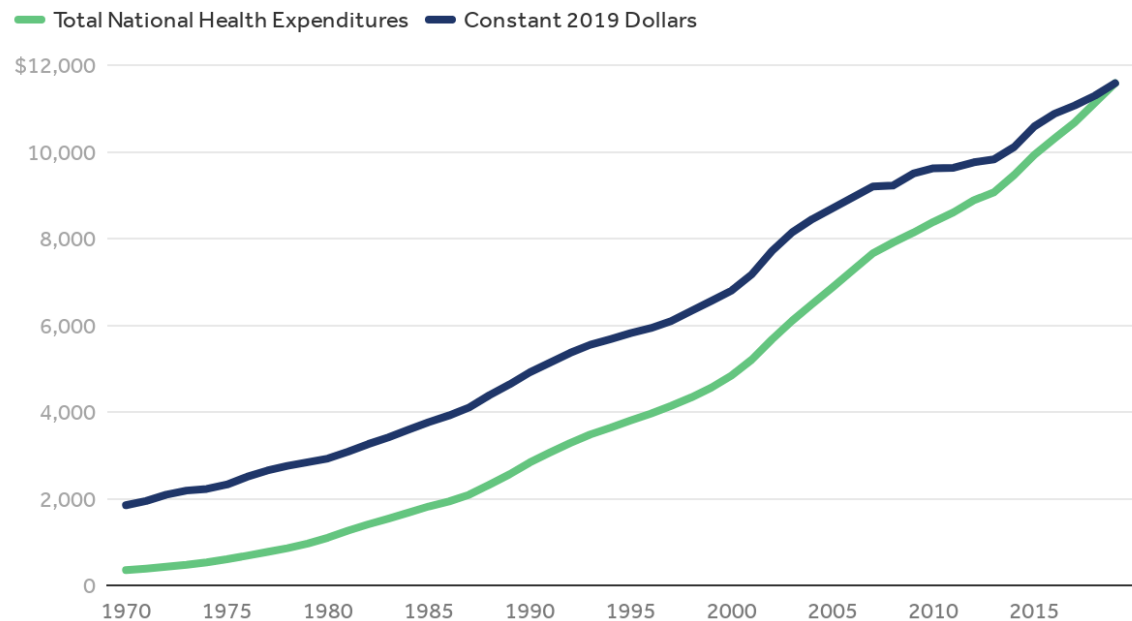
What is Medical Trend?

- Change in health care costs over time
- Secular trend: large-scale, long-term patterns (e.g., inflation, climate change) not subject to seasonal, cyclical, or one-time effects
- Adjusted trend: Incorporates forces on trend unique to a health plan such as population characteristics, benefit design, network, etc.

What Does Medical Trend Tell Us?

In general,
national health
care spending
is increasing
per capita and
as a
percentage of
GDP

Total national health expenditures, US \$ per capita, 1970-2019



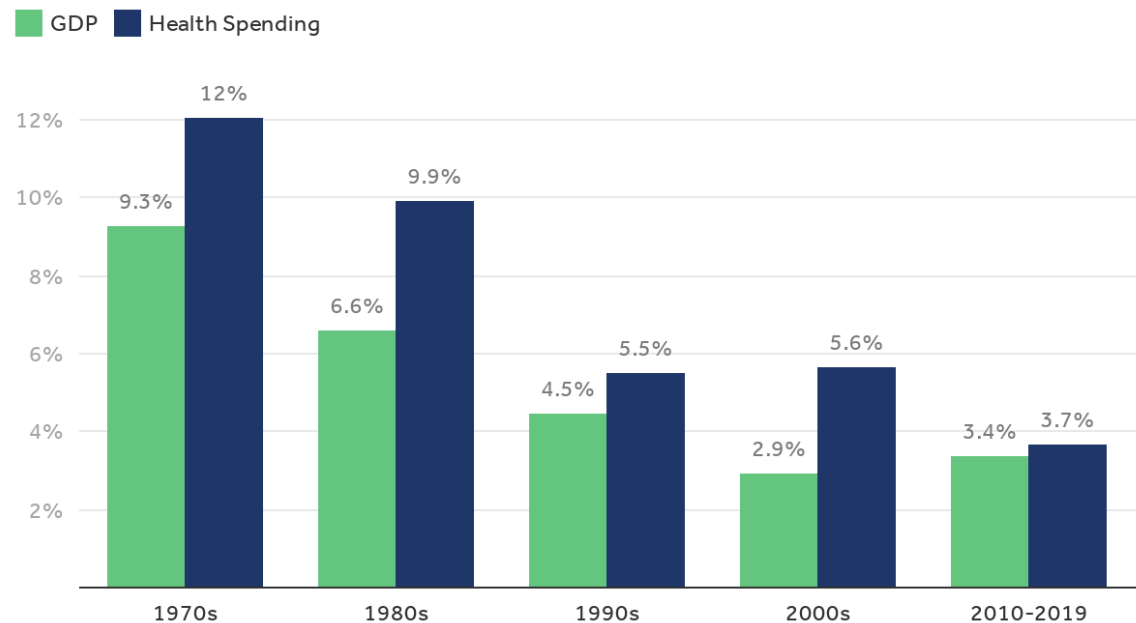
Notes: A constant dollar is an inflation adjusted value used to compare dollar values from one period to another.

Source: KFF analysis of National Health Expenditure (NHE) data
• PNG

Peterson-KFF
Health System Tracker

What Does Medical Trend Tell Us? (*cont.*)

Average annual growth rate of GDP per capita and total national health spending per capita, 1970 - 2019



However, the pace of health spending growth has been slowing

Source: KFF analysis of National Health Expenditure (NHE) data
• PNG

Peterson-KFF
Health System Tracker

Drivers of Medical Trend

- Price/unit cost and utilization are the primary drivers of medical trend
- The pandemic has impacted these factors, at least in the short term
 - Deferred care
 - Transition to lower cost sites of care, including telehealth
 - Increased demand for behavioral health and substance use disorder treatment
 - Investment in emergency preparedness
- Value-based purchasing, enhanced care management, and business efficiencies have potential to slow spending growth

What Trends Do We Track for PEBB?

Total Spending

- Net funding rate
- Program expenditures

Rates

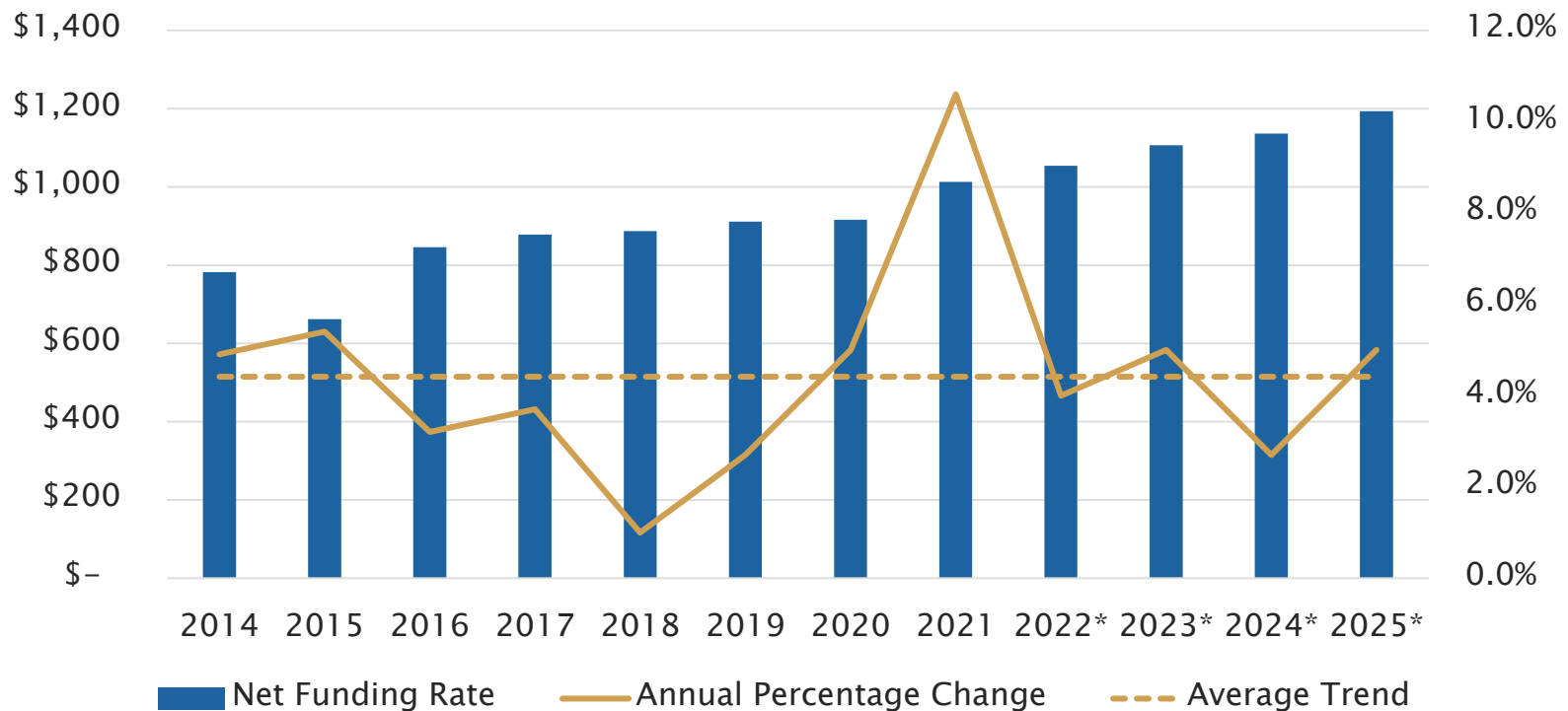
- Leverage self-insured rates in annual procurement negotiations

Cost Drivers

- UMP unit cost and utilization patterns by service category

PEBB Total Spending

PEBB Total Spending Trend

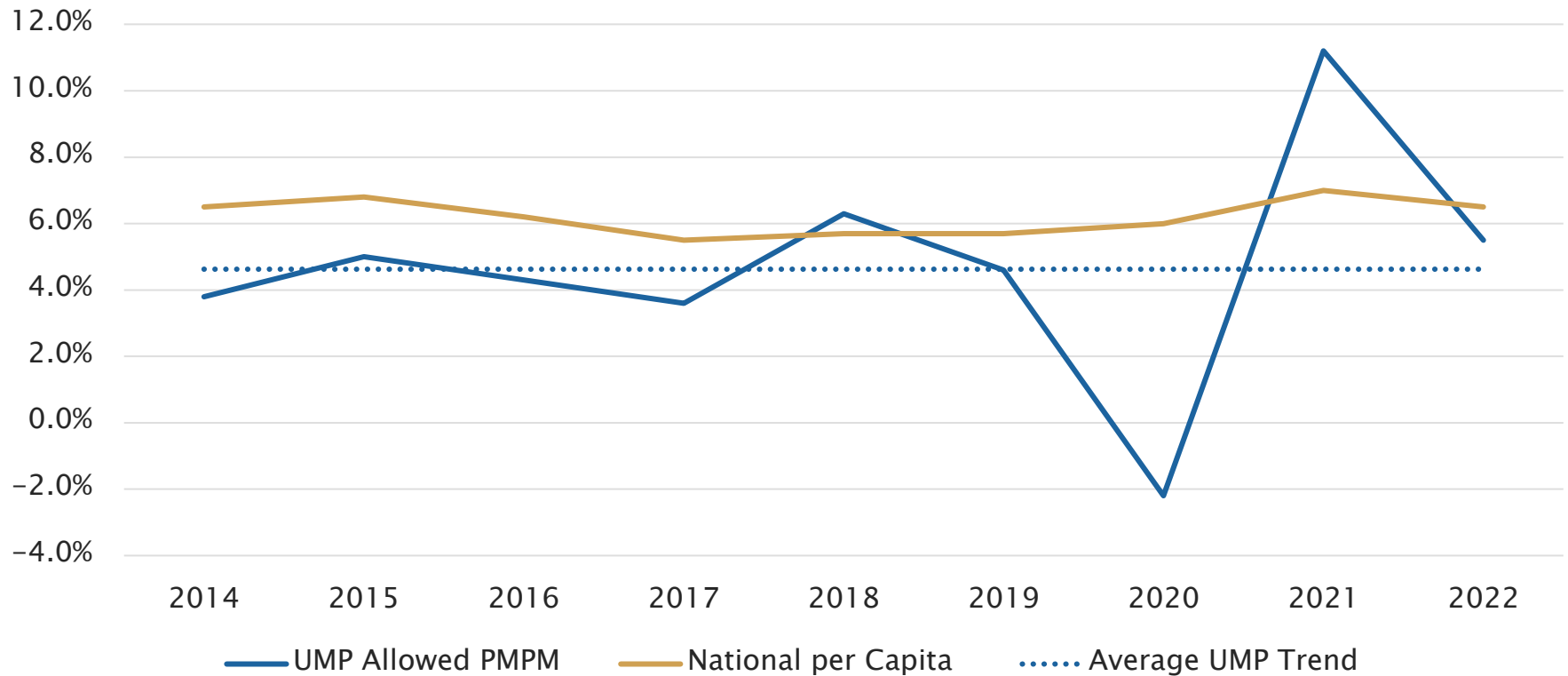


- In line with national trends, total spending on the PEBB Program is increasing
- Trend in PEBB Program spending growth is relatively steady, aside from impacts of the pandemic

*Projected values

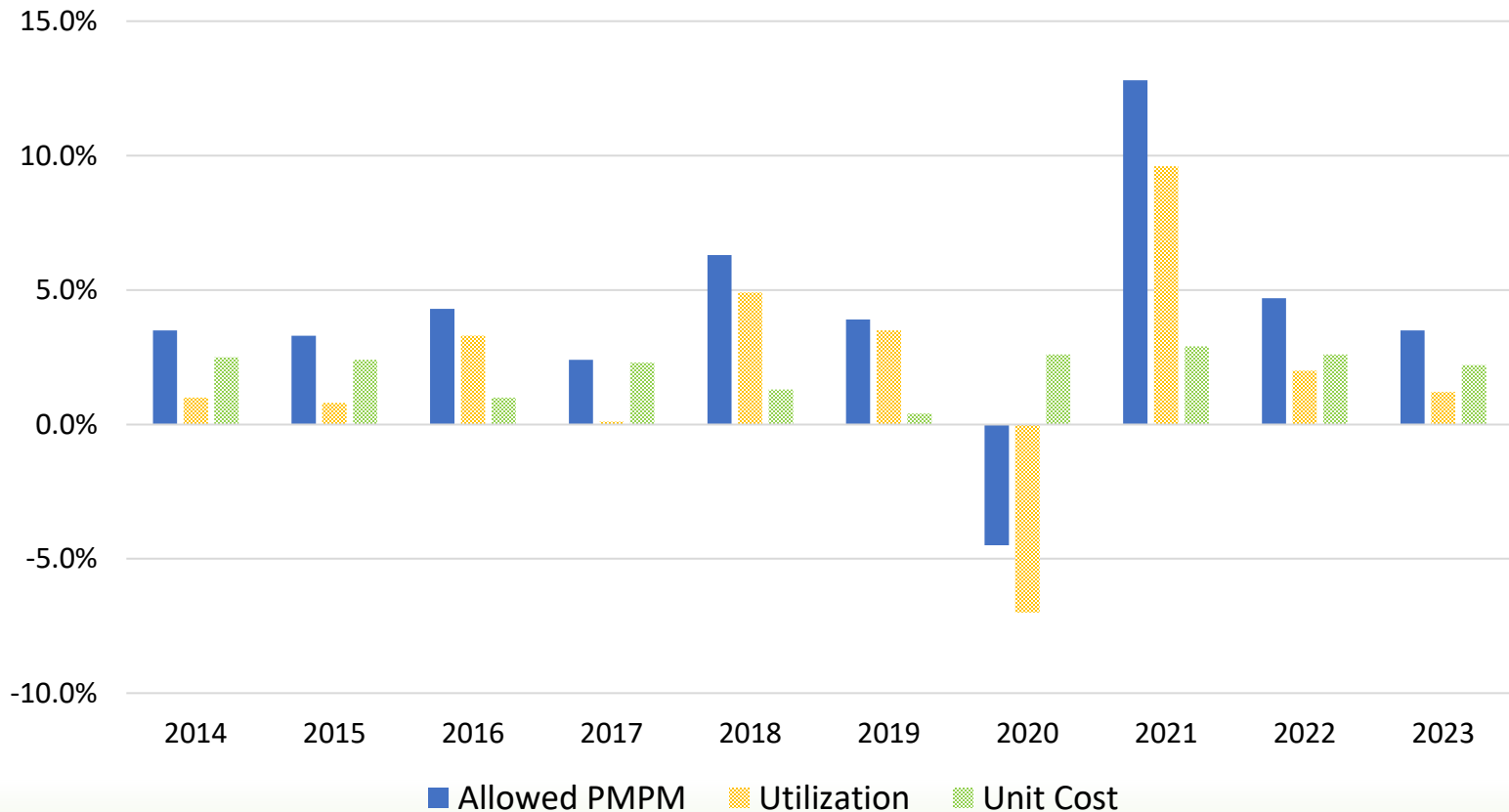
UMP Secular Trend

UMP vs. National Secular Trend



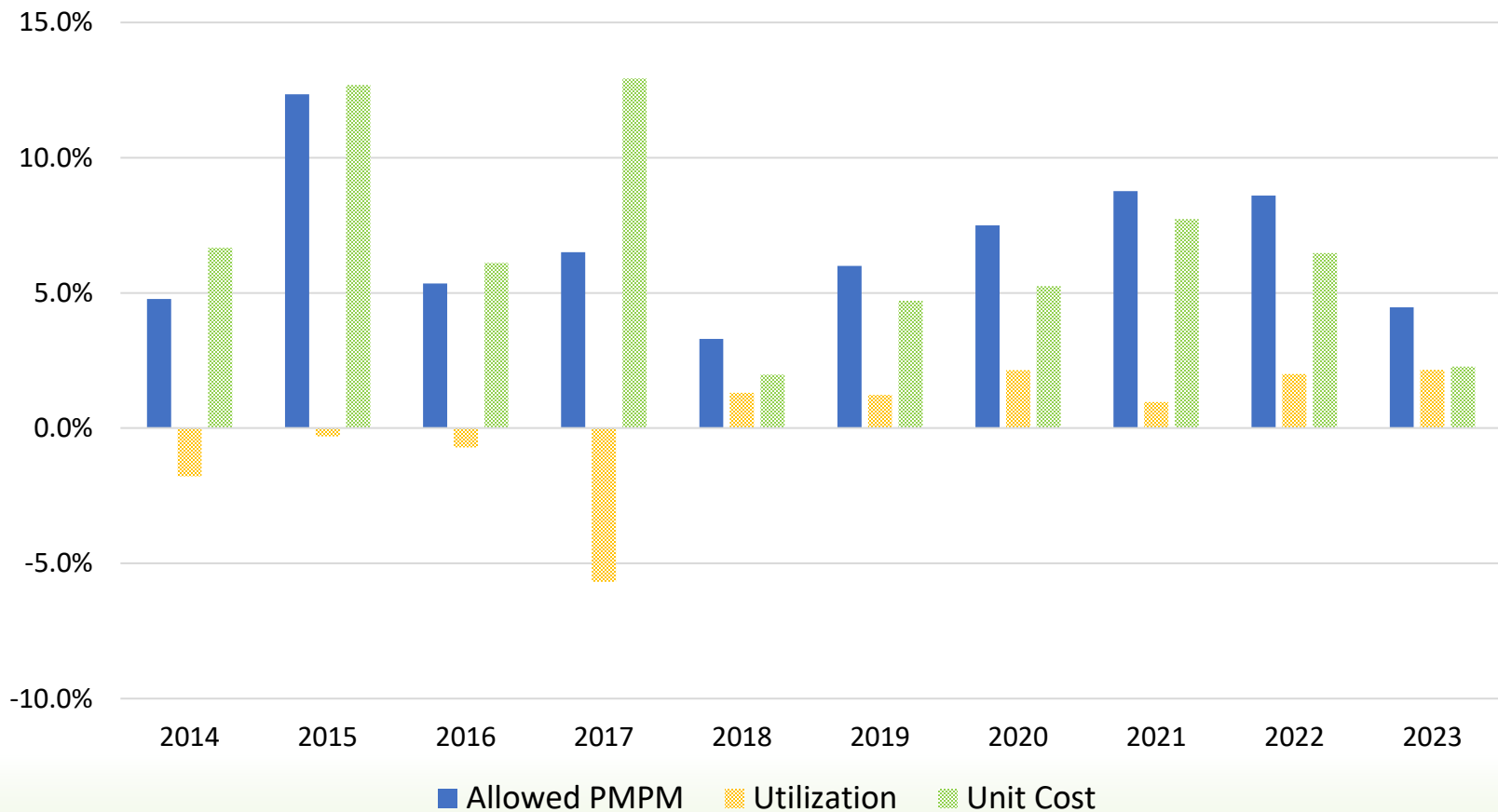
UMP Medical Trend Drivers

UMP Classic Medical Trend Drivers - PEBB non-Medicare



UMP Pharmacy Trend Drivers

UMP Pharmacy Trend Drivers - PEBB Active



How We Manage PEBB Trend

- Competitive portfolio
 - Self-insured product
 - Plan options
- Financial performance guarantees
 - Unit cost and utilization management
 - Medical Loss Ratio
 - ACP shared savings arrangement
- Value-based purchasing
 - Accountable Care Program (UMP Plus)
 - Centers of Excellence
 - Embedded care management programs
 - New alternative payment models
 - Value formulary

Questions?

Molly Christie

Fiscal Information Data Analyst

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