

School Employees Benefits Board Meeting

April 6, 2023

School Employees Benefits Board

April 6, 2023

9:00 a.m. – 12:30 p.m.

Attendance In-person or by Zoom

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

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TAB 1

School Employees Benefits Board
April 6, 2023
9:00 a.m. – 12:30 p.m.

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

TO JOIN ZOOM MEETING – SEE INFORMATION BELOW

9:00 a.m.*	Welcome and Introductions		Sue Birch, Chair	
9:05 a.m.	Meeting Overview		David Iseminger, Director Employees & Retirees Benefits (ERB) Division	Information
9:10 a.m.	Approval of Meeting Minutes <ul style="list-style-type: none"> • March 3, 2022 • April 7, 2022 • May 5, 2022 • June 2, 2022 • June 23, 2022 • July 7, 2022 • July 21, 2022 • March 2, 2023 	TAB 3	Sue Birch, Chair	Action
9:25 a.m.	March Meeting Follow Up	TAB 4	David Iseminger, Director Employees & Retirees Benefits (ERB) Division	Information/ Discussion
9:35 a.m.	2023-25 Budget Update	TAB 5	Tanya Deuel, ERB Finance Manager Financial Services Division (FSD)	Information/ Discussion
9:55 a.m.	Legislative Update	TAB 6	Cade Walker, Section Manager Employees & Retirees Benefits (ERB) Division	Information/ Discussion
10:15 a.m.	Policy and Rules Development	TAB 7	Stella Ng, Policy & Rules Coordinator Employees & Retirees Benefits (ERB) Division	Action
10:35 a.m.	Break			
10:45 a.m.	2023 Annual Rulemaking	TAB 8	Stella Ng, Policy & Rules Coordinator Employees & Retirees Benefits (ERB) Division	Information/ Discussion
11:10 a.m.	SEBB Program Financial Overview	TAB 9	Molly Christie, Fiscal Analyst Financial Services Division (FSD)	Information/ Discussion

11:35 a.m.	SmartHealth Update	TAB 10	Kristen Stoimenoff, Wellness Manager Employees & Retirees Benefits (ERB) Division	Information/ Discussion
11:55 a.m.	Procurement Updates	TAB 11	Shawna Lang, Section Manager Employees & Retirees Benefits (ERB) Division	Information/ Discussion
12:10 p.m.	General Public Comment			
12:25 p.m.	Closing		Sue Birch, Chair	
12:30 p.m.	Adjourn		Sue Birch, Chair	

*All Times Approximate

The School Employees Benefits Board will meet Thursday, April 6, 2023 at the Washington State Health Care Authority, Sue Crystal Rooms A & B, 626 8th Avenue SE, Olympia, WA. Attendance for this meeting can be in person or via Zoom. Masks are recommended.

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

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

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

Materials are posted at <https://www.hca.wa.gov/about-hca/school-employees-benefits-board-sebb-program/meetings-and-materials> by close of business on April 3, 2023.

Join Zoom Meeting

<https://us02web.zoom.us/j/82954825084?pwd=VWNad0kwL0NXaEp4c1g1VFhUTTdZdz09>

Meeting ID: 829 5482 5084

Passcode: 318834

One tap mobile

+12532050468,,82954825084#,,,,*318834# US

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+1 305 224 1968 US

+1 309 205 3325 US

+1 312 626 6799 US (Chicago)

+1 360 209 5623 US

+1 386 347 5053 US

+1 507 473 4847 US

+1 564 217 2000 US

+1 646 931 3860 US

+1 689 278 1000 US

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Meeting ID: 829 5482 5084

Passcode: 318834

Find your local number: <https://us02web.zoom.us/j/kc5Wif3pVB>

SEB Board Members

Name	Representing
Lou McDermott, Deputy Director Health Care Authority 626 8 th Ave SE PO Box 42720 Olympia, WA 98504-2720 V 360-725-0891 louis.mcdermott@hca.wa.gov	Chair
Kerry Schaefer 1405 N 10 th ST Tacoma, WA 98403 C 253-227-3439 SEBBoard@hca.wa.gov	Employee Health Benefits Policy and Administration
Vacant SEBBoard@hca.wa.gov	Employee Health Benefits Policy and Administration
Dawna Hansen-Murray 15535 104 th PL SE Yelm, WA 98597 C 360-790-4961 SEBBoard@hca.wa.gov	Classified Employees
Myra Johnson Park Lodge Elementary School 6300 100 th ST SW Lakewood, WA 98499 V 253-583-5353 SEBBoard@hca.wa.gov	Certificated Employees

SEB Board Members

Name

Representing

Pamela Kruse
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Certificated Employees

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1/31/23



STATE OF WASHINGTON
HEALTH CARE AUTHORITY

626 8th Avenue SE • PO Box 45502 • Olympia, Washington 98504-5502

SEB BOARD MEETING SCHEDULE

2023 School Employees Benefits (SEB) Board Meeting Schedule

The SEB 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, 2023 - 9:00 a.m. – 4:00 p.m.

March 2, 2023 - 9:00 a.m. – 1:30 p.m.

April 6, 2023 - 9:00 p.m. – 1:30 – p.m.

May 4, 2023 - 9:00 a.m. – 1:30 p.m.

June 1, 2023 - 9:00 a.m. – 1:30 p.m.

June 22, 2023 - 9:00 a.m. – 1:30 p.m.

July 6, 2023 - 9:00 a.m. – 12:00 p.m.

July 13, 2023 - 9:00 a.m. – 12:00 p.m.

July 20, 2023 - 9:00 a.m. – 12:00 p.m.

*Meeting times are tentative

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

7/6/22

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: July 12, 2022

TIME: 9:20 AM

WSR 22-15-023

TAB 2

SCHOOL EMPLOYEES BENEFITS BOARD BY-LAWS

ARTICLE I

The Board and Its Members

1. **Board Function**—The School Employees Benefits Board (hereinafter “the SEBB” or “Board”) is created pursuant to RCW 41.05.740 within the Health Care Authority; the SEBB’s function is to design and approve insurance benefit plans for school district, educational service district, and charter school employees, and to establish eligibility criteria for participation in insurance benefit plans.
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 41.05.740. A Board member whose term has expired but whose successor has not been appointed by the Governor may continue to serve until replaced.
4. **Board Composition**—The composition of the nine-member Board shall be in accordance with RCW 41.05.740. All nine members may participate in discussions, make and second motions, and vote on motions.
5. **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 Director or his or her designee shall serve as Chair of the Board and shall conduct meetings of the Board. The Chair shall have all powers and duties conferred by law and the Board’s By-laws. If the regular Chair cannot attend a regular or special meeting, the Health Care Authority Director may designate another person to serve as temporary Chair for that meeting. A temporary Chair designated for a single meeting has all of the rights and responsibilities of the regular Chair.
2. **Vice Chair of the Board**—In December 2017, and each January beginning in 2019, the Board shall select from among its members a Vice Chair. If the Vice Chair position becomes vacant for any reason, the Board shall select a new Vice Chair for the remainder of the year. The Vice Chair shall preside at any regular or special meeting of the Board in the absence of a regular or temporary Chair.

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 shall be conducted in accordance with the Open Public Meetings Act, Chapter 42.30 RCW, but the Board may enter into an executive session as permitted by the Open Public Meetings Act.
2. Regular and Special Board Meetings—The Chair shall propose an annual schedule of regular Board meetings for adoption by the Board. 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 each 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 in 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 SEBB Program, and from other interested parties. Time is reserved for public testimony at each regular meeting, generally at the end of the agenda. Opportunity for public testimony at Board meetings shall also be made available immediately before the Board’s vote on a resolution. At the direction of the Chair, opportunities for public testimony may also be made available at other times during Board meetings. The Chair has authority to limit the time for public testimony, including the time allotted to each speaker, depending on the time available and the number of persons wishing to speak.
5. Motions and Resolutions—All actions of the Board shall be expressed by motion or resolution. No motion or resolution shall have effect unless passed by the affirmative votes of a majority of the Board members present and eligible to vote, or in the case of a proposed amendment to the By-laws, a 2/3 majority of the Board .
6. Representing the Board’s Position on an Issue—No Board member may endorse or oppose an issue purporting to represent the Board or the opinion of the Board on the 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 temporary Chair designated by the Health Care Authority Director from voting.
8. 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.
9. 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 Newly Revised. Board staff shall ensure a copy of *Robert’s Rules* is available at all Board meetings.
10. 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.

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

1. Two-thirds majority required to amend—The SEBB 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.

TAB 3

SEB Board Meeting Minutes

March 3, 2022

Draft
School Employees Benefits Board
Meeting Minutes

March 3, 2022
Health Care Authority
Zoom Attendance Only
Olympia, Washington
9:00 a.m. – 11:00 a.m.

The Briefing Book with the complete presentations and an audio recording of the meeting can be found at:

<https://www.hca.wa.gov/about-hca/school-employees-benefits-board-sebb-program/meetings-and-materials>

Members Present via Phone

Lou McDermott, Chair
Terri House
Alison Poulsen
Pamela Kruse
Kerry Schaefer
Amy McGuire
Dawna Hansen-Murray
Dan Gossett

SEB Board Counsel

Katy Hatfield

Call to Order

Lou McDermott, Chair, called the meeting to order at 9:02 a.m. Sufficient members were present to allow a quorum. Board introductions followed. Due to COVID-19 and the Governor's Proclamation 20-28, today's meeting is telephonic only.

Meeting Overview

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

Follow Up of January 27, 2022 Retreat

Dave Iseminger, Director, ERB Division. Dave provided a response to a question about pediatric vision benefits, and how they compare to the PEBB Program. The benefits have the same effect, but there are a lot of details that are different. For example, both cover annual eye exams for children, but there are a few plans in the PEBB Program where there might be a copay. Or both cover frames in a two-year increment, but in the SEBB Program it reboots January 1 every year; in the PEBB

Program it's a rolling personal 24-month average, so, it's two years. Lenses are free in both programs, but some of the enhancements vary.

2022 Legislative Session Update

Cade Walker, Executive Special Assistant, ERB Division. Slide 2 – Number of 2022 Bills Analyzed by ERB Division. Collectively, to date our team has done about 150 legislative analyses.

Slide 3 – 2022 Legislative Session – ERB High Lead Bills. There have been two cutoffs since this slide was updated, but it is the number of ERB high-lead bills staff analyzed and tracked through the process. The ERB Division tracked five pieces of high priority legislation.

Slide 4 – Topical Areas of Introduced Legislation. House Bill 1052 was introduced last year regarding performance guarantees. It made it through and should be signed by the Governor soon. It clarifies the insurance code, which will assure HCA's use of performance guarantees in our contracting is in compliance with the state's insurance code.

Dave Iseminger: This bill aligns with historic practices, which rids us of any technical concerns of how the state does contracting.

Cade Walker: Legislation that didn't make it past the cutoff are noted with strike through. HB 1757 and SB 5562 didn't make it through but would have allowed non-represented ESD employees to participate in the PEBB Program, as opposed to participating in the SEBB Program. HCA wasn't in support or against it, we merely provided technical support.

A piece of legislation not noted on these slides is legislation that funds the represented employees at ESDs. It only impacts represented employees in ESDs. That legislation is still moving. It doesn't have any significant impact other than additional funding to the two ESDs that currently have represented staff.

HB 1911 and SB 5700 did not pass. These bills would have expanded the definition of a separated employee to include those who participate in Plan 2.

Slide 5 – Topical Areas of Introduced Legislation (*cont.*). SB 5610 – Rx drug cost sharing passed. It states that if a manufacturer coupon for prescription drugs is applied, the amount of that coupon is then applied to the members' deductible. Staff are analyzing that bill since it is a substantial change.

HB 1688 – Out-of-network charges, is another patient/consumer protection piece of legislation, which is still moving.

Slide 6 – Topical Areas of Introduced Legislation (*cont.*). HB 1688 – Biomarker testing is still moving and SB 5702 regarding donor breast milk coverage passed the house. Staff will continue to track.

2022 Supplemental Budget Update

Tanya Deuel, ERB Finance Manager, Financial Services Division (FSD), provided an update on the supplemental budget.

Slide 3 – SEBB Proposed Funding Rates. The current school year funding rate of \$968 will remain unchanged since we're in that current period, however the next school year funding rate in the Governor's proposed budget was reduced from \$1,032 to \$1,026. The Senate and House proposed budgets align with the Governor's proposed budget. That reduction utilizes available surplus, as well as funding on some of HCA's decision packages.

Slide 4 – Proposed Budget Similarities. The Governor's, Senate's, and House's budgets are similar. These remain the same as shared at the Board Retreat in January.

Dave Iseminger: The IT Maintenance and Operations decision package was a critical one. All decision packages put forward are urgent and important, but IT more so than ever. We have no permanently funded maintenance and operations IT staff due to how the various program resources were established, and the timing of events that led to the creation of SEBB MyAccount.

Tanya Deuel: Slide 5 – House Proposed Budget – Proviso Language. This slide shows the most recent House version. This is a new proviso that was added. It includes \$250,000 for the SEBB Program and \$250,000 for the PEBB Program for HCA to conduct a study of the Uniform Medical Plan administration.

Dave Iseminger: This is currently in the House budget only. Both chambers have passed their budgets off their floors. It will be in conference and differences like this are what get adjudicated in that conference process. We won't know if it's included until the final budget is released. There are lots of reasons why this provision language could be coming up, but with the creation of the SEBB Program and the expansion of the number of individuals in the Uniform Medical Plan, I think there's a question as to evaluating the efficiency in directly providing some services or continuing to contract out the services.

Historically before 2011 when Regence became the third-party administrator (TPA) and 2020 when Regence was awarded the most recent contract, there was more direct administration by the Health Care Authority. There was a separate unit by the Health Care Authority that was the Uniform Medical Plan doing things like direct provider contract negotiations. That was something pre-2011 Health Care Authority staff did. HCA will look at the types of things done previously by the agency, and then evaluate and present information in a report about what a future state could look like.

The other important piece is the language in the proviso describes that this report is due at the end of 2023. There's an acknowledgement in the language that the current contract we have goes through the end of 2029. That seems like a far-off concept to be putting together for 2029 or 2030, but when you look at the timeline, if we needed to bring some of the resources into HCA and renegotiate parts of the contract, it's timely to start talking about this now if this is something the Legislature wants to pursue.

This report will ultimately lead to conversations, possibly in the next biennial budget, about the resources the Health Care Authority might be provided to bring in any of those services the Legislature thinks should be directly managed by HCA. It's a timely exercise. We're almost to the point where we have 400,000 covered lives between the PEBB and SEBB Programs within the Uniform Medical Plan, so it's a natural question for the Legislature to want to understand if there are efficiencies to be gained now that the number of lives served is so much greater than it was a decade ago.

Eligibility and Enrollment Policy Development

Emily Duchaine, Regulatory Analyst, Employees and Retirees Benefits (ERB) Division. One proposed resolution being introduced. Slides 2 through 4 are provided for your information.

Slide 5 and 6 – Introduction of SEBB 2022-01 School Employees Returning to Work From Active Duty. Currently, school employees maintain eligibility for the employer contribution towards SEBB benefits when they work at least 630 hours. Under USERRA, we need to restore benefits as of the day the employee returns. We are asking the Board to treat those returning from USERRA the same as employees who met the 630-hour requirement.

It was brought to our attention that the resolution today is written specific to health plan benefits. In the following examples, you will see that the policy resolution should have been written for all SEBB benefits to start at the beginning of the month for all employees returning from active services. When the resolution comes back to you for action, it will say “employer-paid SEBB benefits.”

Slide 7 – Proposed Resolution SEBB 2022-01 Example #1.

Slide 8 – Proposed Resolution SEBB 2022-01 Example #2.

Slide 9 – Next Steps.

Dave Iseminger: I want to give the Board and members of the public one piece of context. HCA is bringing this resolution because there's federal compliance required. USERRA is a federal law that requires benefits be reinstated the day that the person comes back from active duty. In our system, we have 12 medical effective dates, we don't have 365 in our system, we only have the first of the month. In example #1, Steve comes back May 11. Our choices are May 1 or June 1. It was brought to our attention that the way our system is set up, the natural answer without this policy resolution would be June 1, which would not be in technical compliance with federal law. In these types of instances, the agency will usually, if they can, make the administrative change, because we were charged with keeping the program in federal compliance. The challenge we have, and why we have to come back to the Board, is if HCA were to try to implement this scenario on May 1, we would be taking extra steps to expand eligibility for the first ten days of the month, and the agency doesn't have that authority. The Board has that authority to set and expand eligibility. Before we get questions about other instances of being able to retro enroll earlier in the month, I want to caution everyone that the reason for this action is to ensure federal compliance. This is limited specifically to USERRA because of the federal compliance piece.

I wanted to lay that out clearly because I'm concerned other public members may want to analogize to a retroactive eligibility date in the future. I want to draw specific attention that this action is to ensure compliance with federal law. If there are other similar instances that are brought to our attention, we'll bring that to the Board in a future resolution. It's narrowly written to address this specific situation, to ensure both federal compliance and what is operationally possible today.

Pam Kruse: Thank you for that explanation because I was going to have two questions, and that was the first one. Emily, I'm wondering, with your examples, does this also include somebody who returns from active duty that hasn't met their 630-hour threshold yet?

Emily Duchaine: No, it does not, because the federal rule requires that if they were eligible for the benefits when they left, they would be reinstated upon return. But that only protects the benefits they had when they left. If they had not met the 630-hour requirement prior to going on active service, they would not get benefits when they returned. That's why in the examples we tried to emphasize when they left, they were eligible. I apologize if that wasn't clear enough.

Pam Kruse: I'm just trying to think of a situation where it could be somebody teaches through October, goes on active duty for a couple months, we assume that, especially, a full-time teacher, they have benefits, but they haven't technically met their 630 hours. We assume you start teaching full-time you've got your benefits. I'm just throwing this out there as it might be the example that applies to maybe five or ten people. I want to make sure everyone still would have their benefits.

Emily Duchaine: That's a good question. That's something we can consider between now and the next Board meeting. If there's a situation that may need to be fine-tuned. I do think you're right, in most cases, a person will already have met their eligibility when they leave. There's always that possibility for an exception, so thank you for bringing that forward.

UMP Pharmacy Benefit Management (PBM) Update

Jenny Switzer, Senior Account Manager for Moda, ERB Division.

Slide 2 – Background.

Slide 3 – Overview of Moda's Structure.

Slide 4 – Moda and Navitus Roles.

Slide 5 – Benefits of Navitus. HCA is working with Costco to administer the direct-to-consumer over the counter COVID test kits for implementation in 2023. That would be in addition to the postal prescription services we currently have.

With Navitus, we're given greater options for administrative budget flexibility as they offer the option of paying on a per-claim basis or a per-member per-month basis. With MedImpact, HCA was allowed up to four user accounts on their reporting platform, and

with Navitus we can have up to 30 accounts. This allows for more options for HCA staff to complete data analytics and customer reporting.

Slide 6 – Member Experience.

Slide 7 – Net Changes to Network Pharmacies.

Slide 8 – Net Changes by Zip Code.

Slide 9 – Member Communications. HCA provided communications in a variety of ways to ensure members understood the pharmacy changes, such as ID numbers and other network changes.

Slide 10 – Additional Communications.

To support these communications, Moda prepared their customer service teams to ensure members were receiving accurate communications and were being responded to in a short amount of time. They provided additional training and placed nine new positions on their customer service team to handle anticipated call volume. They worked extra hours, whenever necessary, and over holidays to help members.

Slide 11 – Implementation Related Member Impacts. There are always some member impacts when implementing changes to benefits or new contracts. To date, there have been zero appeals related to implementation activities due to Moda very closely watching claims, processing, and addressing issues as they appeared.

Differences in concurrent drug utilization review (DUR) edits caused some claims to deny for high dose when they had been previously approved. Moda handled those issues as they were received and manually processed them to ensure members had access to the drugs they needed. Moda entered overrides to allow claims to process and updated the DUR edit to return a message to the pharmacy, rather than the claim have a hard stop as a denial.

Compound claim partial rejections for non-formulary ingredients were received. Moda reviewed the previous claims data and entered overrides like they did with the DUR edits. If that ingredient was previously approved as part of the compound adjudication, they overrode that request so the member would receive their drugs.

A few pricing complaints were received. Most were for regular changes that take place which were outside of HCA or Moda's control. Some were due to the change in vendor used. Some price changes were cost savings for members.

Some price changes were a result of drug source classifications and changes to network financial guarantees that those contracting with Navitus enters into with those pharmacies.

Dave Iseminger: I want to put a finer point on Slide 11, Bullet 4. An example of something we've heard is that an individual might have a drug they previously paid 40 or 50 cents for a 90-day supply, and now it's \$2. There was a change in the drug date designation database (Slide 6 What Changed? Bullet 4), and that is what happened.

The drug date designation database switched from the previous entity to the new entity, and some drugs went up, and some went down. The net increase across the entire population was positive for our members, but when you're dealing with a large population, any change has impacts in both directions. The net change was positive across the population, but there were some people who were paying 40, 50 cents for a drug that are now paying a dollar, two dollars for a drug, and some people who were paying \$10 for a drug that are now paying \$8 or even \$7 for a drug. Most of the changes that we're aware of are small-dollar impacts, but for retirees on a fixed income, we know every dollar matters.

Lou McDermott: Dave, for clarity, the positive change meant people were paying less.

Dave Iseminger: Correct.

2024 Uniform Dental Plan (UMP) Benefit Design Introduction

Ellen Wolfhagen, Senior Account Manager, ERB Division.

Slide 2 – Background.

Slide 3 – Board Timeline.

Slide 4 – Remaining Benefit Design Cycle.

Slide 5 – Current UDP Plan Design.

Slide 6 – Market Comparison – Plan Coverage shows how we fit in the general market. HCA looked at not only our plans, but Delta's book of business, which is non-PEBB and non-SEBB PPO plans, and at the Washington Education Association plan that was in place prior to the SEBB Program. Class 1 is paid at 100%, but under the WEA plan, it started at 70% due to their incentive program. The WEA plan Class II was different because they covered crowns. Generally speaking, in UDP Class III is crowns, bridges, and implants, and those are covered at 30%, and bridges and implants were covered at 50% as well for WEA. Just to note, periodontal care is Class II as is oral surgery or root canal.

Slide 7 – 2024 UDP Options.

Slide 8 – Incentivize Preventive Services.

Slide 9 – Incentive Benefits.

Slide 10 – WEA Plan Incentive Example.

Slide 11 – Amalgam and Composite Comparison.

Slide 12 – Composite Materials for Fillings.

Dave Iseminger: I want to highlight something else with composite materials. This came on our radar as an important and ever-present equity lens as we look at our

benefit design. We think about the challenges faced by having base coverage amalgam fillings, which may put someone in a position financially of feeling that they have to accept elemental mercury in a filling if that's what is available to them. As Ellen highlighted, it's not as commonly used as in the past, but it is still an option in some dental practices. There are some dental practices that will refuse to do amalgam fillings, and if that's a location a member is at, then the coverage provided by UDP is adjudicated as if it's an amalgam filling and the rest of the cost is borne by the member. It was brought to our attention as a socioeconomic equity concern, as well someone feeling they may be in no position other than to accept a filling that includes elemental mercury. This quickly became an important part of the conversation. It's important to show examples of where the agency is identifying and addressing equity issues and bringing them before the Board.

Slide 13 – Annual Plan Maximum Adjustment.

Slide 14 – Annual Plan Maximum Comparisons.

Slide 15 – Market Comparison – Deductibles

Slide 16 – Waiving Children's Deductible.

Slide 17 – Differences in Children's Benefits.

Slide 18 – Temporomandibular Joint (TMJ) Benefits.

Slide 19 – TMJ Benefits Comparison.

Slide 20 – TMJ Lifetime Benefits.

Slide 21 – Next Steps.

Dave Iseminger: At the April meeting, Ellen will provide specifics about the proposal related to each of these options; what percentages, how are the sliding scales working, and the incentive benefit design, what was the proposal for reducing the children's deductible mean age-wise, what age does it mean, 13, 14, 16? April's presentation will provide finer details.

Public Comment

There was no public comment.

Next Meeting

April 7, 2022

9:00 a.m. – 2:00 p.m.

Preview of April 7, 2022 SEB Board Meeting

Dave Iseminger, Director, Employees and Retirees Benefits Division, provided an overview of potential agenda topics for the April 7, 2022 Board Meeting.

Meeting adjourned at 10:23 a.m.

SEB Board Meeting Minutes

April 7, 2022

Draft
School Employees Benefits Board
Meeting Minutes

April 7, 2022
Health Care Authority
Zoom Attendance Only
Olympia, Washington
9:00 a.m. – 11:30 a.m.

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

Members Present via Phone

Lou McDermott, Chair
Terri House
Alison Poulsen
Pamela Kruse
Kerry Schaefer
Amy McGuire
Dawna Hansen-Murray
Dan Gossett

Members Absent

Pete Cutler

SEB Board Counsel

Katy Hatfield, AAG

Call to Order

Lou McDermott, Chair, called the meeting to order at 9:00 a.m. Sufficient members were present to allow a quorum. Board introductions followed. Due to COVID-19 and the Governor's Proclamation 20-28, today's meeting is telephonic only.

Meeting Overview

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

Approval of May 5, 2021 Meeting Minutes

Terri House moved, and Dan Gossett seconded a motion to approve. Minutes approved as written by unanimous vote.

Approval of June 2, 2021 Meeting Minutes

Dan Gossett moved, and Terri House seconded a motion to approve. Minutes approved as written by unanimous vote.

Policy and Rules Development

Emily Duchaine, Regulatory Analyst, Employees and Retirees Benefits (ERB) Division.

Slide 2 – SEB Board Policy Resolutions

Slides 3-5 – RCWs and USERRA included for reference.

Slide 6 – Follow Up – responds to a Board question about a school employee who was not anticipated to work 630 hours and was called to active duty in November before they established benefits eligibility.

If a school employee did not establish eligibility before leaving for active duty but would have otherwise become eligible based on the pattern they were working, then upon returning to their position, eligibility for benefits could potentially be gained under Subsection 182-31-0405(b), which states that a school employee who was not anticipated to work at least 630 hours in the school year may later be eligible for SEBB benefits when they worked 630 hours in the school year. In that case, the coverage would begin the first day of the following month according to WAC 182-30-0803.

Remember a full-time teacher who was already anticipated to reach 630 hours at the beginning of the school year and who was returning from active service would still get benefits when they returned from active service even if they left in November because they have already established their eligibility under Subsection 4(a) of 182-31-040.

Slide 7 – Resolution SEBB 2022-01 School Employees Returning to Work From Active Duty (Revised). Revised to say, “Employer-paid SEBB benefits.”

Slide 8 – Resolution SEBB 2022-01 School Employees Returning to Work From Active Duty – Final.

Stakeholder feedback received was positive and in support of the resolution.

Vote: Resolution SEBB 2022-01 School Employees Returning to Work from Active Duty.

Pam Kruse moved, and Alison Poulsen seconded a motion to approve.

Voting to Approve: 8

Voting No: 0

Lou McDermott: Resolution SEBB 2022-01 passes.

Slide 9 – Next Steps.

2022 Annual Rule Making

Stella Ng, Policy and Rules Coordinator, ERB Division. I’m sharing high-level

information on this year's rule making and highlighting the most significant changes and rulemaking actions we are considering.

Slide 2 – Rule Making Timeline.

Slide 3 – Focus on Rule Making.

Slide 4-6 – Administration and Benefits Management.

Slide 7 – Regulatory Alignment.

2022 Legislative Session Wrap Up

Cade Walker, Executive Special Assistant, ERB Division.

Slide 2 – Number of 2022 Bills Analyzed by ERB Division.

Slide 3 – 2022 Legislative Session – ERB High Lead Bills.

Slide 4-5 – ERB High Priority Lead Bills Passed.

Slides 6-7 – Other Passed Legislation.

2022 Supplemental Budget Update

Tanya Deuel, ERB Finance Manager, Financial Services Division (FSD), provided an update on the final supplemental budget.

Slide 2 – Final Funding Rate. The second-year funding rate was reduced from the original funding rate that was passed in the biennial budget of \$1,032 to \$1,026. That reduction was utilizing about \$10 million in surplus, and the Legislature chose to reduce that funding rate in the second year.

Slide 3 – Final Conference Budget Funding. Four decision packages were funded. I want to note two other items that passed within the conference budget that were not necessarily within the PEBB and SEBB sections of the budget. First is regarding fertility, which was in the OIC section of the budget. In consultation with the OIC, HCA will complete an analysis of the cost to implement fertility benefits as described in the 2021 Department of Health Mandated Benefits Sunrise Review, and that report must be to the Governor and appropriate committees by the end of the biennium, June 30, 2023.

The second one was around palliative care. HCA as the agency received \$250,000 to design a standardized payment methodology for palliative care for both the Medicaid and the PEBB and SEBB Programs.

David Iseminger: Both the palliative care and the fertility provisions described are for the agency's support on all of the programs at the Health Care Authority. It's not just the PEBB and SEBB Programs, it's also the Medicaid program. It's an analysis of all the purchasing power and breadth of the Health Care Authority. As we do that work, I can see bringing information about the specific fertility benefit design that is being

reviewed that was the result of the Department of Health's Sunrise Benefit Design Review process to the Board.

Slide 4 – New Proviso Language.

David Iseminger: This is about our current third-party administrator (TPA) contract with Regence for the Uniform Medical Plan. The current contract goes through December 31, 2029, which is a gentle reminder it's not that far off when talking about the size, scope, and complexity of these types of services with this type of contract. It's not a foregone conclusion that there will or will not be a resumption of services of the Health Care Authority. That is the focus of the report. We anticipate that this report would be considered during the 2024 or even the 2025 Legislative Session. If there was direction at that point for HCA to resume some services, we would begin that path over that five-year period as we march forward to 2030.

2024 Uniform Dental Plan (UMP) Dental Benefit Design Options

Ellen Wolfhagen, Senior Account Manager, ERB Division.

Slide 2 – Objectives.

Slide 3 – Current UDP Plan Design.

David Iseminger: I want to make sure on preventive services to clarify the 100% coverage. Is there any nuance with network status of the providers on the preventive services coverage?

Ellen Wolfhagen: Yes. The UDP has two networks. Preferred Provider Networks and the Premier Network, which is listed as non-PPO. Premier providers are paid at a higher rate, so the coverage is less. For Class I, it is 80% coverage, Class II 70%, Class III 40%.

Slide 4 – 2024 UDP Options.

Slides 5-7 – Current UDP Annual Plan Maximum Details. It is important to note that the \$1,750 applies to all providers, regardless of who you see. But if you see only premier dentists, you will have fewer services available in that \$1,750. Of the plan maximum, about 4% of the population exceeded the plan limit in 2021, and 20% of those were children under the age of 18, which is about the same proportion as the SEBB membership.

Slide 8 – Preventive Service Visits.

Slide 9 – Current UDP Annual Maximum Example.

Slide 10 – Example of Katy's Claims.

Slide 11 – Proposed Annual Plan Maximum Benefit.

Slide 12 – Example of Katy's Claims Under Proposed Change.

Slide 13 – Comparing Katy’s Out-of-pocket Costs.

David Iseminger: I don't want anybody to be disillusioned that preventive services alone could get you to \$1,750, and I can reveal my own PHI, as somebody who has had periodontal maintenance for most of my life, it's about \$600-\$625 a year that is in preventive services. I go every 90 days. But as all of those things add up, it goes hand-in-glove with extra services. It starts to eliminate some of that burden as you're looking at your budget determining when you will things done – before the end of the year or January? It starts to relieve some of those pressures about possibly even delaying care, which has its own implications on our health. A lot of different things that relate to this concept.

Slide 14 – UDP Annual Plan Maximum Benefit Change Insights.

Slides 15-16 – Current UDP Composite Posterior Fillings Coverage Details.

Slide 17 - Current UDP Posterior Composite Fillings Coverage Example.

Slide 18 – Proposed Composite Filling Benefit Change.

Slide 19 – UDP Composite Fillings Benefit Change Insights.

Slide 20 – Incentive Plan Design Promoting Preventive Services.

Slide 21 – Current UDP Coverage Limits.

Slide 22 – Incentive Preventive Services.

Slide 23 – Preventive Service Visits.

Slide 24 – Incentive Plan Example. Two things to note. If you saw only a premier dentist, that percentage would change because premier coverage starts at 70%. It could drop to 60% and the highest it would go is 80%. The other thing to note is new hires would always come in no matter when they are hired during the year, with Class II coverage at 80%, they would still have preventive services at 100%, Class III at 50%, assuming they see a preferred provider and not a premier dentist.

Slide 25 – Child Deductibles.

Slide 26 – Current UDP Deductibles.

Slide 27 – Proposed Child Deductible Benefit Change.

Slide 28 – UDP Child Deductible Benefit Change Insights.

Slides 29-30 – Temporomandibular Joint (TMJ) Limit and Current UDP TMJ Coverage.

Slide 31 – Proposed UDP TMJ Benefit Change.

Slide 32 – UDP TMJ Benefit Change Insights.

Slide 33 – Prioritization Discussion.

Slide 34 – Prioritization: Using Population Impacts.

Slide 35 – Prioritization: Using Estimated Premium Impacts (lowest impact to highest impact).

David Iseminger: I want to highlight why we are showing information about both Boards' programs. All SEBB Program members, when they retire, will likely have eligibility in the PEBB Program as a retiree. As both programs move forward looking at different benefit proposals, I talk about the importance of keeping the benefits fairly aligned, partly for the transition of membership from SEBB into PEBB at the point of retirement.

Slide 36 – Who Pays Premiums Reminder.

Slide 37 – Funding for All Five Benefit Proposals. Based on 2021 pandemic period utilization, the overall estimated per subscriber per month (PSPM), increase for each program would be between \$5 - \$7. The numbers may not reflect actual experience moving forward. Actual premium increases may vary. As a self-insured plan, the state has claim liability.

Slide 38 – Initial Premium Insights on TMJ & Child Deductible Proposals. TMJ and the child deductible proposals are pretty small and can be considered together.

Slide 39 – Initial Premium Insights on Incentive, Composite Fillings, & Annual Plan Maximum.

Slide 40 – Prioritization Discussion.

Slide 41 – Next Steps.

Public Comment

There were 2 people who provided public testimony. Their testimonies can be found in the verbatim audio recording for the April 7, 2022 Meeting at:

<https://www.hca.wa.gov/about-hca/school-employees-benefits-board-sebb-program/meetings-and-materials>

Next Meeting

May 5, 2022

9:00 a.m. – 2:00 p.m.

Preview of May 5, 2022 SEB Board Meeting

Dave Iseminger, Director, Employees and Retirees Benefits Division, provided an overview of potential agenda topics for the May 5, 2022 Board Meeting.

I can't close out this meeting without one other special comment. Scott Palafox, my Deputy Director, who has made several presentations over the years to this Board, is retiring Friday. Scott has been the Deputy Director since late 2017, and part of the SEBB and the PEBB Programs since 2014. He was a person who helped carry a heavy burden for the foundation setting of this program and I want to publicly thank Scott for his work.

Lou McDermott: Scott and I have been working together for 25 years in one capacity or another. We have spent time together in the finance area for the old Medicaid Division, in Child Support together, and in PEBB. It's been a long road, and I think Dave's comments are all spot on. Scott always was ready to be there to dive in to do the necessary work. He's 100% reliable. He was always there to serve the people he was supposed to serve to the best of his ability. I've always appreciated him. I always could count on him. Scott, I hate to see you go, but I believe you have got 40 years in? Is that correct?

Scott Palafox: Yes, 40 years. I reached that mark on St. Patty's Day.

Lou McDermott: You deserve some time with your family. I thank you for everything you have done for the state, for me personally, and for the agencies you contributed to. I know you're ready for the next chapter. I'm gonna miss you.

Scott Palafox: Thank you, Lou, and Dave. I just want to share a couple of words for this Board because, as David mentioned, he and I were here from the beginning and had a lot of work on our plates. We accepted the challenge. In the beginning, we tried to pull things out of a very quiet and conservative Board, where today we are gaining your insight and hearing a lot from you to get this program to be where it's at today. It's been very successful because of that partnership. I want to thank the Board, first and foremost, for allowing me to serve you in that capacity. I would also like to give thanks to all of the folks over these many, many meetings that have given public comments. We take our job very seriously and your comments do not go in vain.

I can't go without thanking our carriers and our partners for the work they have done in getting this program up and running. And to Lou, as Chair, awesome job.

Dave, what can I say? Without Dave and his leadership and being the captain of this starship, I don't know if the program would have gotten to where it's at today. Thank you for your leadership, your guidance, and your very judicious insight as to where this program needs to be, and your methodical thinking of how we are going to get there. And finally, as many of the folks have expressed, it's the staff who have really helped support this program, not only in the request that you have made, not only in looking at what we should provide you, but all the other aspects that I think engage this program.

At the end of the day, not only am I sitting at the table with the Board with other authorizing aspects of this program to get decisions made, but at the end of the day, I'm also a member. As we were bringing up the SEB Board, our message was that we care about our members because we are members, or we have family and friends who are members. I'm glad the trust you gave us got us to where this program is today. It's the heart and soul of being successful in building up a program like the SEBB Program. I just want to thank everyone for all that hard work.

Lou McDermott: On that note, I'm going to delegate the authority for the Chair position to Scott Palafox. Scott, could you adjourn us, please, Mr. Chair?

Scott Palafox: This meeting is officially adjourned. Thank you, everyone.

Meeting adjourned at 11:18 a.m.

SEB Board Meeting Minutes

May 5, 2022

Draft
School Employees Benefits Board
Meeting Minutes

May 5, 2022
Health Care Authority
Zoom Attendance Only
Olympia, Washington
9:00 a.m. – 12:30 a.m.

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

Members Present via Phone

Lou McDermott, Chair
Terri House
Alison Poulsen
Pamela Kruse
Kerry Schaefer
Amy McGuire
Pete Cutler
Dawna Hansen-Murray
Dan Gossett

SEB Board Counsel

Katy Hatfield, AAG

Call to Order

Lou McDermott, Chair, called the meeting to order at 9:01 a.m. Sufficient members were present to allow a quorum. Board introductions followed. Due to COVID-19 and the Governor's Proclamation 20-28, today's meeting is telephonic only.

Meeting Overview

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

2024 Uniform Dental Plan (UMP) Benefit Design Options

Ellen Wolfhagen, Senior Account Manager, ERB Division.

Slide 2 – Objectives.

Slide 3-4 – Follow-Up Questions from April. UDP Current Provider Networks – Coverage. One question wanted to know the difference between preferred providers in the network and premiere providers. They are both providers under the Delta Network, but with different coverage. The contracted rate for preferred providers is more favorable for both the members and the plan. There are about 3,800 PPO preferred providers within Washington State and 4,200 premiere providers. The percentage of coverage is less for premiere providers, so we encourage people to use preferred providers to get the most benefits for the members themselves and also for the plan. I want to note Class II includes periodontia, root canals, oral surgery, and fillings. Class III includes crowns, bridges, implants, and other major dental services.

Slide 5 – Benefit Proposal Reminders.

Slide 6 – Market Comparison – Crown Coverage.

Slide 7 – Crown Coverage Benefit Insights.

Slide 8 – Prioritization Discussion.

Slide 9 – Initial Premium Insights on Incentive, Composite Fillings, & Annual Plan Maximum. We're looking for guidance from the Board on how to move forward with these different design options as we prepare a decision package for the Legislature.

Dave Iseminger: There was a question in public comment last meeting that would be good to illustrate. Important context Ellen gave at the last meeting was that for each of the three ideas shown, the incentive-based design, moving to composite filling coverage on molars, and excluding preventive services from counting against the plan maximum coverage, each of them individually, is a proposal that would cost somewhere between \$1.25 to \$2.25.

The question was about the annual plan maximum and what would it look like if the annual plan maximum was raised from \$1,750 a year to something higher, \$2,000 or \$2,250 rather than the specific proposal described last meeting about precluding preventive services. In the moment, I described that we did look at a variety of different options, then put together a cohesive package. We did cost out what it would look like to raise the annual plan maximum, and it would actually cost more from a PSPM perspective than precluding preventive services. It became the single largest cost of an individual benefit design option, until you start looking at crowns. But more importantly, it also impacted fewer people.

HCA is looking at two different versions of annual plan maximum proposals to bring to the Board. One costs less and was estimated to impact 80% of the population versus a proposal that costs more and impacted less than 4% of the population. We're looking at broader equity concerns, broader access to preventive services, broader normalization of how preventive services are treated in dental versus medical. In reality, there are many different very specific proposals that could be designed, but not so many where you either cover the molars or you don't – that was more of a yes/no situation.

HCA's goal was to hone in on an overall package that would balance the breadth of individuals of the population that could be impacted while trying to be cognizant of price costs to the entire package.

Ellen Wolfhagen: As a reminder, from a budget funding perspective, any one of these changes would impact the funding rate of these three changes for the State and SEBB Organizations. It's important to keep in mind the total expense.

Slide 10 – Initial Premium Insights on TMJ & Child Deductible Proposals.

Slides 11-12 – Funding for ALL Five Benefit Proposals.

Slide 13 – Prioritization: Using Population Impacts.

Slide 14 – Prioritization: Using Estimated Premium Impacts (lowest impact to highest impact).

Slide 15-16 – Feedback from April PEB Board Meeting from Board Members.

Pamela Kruse: I'm trying to wrap my head around the fear or the not understanding how an incentive plan would work. What was being said that they weren't understanding, I guess that's my question.

Ellen Wolfhagen: I'm not sure that they didn't understand, but there was concern that if we went to an incentive plan at that cost there were a lot of reasons for not getting the preventive services, which would lead to lower coverage in the following year. There was concern about inequity.

Pamela Kruse: Sometimes there's fear of the unknown. I'm approaching it from my experience. I always had it growing up and I knew what it entailed. Maybe further education or discussion might be in order because I can tell you that the school employees are very, very interested in incentive plans.

Dave Iseminger: There were a couple of Board members who said they weren't necessarily against the idea forever, but they also seemed to prioritize other parts of the proposals above it and said maybe it could come at a future time. The other piece that fits with this first sub-bullet was the idea that the employer is paying 100% of the premium, and preventive Class I services under the current plan, and the incentive plan designs are still 100% services. Is there going to be a motivation when there is nothing changing about those core aspects of the existing and future state incentive design to drive behavior change? That's when Ellen said there were comments on the return of investment. It was kind of in that realm of what more can you truly do to get somebody to get a preventive service when the things that exist today should already be incentivizing people? This was a theme that came up.

Ellen Wolfhagen: Pam, it's a valid observation that there's a difference between the PEBB population and the SEBB population in terms of familiarity with an incentive plan and how it works.

Dawna Hansen-Murray: The difference between the SEBB and the PEBB people is valid. We were incentivized to make sure we always got our preventative care done so we would continue to get the discount, so definitely two different populations.

Ellen Wolfhagen: HCA will take into account the consensus of both Boards. We're also gathering stakeholder input, including labor organizations. HCA will be putting together a decision package for submission this fall.

Slide 17 – Discussion.

Dawna Hansen-Murray: I have a question based on something a couple of employees have asked me about, and it's the non-duplication of benefits clause in our dental insurance. Is that standard procedure across all of the market, or is that something unique to Delta?

Ellen Wolfhagen: I will do research on it. I know it's a change from how WEA pre-SEBB dental worked because that contract did allow for duplication of benefits. The standard in state contracts for a long time has been to have non-duplication of benefits.

Dan Gossett: I would like to encourage preventive services which SEBB employees are used to because we always were trying to get up to 100% for Class II.

Terri House: To piggyback on what Dan said, I have to agree with him. Dan was there at the beginning of all this, too, when we began this whole discussion. We knew we were going to be losing dental and vision benefits in the beginning with hopes that when we have this discussion in the future, we would be able to get back to where we were, or close to it. I feel like we've lost that foothold, and we need to get some of that back.

Dawna Hansen-Murray: I absolutely agree with Terri, as well. Preventative drives down the cost of those Class II and Class III things. You go in for your checkups, and we're used to that, and it's something that our members are asking for. They want it back.

Dave Iseminger: Ellen, do you have any insights to share about the impact on claims and utilization of classes of services of Class II services based on individuals who get Class I services? I'm thinking we did some analysis on that.

Ellen Wolfhagen: I did receive some research on that, but I haven't committed it to memory. I can't answer that offhand. We can provide follow-up on that.

Pete Cutler: Having had prior experience with the PEBB world for quite a while, my off-the-cuff reaction is I don't think there is any significant difference in the nature of the two populations that would result in the PEBB members not appreciating and taking advantage of the incentive to a level that corresponds roughly to what the school employee experience had been with the WEA plans. As always, with everything we're discussing here, there is a question of additional costs. It's a complex situation where we're discussing benefit design and benefit design change options that would impact state spending, but at the same time, decisions about what the funding level for these benefits will be is conducted through an entirely different process and group.

For the record, I do think the incentive plan, if it worked well with school employees, from an employee benefits policy point of view, I don't see why it wouldn't work well with a state employee or the PEBB population.

Dave Iseminger: The one footnote refinement to your comments that I might suggest is that the premium for dental in both programs is fully employer-paid, so there is no impact to employee premium. You might have meant employer. But I wanted to remind everybody that dental premiums are fully paid for by the employer. The one place where there is a direct impact on someone's pocketbook, besides the employer, is the retiree setting as they self-pay the dental premium. There is a direct out-of-pocket monthly impact on the self-pay retiree setting but not for employees where 100% of the premium is paid by the state or the employer.

I have not heard from both Boards something that suggests fully eliminating one of the five proposals from the decision package if we're in a situation where we're describing all aspects of it, and the total cost is \$5 to \$7 range, which is \$15 million to \$21 million between both programs for the implementation of all of that in both programs. If either the Governor's Office or the Legislature is saying no to \$5 to \$7, and instead saying they are willing to do a smaller amount, where would the prioritization fall if everything can't be had?

Pamela Kruse: This is where bargaining comes in. If you're going to make me pick, prioritization goes on 100% coverage and a dramatic increase in crowns.

Ellen Wolfhagen: What do you mean by 100% coverage?

Pamela Kruse: The incentive plan.

Ellen Wolfhagen: The incentive plan only goes up to 90% coverage for Class II. It does not go up to 100%.

Pamela Kruse: You asked me what my priorities are. I'm going to go for it. I have to advocate for our members because they have said over and over, and they send us with this direction, that we want it back. But if we cannot get 100%, can we at least get an increase in that incentive plan and then coverage for crowns?

Dave Iseminger: I want to remind the Board about one difference in the proposed incentive plan design that's continues to not be mentioned. The Class I benefit is richer today, and it's richer under the incentive plan. The pre-SEBB school employees experience a sliding scale of 70% to 100% on Class I services in the incentive plan design. They were penalized for not getting services by having lower cost-shares down to the floor of 70% in future years. Under the proposal described here, it's always 100% covered services for preventive service. There is no sliding scale on preventive service. That is a richer benefit compared to what most school employees had for dental coverage before the SEBB Program. It is always 100% services covered for plan preventive services, regardless of whether it's a preferred or a premiere provider. That distinction is also gone. I want to remind you because that seems to get lost in the conversation.

I do hear the difference about a 90% sliding scale on Class II and crowns not being there. But I feel it's important to remind people that there is a richer aspect to this incentive benefit design when it comes to the Class I portion. It's both richer and less rich than what school employees experienced before the SEBB Program.

Dawna Hansen-Murray: To me, the incentive plan and the crowns would probably be my top two, as well.

Dan Gossett: I will echo those same two in that order. That's what I've heard over and over and over again from members.

Terri House: I will agree with the group, the incentive plan, and crowns, in that order.

Alison Paulsen: This feels complicated, and I am a little removed from the beneficiaries in this way. I appreciate the comments of folks who are having daily conversations with school employees. I'm not sure I have a great sense of the ranking part. I just think it's really important that we recognize the fiscal limitations that are likely to be part of a legislative discussion like this. While we have enjoyed some great economic expansion, it feels smart to be thinking fiscally smart about this, as well, so we're not in a position of adding benefits or taking benefits back and so forth. I think I would just add that into the conversation as we think about prioritizing.

Dave Iseminger: Alison, maybe from your experience with Medicaid, do any of these proposals speak to you about equity? Is there anything from your experience in that world that might be an interesting perspective for the conversation.

Alison Paulsen: For sure. We saw a tremendous impact when adult Medicaid dental had to be removed as a benefit in the state and then what that did to the network adequacy as we've been able to add that back in. I think a lot of care that many of us who sit in that middle-class socioeconomic sort of take for granted is not always easily accessible. Things like fillings feel super important to me overall at ensuring that type of coverage.

Dave Iseminger: I think that is a really important perspective to bring about. The Legislature could very well be debating what to do with the extent of having adult dental in the Medicaid population while we're putting forward a decision package about increasing dental benefits. The entire concept could fall flat for SEBB and PEBB enhancements. This agency has had requests for dental provider rate increases on the Medicaid population. And there was a substantial investment made by the Legislature last session for the first time in years. We have been in situations where the Legislature saved child dental in the Medicaid program, as dental in Medicaid is not an entitlement the same way that medical is. Protected children's dental, and we've had an ebb and flow of adult dental coverage in Medicaid. The dental conversation in our state really does have a lot of facets to it, and there's this juxtaposition of Medicaid dental coverage versus an employer compensation program like the PEBB and SEBB Programs. It's an interesting perspective.

Alison Paulsen: I feel a little wet blanket here, but I just feel like the word on the street is they're going to have some tough economic choices to make in both this biennium and the next biennium to really protect the volatility that I think sometimes

plays out in health care as a way to sort of balance the overall budget, the things that we can ensure exist, it feels really important.

Dave Iseminger: With Alison's reminder as a wet blanket that there are tough budget decisions, the prioritization is all the more important. I am hearing the theme about the first choice would be something incentive-based design, then additional crown coverage of some support would be important. A little bit of support for the changing the amalgam fillings piece from Alison.

Amy McGuire: I would have to agree with the incentive and crowns. We hear the incentive piece a lot from districts.

Pete Cutler: I join Alison's wet blanket feedback. But two points. a.) I'm quite inclined to defer to the employee representatives regarding what should be prioritized to the extent that additional dollars are made available for improving dental benefits in the SEBB Program. The one policy bias I have or public health biases that I would personally put a priority on is the prioritizing of preventive services.

b.) The question of what to ask for. I'm not privy to the state's current budget issues and challenges. I guess it's just important to realize that you could ask for \$20 per subscriber per month be added to the funding. My guess is it's going to come down at some point with the question of, okay, the state's not willing to add nearly that amount and, as David said, what are the top priorities? I will be very surprised if the budget processes welcoming a give us your everything you would like approach. In short, I'm endorsing Alison's approach.

Dave Iseminger: We will take the discussion and share with the PEB Board.

Lou McDermott: All right. Thank you, Ellen. Thank you, Board Members. Good discussion. The next agenda item is the vision benefit discussion, Beth Heston, Senior Account Manager in the ERB Division, who is going to share results from the Vision Benefits Survey completed earlier this year. Her materials are behind Tab #4. Welcome, Beth.

Slide 18 – Next Steps.

Vision Benefit Discussion

Beth Heston, Senior Account Manager, ERB Division.

Slide 2 – Objectives.

Slide 3 - ERB Vision Benefit Survey.

Slide 4 – Vision Benefit Goals.

Slide 5 – Survey Creation and Promotion.

Slide 6 – Survey Goals.

Slides 7-10 – Survey Results.

Dawna Hansen-Murray: On Slide 10, is there any way to get data on how they are spending their vision benefits? Are they getting designer frames, things like that.

Beth Heston: We have not run that through our actuarial services, but that is certainly a question we can research and bring back to you next time.

Slides 11-12 – Current PEBB and SEBB Programs.

Slide 13 – Possible Changes to ERB Vision Benefit.

Pamela Kruse: You used the phrase, "it would be a disruption of service if we moved vision into the medical plan." Could you elaborate on that?

Beth Heston: Yes. It means that if we wrapped the SEBB vision benefit into the medical plans, everyone would have to drop their coverage and consider the vision coverage in their medical plan as part of their choice. They would no longer have a choice to make that "I'm going to have Premera as my medical provider, but I'm going to choose MetLife as my vision provider." Instead, they would be choosing Premera, and that would include their vision.

Dave Iseminger: The disruption is about whether you're picking twice or picking one thing. PEBB members have experienced for years that they pick their medical plan, and it comes with the following vision coverage within it, and SEBB members and pre-SEBB experience you pick your medical plan, you pick your hardware plan. It's two separate independent decisions. In either direction, the disruption isn't "a loss of coverage," it's really about how that coverage happened.

Slide 14 – Board Timeline.

Slide 15 – Remaining Benefit Design Cycle.

Slide 16 – Other Possible Benefit Changes.

Tax-Advantaged Accounts Procurement Overview

Kelsie Pele, Senior Account Manager, ERB Division.

Slide 2 – Overview.

Slide 3 – Benefit Recap.

Slide 4 – Recent Refinements.

Slide 5 – Significant Scope of Work Changes.

Slide 6 – Procurement.

Slide 7 – 2020 Procurement Lessons Learned.

Slide 8 – 2022 Procurement.

Slide 9 – 2022 Procurement Timeline.

Pete Cutler: Kelsie, do I infer accurately that the intent is to have a new contract that in addition to the different services or functions carried out for SEBB and PEBB members, it will also continue to include the program that provides the benefit to the COFA Islander individuals.

Kelsie Pele: That is correct.

Pete Cutler: As a SEB Board Member, I find that really puzzling and maybe concerning. It's just in my mind the Health Care Authority has quite a bit of program activity for health care services and programs provided to low-income individuals most associated with Apple Health. At this point, it sounds like we begin to start blurring the distinction between those kinds of programs in the SEBB/PEBB Programs. I don't know that it's really a problem, but my instincts are that it would be better, at least in terms of maintaining clarity of roles, if they were not merged under one contract.

Dave Iseminger: I want to reassure you and the Board that we negotiate separate rates for that program. There is absolutely no subsidization. It's just a different paragraph or page in the contract with the agency to have the ability to use the same vendor review qualified expenses and manage a debit card program. It became a natural opportunity to increase access to care for those individuals in that program, so we've leveraged the contract. In some ways, one could argue that adding the SEBB Program could be a completely separate contract. It's actually trying to efficiently use our contract processing, and it's a separate rate within this contract. That service is now historically part of this contract.

Pete Cutler: David, that's helpful because I think the cross-subsidization, especially if the financing is not being looked at really carefully and transparently, could be an issue. That does go up to my main concern, but it still seems strange.

SmartHealth Update

Kristen Stoimenoff, Manager, Washington Wellness Program, ERB Division.

Jenny Switzer, Senior Account Manager

Slide 2 – Limeade ONE Launch.

Slide 3 – A New SmartHealth Experience. As of May 4, about 9,100 people signed into the Limeade ONE platform. That includes about 1,800 SEBB Program members.

Slide 4 – Upcoming Promotion.

Slide 5 – Wellness Procurement.

Slide 6 – Background.

Slide 7 – Program Wellness Procurement Goals.

Slide 8 – RFI Timeline.

Slide 9 – Preliminary Procurement Insights.

Pete Cutler: Regarding the RFI process and going forward with the RFQ, has any vendor been able to provide data that demonstrates that their program actually shows a measurable and significant increase in employee engagement in terms of healthier diet options or activities or healthier or being more active? I know there is agreement that people who are engaged and take care of their diet, stay active, and otherwise make good choices in terms of their physical and mental well-being are more productive. It's better for everybody all around. What I don't know is whether going almost 10 years into this process of whether Limeade or anybody else is able to show that their particular way of engaging with employees actually generates a change in behavior.

Jenny Switzer: I can't speak to specific vendors and the information that they provided, but I think you're asking for is the return-on-investment question. That is always a big topic around wellness activities. With our vendor offering for the state of Washington, we don't do claims data integration, and a lot of vendors point towards using claims integration as a way to measure a return on investment. That's not something that we are interested in doing at this time, but there are those that do have year-over-year results based on the self-reported information members provide during their well-being assessment, which shows areas of improvement. We can tie a lot of that back to the engagement rates using aggregate information. We don't get member-level information.

Pete Cutler: Actually, your response is very helpful, and I understand it's a very difficult thing to measure. A lot of different things are impacted. I think your answer provided a lot of useful insight. Thank you.

Public Comment

There was 1 person who provided public testimony. Their testimony can be found in the verbatim audio recording for the May 5, 2022 Meeting at:
<https://www.hca.wa.gov/about-hca/school-employees-benefits-board-sebb-program/meetings-and-materials>

Next Meeting

June 2, 2022
9:00 a.m. – 2:00 p.m.

Preview of June 2, 2022 SEB Board Meeting

Dave Iseminger, Director, Employees and Retirees Benefits Division, provided an overview of potential agenda topics for the June 2, 2022 Board Meeting.

Executive Session

Lou McDermott: Pursuant to RCW 42.30.110(1)(I), the Board will now meet in Executive Session and consider proprietary or confidential nonpublished information

related to the development, acquisition, or implementation of state purchased health care services as provided in RCW 41.05.026.

Meeting adjourned at 12:08 p.m.

SEB Board Meeting Minutes

June 2, 2022

Draft
School Employees Benefits Board
Meeting Minutes

June 2, 2022
Health Care Authority
Zoom Attendance Only
Olympia, Washington
9:00 a.m. – 11:35 a.m.

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

Members Present via Phone

Lou McDermott, Chair
Terri House
Alison Poulsen
Pamela Kruse
Kerry Schaefer
Amy McGuire
Dawna Hansen-Murray
Dan Gossett
Pete Cutler

SEB Board Counsel

Katy Hatfield, AAG

Call to Order

Lou McDermott, Chair, called the meeting to order at 9:02 a.m. Sufficient members were present to allow a quorum. Board introductions followed. Due to COVID-19 and the Governor's Proclamation 20-28, today's meeting is telephonic only.

Meeting Overview

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

Approval of June 24, 2021 Meeting Minutes

Alison Poulsen moved, and Dan Gossett seconded a motion to approve. Minutes approved as written by unanimous vote.

Follow Up From May 5, 2022 Meeting

Dave Iseminger, Director, ERB Division provided a follow up from our last meeting. There are no slides. For dental and vision benefits, the process is now in writing decision packages that could be submitted as part of the biennial process, which

currently includes the five benefits described at the start of the presentation journey as well as including a sixth idea related to the crown benefit that this Board has expressed interest in.

Dawna asked how common a standard non-duplication of benefits component of Uniform Dental Plan is in other dental commercial insurance. HCA worked with Delta Dental to look at their overall book of business. About 90% of their group plans have that non-duplication policy like the Uniform Dental Plan, and about 10% of them do not. Honing in on more than just the overall group plan, there are jumbo groups which are usually defined as 10,000 or more subscribers. SEBB is super jumbo. It's about a 50/50 split, but slightly weight headed toward having coordination of benefits instead of non-duplication of benefits. Overall, in the commercial market, there's a heavy slant to having non-duplication of benefits.

The Board wanted dental information about individual SEBB Program members who are not getting Class I preventive services, but are getting Class II services, like fillings. The data so far for the last plan year was at about 6% of the member population was utilizing Class II services without having gotten cleaning services.

Another request asked for data on how members are spending their \$150 vision allowance now. All we know is whether it's being utilized, but not what it's utilized for exactly.

2023 Annual Procurement Update

Lauren Johnston, SEBB Program Procurement Manager, ERB Division.

Slide 2 – Medical Procurement Work Plan.

Slide 3 – Compliance with SB 5564.

Slide 4 – Kaiser Foundation Health Plan of the Northwest (KPNW) and Kaiser Foundation HealthPlan of Washington (KPWA) Proposed Changes.

Slides 5-6 – KPNW 2023 Proposed Benefit Changes. KPNW operates in southwest Washington as well as some counties in Oregon.

Slide 7 – KPNW and KPWA Accumulator Transfers.

Slide 8 – KPWA and KPWA Options.

Slides 9-10 – KPWA and KPWAO 2023 Book of Business (BoB) Changs.

Slides 11-19 – Premera Blue Cross Proposed Changes. On Slide 19, there are two edits. Under Urgent Care, the “yes” should be “no.” It is a copay and not subject to the deductible. “OOO” should be “OOP” - out-of-pocket.

Slides 20-21 – Plan Cost-Shares Overview.

Slides 22-23 – Chiropractic, Acupuncture, and Massage (CAM) Services by Plan.

Slide 24 – Dental & Vision Benefit Offerings.

Slide 25 – 2023 DeltaCare Proposed Benefit Changes.

Dave Iseminger: I want to provide context. The proposals from Delta to HCA were not specifically requested by HCA. We ask all of our contracted vendors, carriers, and partners to attend all Board meetings. They have been attending virtually. I'm positive that Delta and Willamette have been listening because some of the language is very similar to proposals described as part of a potential Uniform Dental Plan benefit change in the future. Willamette has told us they will be observing how the Uniform Dental Plan might change in the future. HCA anticipates they might put forward proposals as that decision package plays out. I also anticipate they'll have additional proposals in the future, depending on what happens with the Uniform Dental Plan. But Delta did bring these as part of their bids to advance changes within the Delta Care product line in the SEBB Program.

Pamela Kruse: I appreciate the context and hearing it came from Delta. Lauren, could you explain one more time the \$25 preventive care incentive? How exactly does that work?

Dave Iseminger: These are incentives to the providers to get members to utilize their preventive services. We have a significant proportion of the population not actually accessing their Class I benefits, and Delta is setting up a provider incentive to encourage that outreach to members who traditionally have not accessed preventive care. If they actually get movement of people to use their preventive care benefit, then the provider will receive a one-time incentive related to moving the needle on getting actual utilization of the preventive benefits. It's not an incentive to the employee or the member, it's an incentive to the provider for getting members to actually use their preventive services.

Pamela Kruse: We have talked about crowns a lot. I'm wondering if there is any interest from Delta to provide more coverage for crowns. Can we encourage them to do so?

Dave Iseminger: I was pleased that Delta came forward with a couple of proactive proposals, watching again the Board meetings and Board discussions. What often happens in the portfolio is when the self-insured medical or dental plan does something, it creates strong motivation for the rest of the portfolio to align with it to avoid adverse selection, which is minimized by having more alignment of the benefits.

Pete Cutler: About providers being paid a \$25 preventative care incentive -- is that going to be in the form of a separate reimbursement unconnected to the specific claim for an individual? Or is it in effect, a higher reimbursement rate for the preventative service for that group of SEBB Program members who have not been accessing the preventive care but would show as a claim's cost as opposed to some other type of accounting label?

Dave Iseminger: I'm only 80% sure of the answer, Pete, so I'm going to ask to be able to follow up with that at the next Board meeting unless I get information before the end of the public meeting.

Slide 26 – No Proposed Benefit Changes for 2023.

Uniform Medical Plan (UMP) RFR 2022 for Benefit Year 2023

Christine Davis, UMP Account Manager, ERB Division.

Slide 2 – App-based Behavioral Health Program.

Slide 3 – Costco Mail Order Pharmacy.

Slide 4 – HSA Qualified High Deductible Plan.

Slide 5 – Proposed Resolution SEBB 2022-02 IRS Minimum Deductible for High Deductible Health Plan. These are the lowest deductibles authorized by the IRS to maintain HSA-qualified plan status.

Slide 6 – IRS Notice 2019-45, provided for your information.

Slide 7 – Pharmacy Aspects of IRS Notice 2019-45.

Slides 8-11 – IRS Notice 2019-45. This is from the appendix. We are focusing on the pharmacy component this year. HCA recommends the UMP High-Deductible Plan provide pre-deductible coverage at 15% cost-share for certain high-value drugs within each drug class specified in this notice.

Dave Iseminger: For the Board's awareness, the notice from the IRS is very specific and technical. It gets down to the exact mechanism of action of a drug. Christine is providing an overview.

Christine Davis: Slide 12 – Proposed Resolution SEBB 2022-03 UMP High Deductible Plan Preventive Care.

Dave Iseminger: We are asking the Board to give the Agency the discretion to expand this concept as we learn more about the technical nature of it.

Lou McDermott: Dave, if given this authority, will the Board be notified of when these changes take place during the year?

Dave Iseminger: Yes. We will bring information to the Board. If we discover things that could be added January 1, 2023, we will bring it to the Board Retreat as informational what was added to the list based on our additional understanding of the technical nature of that notice. We would already be on the path to implement to expedite the process. The member's advantage is quite beneficial.

I have the answer Pete's prior question about how that \$25 preventive provider incentive would work. It is not included as part of the claims process. It does not alter the allowed amount. It will not show up on an EOB. It's not going to count against the annual plan maximum. It will happen entirely in the background. There is a little cost associated with it that is with the premium. But in the SEBB context, it's a fully paid

premium by the employer and nothing the SEBB Program member would experience related to that change.

Pete Cutler: Thanks, David. That is interesting. So, it will not come from the stream of income that funds the PEBB benefits. I'm trying to wrap my head around how you can provide the funds for that revenue stream.

Dave Iseminger: Part of the admin costs.

Pete Cutler: Okay. Thank you.

Public Comment

There was no public comment.

Next Meeting

June 23, 2022

9:00 a.m. – 2:00 p.m.

Preview of June 23, 2022 SEB Board Meeting

Dave Iseminger, Director, Employees and Retirees Benefits Division, provided an overview of potential agenda topics for the June 23, 2022 Board Meeting. Based on HCA recommendations for the Board meetings, we will continue to meet virtually.

Terri House proposed that the SEB Board Meetings continue to be virtual through the 2022 Board season. Pamela Kruse seconded the motion. The motion was carried by unanimous vote.

Executive Session

Lou McDermott: Pursuant to RCW 42.30.110(1)(I), the Board will now meet in Executive Session and consider proprietary or confidential nonpublished information related to the development, acquisition, or implementation of state purchased health care services as provided in RCW 41.05.026.

Meeting adjourned at 10:41 a.m.

SEB Board Meeting Minutes

June 23, 2022

Draft
School Employees Benefits Board
Meeting Minutes

June 23, 2022
Health Care Authority
Zoom Attendance Only
Olympia, Washington
9:00 a.m. – 10:15 a.m.

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

Members Present via Phone

Lou McDermott, Chair
Terri House
Alison Poulsen
Pamela Kruse
Pete Cutler
Kerry Schaefer
Amy McGuire
Dawna Hansen-Murray
Dan Gossett

SEB Board Counsel

Dana Gigler, AAG

Call to Order

Lou McDermott, Chair, called the meeting to order at 9:01 a.m. Sufficient members were present to allow a quorum. Board introductions followed. Due to COVID-19 and the Governor's Proclamation 20-28, today's meeting is telephonic only.

Meeting Overview

Dave Iseminger, Director, Employees and Retirees Benefits (ERB) Division, provided an overview of the agenda. There will be no Executive Session today.

Follow Up From June 2, 2022 Meeting

Dave Iseminger, Director, ERB Division provided a follow up from our last meeting.

Slide 2 – Kaiser Foundation Health Plan of WA – First Fill Program.

Secondly, Pam had asked in the context of dental coverage about specifics on crown coverage within the managed care plans - Delta Care and Willamette. As a refresher, in the Uniform Dental Plan, it's a Class III covered service, split 50/50 between the plan

and the member. The Board has talked about that as part of the UDP dental benefit enhancements in the future. On the Delta Care and Willamette side, it's a flat copay that ranges between \$100 and \$175, and what determines where it falls in that range is the specific materials used in the crown.

Uniform Medical Plan (UMP) RFR 2022 for Benefit Year 2023

Jenny Switzer, Senior Account Manager, ERB Division.

Slide 2 – Resolutions for Board Action.

Slide 3 – HSA Qualified High Deductible Plan. It is necessary to increase the minimum deductible amounts in order to maintain an IRS-qualifiable High-Deductible Plan. Two supportive responses were received from stakeholders.

Slide 4 – Resolution SEBB 2022-02.

Lou McDermott: Vote on Resolution SEBB 2022-02 IRS Minimum Deductible for High Deductible Health Plan

Dan Gossett moved, and Pam Kruse seconded a motion to approve.

Voting to Approve: 9

Voting No: 0

Lou McDermott: Resolution SEBB 2022-02 passes.

Jenny Switzer: Slides 5-6 – IRS Notice 2019-45 gives context to the resolution. It expands the list of preventative care benefits that UMP may cover pre-deductible. These services would be classified as preventative per the order but can still be subject to member cost-sharing. The Board voted on the medical components in 2021 with SEBB Resolution 2021-15, which is included in the appendix.

Slide 7 – Resolution SEBB 2022-03. Two stakeholder responses were received, one in support of the resolution and one asking for clarification that the list of drugs is consistent with IRS guidance on drugs allowed to be covered pre-deductible for high-deductible health plans, which is correct.

Lou McDermott: Vote on Resolution SEBB 2022-03 UMP High Deductible Preventive Care

Pam Kruse moved, and Dan Gossett seconded a motion to approve.

Voting to Approve: 9

Voting No: 0

Lou McDermott: Resolution SEBB 2022-03 passes.

Jenny Switzer: Slide 8 – Proposed Resolution.

Slide 9 – UMP Accumulators.

Slide 10 – Proposed Resolution SEBB 2022-04 UMP Accumulators. Currently, when a subscriber moves from one Board program to another, all of their accumulators start over, which means they would start with \$0 applied towards their deductible and out-of-pocket limit when they start with the new PEBB or SEBB Program. UMP is recommending that certain accumulators follow the subscriber when they switch mid-year due to a special open enrollment as long as they remain within a UMP Plan beginning on 1/1/23.

Kaiser Foundation Health Plan of Washington Options, Inc. – Proposal of Summit PPO Plans

Lauren Johnston, SEBB Program Procurement Manager, ERB Division.

Slide 2 – Objectives.

Slide 3 – Why Kaiser is Proposing this Change.

Slide 4 – Why HCA Recommends this Change.

Slide 5 – What Members Can Expect.

Slide 6 – Tiered Provider Structure.

Slides 7-11 – Access PPO vs. Summit PPO.

Slide 12 – Kaiser Proposed 2023 Service Area.

Slide 13 – Plan Year 2023: SEBB Plans by County.

Slide 14 – Plan Choices for Current Access PPO Members Outside the Summit PPO Area.

Slide 15 – 2022 Available Plans Within the Five Counties.

Slide 16 – Transition Support.

Slide 17 – Corrected Slide from June 2, 2022 Presentation.

Slide 18 – Corrected Slide: Premera 2023 Proposed Benefit Changes – Acupuncture, Chiropractic, Massage, and Therapies. The Premera 2023 proposed benefit change originally for the CAM services was for the Premera Standard PPO Plans showing a 25% coinsurance that was moving to a \$25 copay. The coinsurance into the Premera Standard PPO is 20%, NOT 25%.

Public Comment

There was no public comment.

Next Meeting

July 7, 2022

9:00 a.m. – 2:00 p.m.

Preview of July 7, 2022 SEB Board Meeting

Dave Iseminger, Director, Employees and Retirees Benefits Division, provided an overview of potential agenda topics for the July 7, 2022 Board Meeting.

Meeting adjourned at 9:50 a.m.

SEB Board Meeting Minutes

July 7, 2022

Draft
School Employees Benefits Board
Meeting Minutes

July 7, 2022
Health Care Authority
Zoom Attendance Only
Olympia, Washington
9:00 a.m. – 11:00 a.m.

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

Members Present via Phone

Lou McDermott, Chair
Pamela Kruse
Pete Cutler
Kerry Schaefer
Amy McGuire
Dawna Hansen-Murray
Dan Gossett

Member Arriving Late

Alison Poulsen

Member Absent

Terri House

SEB Board Counsel

Dana Gigler, AAG

Call to Order

Lou McDermott, Chair, called the meeting to order at 9:00 a.m. Sufficient members were present to allow a quorum. Board introductions followed. Due to COVID-19 and the Governor's Proclamation 20-28, today's meeting is telephonic only.

Meeting Overview

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

Approval of July 15, 2021 Meeting Minutes

Pam Kruse moved, and Dawna Hansen-Murray seconded a motion to approve. Minutes approved as written by unanimous vote.

2023 Rates Overview

Tanya Deuel, ERB Finance Manager, Financial Services Division

Kate LaBelle, Fiscal Information Data Analyst, Financial Services Division

Tanya Deuel: Slide 2 – Employee Premium Contributions.

Slide 3 – Employer Medical Contribution (EMC) and how it's derived.

Slide 4 – Determining Employee Premiums. The EMC is a flat amount regardless of which plan the employee is enrolled in. The employee's contribution is set based on the remainder – Bid rate – EMC = Employee contribution.

Slide 5 – Determining Employee Premiums by Tier – Sample Illustration.

Dave Iseminger: Just a reminder that the Board set the tier ratio during the program launch within the confines of state law that mandated at most a 3:1 ratio between what we know today as Tiers 1 through Tier 4.

Kate Labelle: Slides 6-7 – Employee/Employer Premium Contributions. This slide shows the proposed rates by plan for Kaiser Northwest and the Kaiser Washington plans.

Slides 8-9 – Employee Premium Contributions. This slide compares the current 2022 rates with the proposed 2023 rates. The new Kaiser Washington Summit proposed plans for 2023 do not include data for 2022. If a plan's total bid rate fluctuates at a rate greater than the EMC, the total increase is borne by the member. Inversely, if a plan bid rate increases at a rate less than the change to the EMC, the member may see a decrease in their employee contributions.

Slide 10 – Employer Contributions: Dental, Vision, Basic Life and AD&D, and Basic Long-Term Disability.

Slide 11 – Dental Premiums.

Slide 12 – Other Benefits.

Slide 13 – Proposed Resolutions.

Slide 14 – Proposed Resolution SEBB 2022-05 KPNW Medical Premiums.

Slide 15 – Proposed Resolution SEBB 2022-06 KPWA Medical Premiums.

Slide 16 – Proposed Resolution SEBB 2022-07 KPWAO Medical Premiums.

Slide 17 – Proposed Resolution SEBB 2022-08 Premera Medical Premiums.

Slide 18 – Proposed Resolution SEBB 2022-09 UMP Medical Premiums.

Slide 19 – Next Steps.

Public Comment

There was no public comment.

Next Meeting

July 21, 2022

9:00 a.m. – 2:00 p.m.

Preview of July 15, 2022 SEB Board Meeting

Dave Iseminger, Director, Employees and Retirees Benefits Division, provided an overview of potential agenda topics for the July 15, 2022 Board Meeting.

Lou McDermott: Pursuant to RCW 42.30.110(1)(I), the Board will meet in Executive Session to consider proprietary or confidential non-published information related to the development, acquisition, or implementation of state purchased health care services as provided in RCW 41.05.026.

Meeting adjourned at 9:43 a.m.

SEB Board Meeting Minutes

July 21, 2022

Draft
School Employees Benefits Board
Meeting Minutes

July 21, 2022
Health Care Authority
Zoom Attendance Only
Olympia, Washington
9:00 a.m. – 11:00 a.m.

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

Members Present via Phone

Lou McDermott, Chair
Dan Gossett
Dawna Hansen-Murray
Amy McGuire
Alison Poulsen
Terri House
Pamela Kruse
Kerry Schaefer
Pete Cutler (Late arrival)

SEB Board Counsel

Katy Hatfield, AAG

Call to Order

Lou McDermott, Chair, called the meeting to order at 9:00 a.m. Sufficient members were present to allow a quorum. Board introductions followed. Due to COVID-19 and the Governor's Proclamation 20-28, today's meeting is telephonic only.

Meeting Overview

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

Approval of July 22, 2021 Meeting Minutes

Terri House moved, and Dan Gossett seconded a motion to approve. Minutes were approved as written by unanimous vote.

Approval of January 27, 2022 Meeting Minutes

Kerry Schaefer moved, and Dan Gossett seconded a motion to approve. Minutes were approved as written by unanimous vote.

Follow Up From July 7, 2023

Dave Iseminger, Director, ERB Division.

Uniform Medical Plan (UMP) RFR 2022 Benefit Year 2023 Benefit Resolution

Christine Davis, UMP Account Manager, ERB Division

Slide 2 – Resolution for Board Action Today.

Slide 3 – UMP Accumulators.

Slide 4 – Resolution SEBB 2022-04 UMP Accumulators.

Lou McDermott: Vote on Resolution SEBB 2022-04 UMP Accumulators

Kerry Schaefer moved, and Alison Poulsen seconded a motion to approve.

Voting to Approve: 8

Absent – Pete Cutler: 1

Voting No: 0

Lou McDermott: Resolution SEBB 2022-04 passes.

2023 Annual Procurement Update

Lauren Johnston, SEBB Procurement Manager, ERB Division.

Slide 2 – Enrollment Transition Plan.

Slide 3 – Proposed 2023 Service Area.

2023 Rate Resolutions

Tanya Deuel, ERB Finance Manager, Financial Services Division. These resolutions are before the Board today for action. They are sorted by carrier. By the Board passing the carrier's resolution, the Board is adopting each of the plans, the underlying plan design, as well as the premiums for each of those carriers.

Slides 2-6 – 2023 Medical Premium Resolutions.

Lou McDermott: Vote on Premium Resolution SEBB 2022-05 KPNW Medical Premiums

Kerry Schaefer moved, and Dan Gossett seconded a motion to approve.

Voting to Approve: 8

Absent – Pete Cutler: 1

Voting No: 0

Lou McDermott: Premium Resolution SEBB 2022-05 passes.

Lou McDermott: Vote on Premium Resolution SEBB 2022-06 KPWA Medical Premiums

Terri House moved, and Amy McGuire seconded a motion to approve.

Voting to Approve: 8
Absent – Pete Cutler: 1
Voting No: 0

Lou McDermott: Premium Resolution SEBB 2022-06 passes.

Lou McDermott: Vote on Premium Resolution SEBB 2022-07 KPWAO Medical Premiums

Kerry Schaefer moved, and Alison Poulsen seconded a motion to approve.

Voting to Approve: 8
Absent – Pete Cutler: 1
Voting No: 0

Lou McDermott: Premium Resolution SEBB 2022-07 passes.

Lou McDermott: Vote on Premium Resolution SEBB 2022-08 Premera Medical Premiums

Pam Kruse moved, and Kerry Schaefer seconded a motion to approve.

Voting to Approve: 8
Absent – Pete Cutler: 1
Voting No: 0

Lou McDermott: Premium Resolution SEBB 2022-08 passes.

Lou McDermott: Vote on Premium Resolution SEBB 2022-09 UMP Medical Premiums

Alison Poulsen moved, and Pam Kruse seconded a motion to approve.

Voting to Approve: 8
Absent – Pete Cutler: 1
Voting No: 0

Lou McDermott: Premium Resolution SEBB 2022-09 passes.

PEBB Medicare Portfolio Overview

Ellen Wolfhagen, Senior Account Manager, ERB Division

Slide 2 – Recent PEB Board Activity. When SEBB Program employees retire, they become PEBB retirees so we wanted to share with this Board what’s going on in the PEBB Program. The premium for 2023 UMP Classic Medicare is going up by \$73.47 per month. HCA offered a resolution to close the UMP Medicare Plan in 2024, keeping in mind the obligation to offer cost-effective health care plans. The premium for the UMP Medicare Plan is significantly higher than any of the other Medicare offerings in the portfolio. The resolution was just for Medicare and did not affect non-Medicare retirees or active employees enrolled in Uniform Medical Plans. Based on feedback from retiree groups, especially the Retired Public Employees Council (RPEC), HCA recognized the need to provide more opportunity for feedback and input. Therefore, the PEB Board voted to postpone action related to plan closure until at least January 2024.

Slide 3 – PEBB Medicare Portfolio. This is an overview of a number of different types of plans and how they function.

Slide 4 – PEBB Medicare Portfolio is an overview of how Medicare works with the retiree plans within PEBB and the general structure.

Slides 5-7 – Goals of Retiree Engagement. HCA will engage with retirees in the coming months. It's of paramount importance we hear from retirees including WEA Retiree groups, RPEC, and WSSRA, all very active stakeholder groups with us. Our goal is to seek input from retirees about their experiences, concerns, and ideas with the plans in the Medicare portfolio. We also want to offer information about the funding and structure of the different plans. It's important to stress that PEBB plans are different than the plans available on the individual market. HCA has negotiated better premiums, copays, out-of-pocket maximums, coverage options, etc.

David Iseminger: I want to highlight that one of the big dynamics that happens in the PEBB portfolio is about plans that get substantial federal subsidies and plans that don't get the same federal subsidies. In the UMP retiree portfolio, UMP Classic has a significantly higher cost. The annualized premium is over \$5,000, whereas the other plans in the portfolio range from about \$1,500 to \$2,100 or \$2,200 per year. There's almost a three-fold difference in the annual premiums. An underlying issue is that UMP, as a Coordination of Benefits Plan, is not eligible for the additional and substantial subsidies the other plans can access. That's why there is the divergence in premium.

Any cost increase in UMP Classic Medicare is fully borne by the retiree at this point. The state subsidy is maxed out. There are only certain Federal subsidies in play, but the vast majority that apply to the other plans don't exist for us. About 20 years ago, it was written into federal statute. Federal law created the subsidies for Medicare Part C and D Plans, which are primarily what the other plans are. CMS can only give subsidies of that nature to certain plans, and UMP doesn't qualify. It would take an act of Congress to change the subsidy structure of those substantial subsidies.

When we look at the cost of care and hear concerns, it raised those fiduciary concerns and prompted the original proposal. These engagements are to have conversations about the future of the portfolio offerings.

Lou McDermott: How much in additional premiums are retirees paying to be in this unsubsidized plan? If they were in a plan which is eligible for those additional subsidies from the federal government, how much more in premiums are they paying now than they would if they were in one of those plans? Just a ballpark figure is good.

David Iseminger: Today in 2022, the difference between UMP Classic and probably the most comparable plan in the retiree portfolio is about \$2,500 annually per enrollee. If a retiree subscriber is enrolling themselves and a spouse, that's \$5,000 annually. In 2023, that jumps to \$3,500 in enrollees, so \$7,000 in that subscriber and spouse situation. If you multiply that out, we have about 53,000 to 54,000 individual member lives that are in UMP Classic, that's the tune of \$180 million annually.

Lou McDermott: Understood. So, our retirees who are mostly on a fixed income and fighting 8%-9% inflation are paying an additional \$180 million in premiums.

David Iseminger: Yes, and I think it's fair to say the conversation began at the PEB Board about the economic value of the plan. But there are certainly many important voices that have come forward talking about aspects of the Uniform Medical Plan in the retiree setting that are important factors for them that should be weighed alongside the economic part of the equation. We have a variety of plans because we have thousands of members with different circumstances. At the same time, HCA was looking at that disparity or that wide economic difference and wanted to promote and move forward this conversation because we know the structural subsidy disadvantage I described a few moments ago, there is no indication it's going to change anytime in the near future. We're going to continue to see this divergence in premiums and escalation of costs within UMP Classic relative to the other plans.

Lou McDermott: When we introduced the UMP Plus Program, we sent letters to subscribers indicating based on who you are and your circumstances, you would save X number of dollars per year in this new program. Is there any consideration the program is going to send something out to retirees letting them know based on your particular circumstances and your patterns of utilization, your world would change or not change if you were to switch plans, and this is the money you would save?

David Iseminger: We are planning a general educational campaign. If you're worried about the economic value of your plan, make sure you know that there are other nationwide choices for you to consider. If it does meet your needs, it also will save you a lot in premiums. It is on our fall open enrollment communication to-do list – to put front and center information about these differences and hope that gives people information they don't have today so they can make the best decision possible for themselves in 2023.

Lou McDermott: I will let it go. But it does break my heart a little knowing that an enormous amount of money is being spent by our retirees in most cases for little to no difference. I appreciate the information.

Ellen Wolfhagen: Slide 8 – Future Opportunities.

Slide 9 – PEB Board Follow Up.

Slide 10 – SEB Board Follow Up.

2023 SEB Board Meeting Schedule

Dave Iseminger, Director ERB Division, shared the 2023 SEB Board Meeting Schedule that was filed with the Code Reviser.

Public Comment

Fred Yancey, who spoke on behalf of WSSRA and WASA, provided public comment. His comments can be found on the verbatim audio recording of the meeting at the link on Page 1 of these minutes.

Final Comments

Lou McDermott: I want to thank Dave and his team, the Board members who make sacrifices to be here, and members of the public who come to our meetings.

David Iseminger: At the end of each season, we go through an annual re-appointment process with our Board members. It's hard to know exactly for whom this will be their last Board meeting, but there are two people I think that this is their last meeting. I want to publicly thank them for their service.

I want to recognize Dan Gossett as one of the original Board members. Dan and Wayne Leonard, another original Board member, were classmates during their K-12 years, and then serving K-12 in their careers. Wayne retired last year and Dan's on his retirement journey. I'm glad we were able to give you a personal retiree webinar at a public meeting as you begin planning for your future retirement and potential participation as a PEBB retiree. I do want to thank you for your service on the Board since 2017 and all of your work in bringing up the SEBB Program.

Pete Cutler has been very gracious as I've worked on recruitment. Pete asked me to make sure I had recruitment in place so the last season could be his last Board season. Yet, here we are a year later, and I still have that commitment to make sure you can return fully to your retirement. Thank you for your grace and participation and further extension of your service to the Board. There are only so many times I could say thank you for your service as a potential last meeting, but we will work very hard to make sure to respect your request to complete your Board service.

Pete Cutler: I want to thank you, David, Lou, and everybody at the Health Care Authority for all the work you've put in over the years and this year, specifically. It's an honor and privilege to work with you and with the other Board members. I want to thank all of my fellow Board members for their collegiality and their public service ethic. It's been a pleasure. My retirement travels will necessitate me finally moving off into the sunset. Thank you very much.

Dan Gossett: I want to echo what Pete said. The professionalism of everybody at the Health Care Authority has been awesome and amazing to watch. I've enjoyed your company. Too bad it's not in person anymore, it was always good to talk to you at the meetings. Thank you. It's been an honor and a privilege.

David Iseminger: As far as the structure of our meetings going forward, none of us know what the world will look like in six months. The Board has the authority to continue to have all virtual meetings. One of the challenges is it's supposed to be more rooted in the current circumstances, and it's hard to make a decision about January in July. We will have hybrid meetings where there is a physical space in Olympia just like the original Board days pre-pandemic, in the Sue Crystal room. It will not go back to a fully in-person meeting. We've had a lot more engagement and access to public meetings for members throughout the state by being virtual.

When we are in a hybrid setting, Board members and the public will have the choice as to whether they want to attend virtually or in person. We'll be supporting both. We'll see what the circumstances are as we get closer to January. When there is a physical

space requirement under the Open Public Meetings Act, there will be choices as to how people participate in the Board meetings, both for Board members and the public.

Meeting adjourned at 10:15 a.m.

SEB Board Meeting Minutes

March 2, 2023

Draft
School Employees Benefits Board
Meeting Minutes

March 2, 2023
Health Care Authority
Sue Crystal Rooms A & B
Olympia, Washington
9:00 a.m. – 12:00 p.m.

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

Members Present in Olympia

Lou McDermott, Chair
Kerry Schaefer

Members Present via Zoom

Dawna Hansen-Murray
Myra Johnson
Pamela Kruse
Terri House
Amy Griffin
Alison Poulsen

Members Absent

None

SEB Board Counsel

Katy Hatfield, AAG (in person)

Call to Order

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

Meeting Overview

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

January Retreat Follow Up

David Iseminger, Director, Employees and Retirees Benefits (ERB) Division, provided follow up answers to questions asked at the January 26, 2023 SEB Board Retreat. Updates included mail-order pharmacy utilization for the plans in the SEBB Program, followed by lens enhancement and pediatric vision coverage.

By-laws Amendment

David Iseminger, Director, Employees and Retirees Benefits (ERB) Division, presented a vote on clarifying the SEB Board by-laws regarding public testimony. Myra Johnson moved, and Pam Kruse seconded a motion to approve. Eight members voted to approve, and no members opposed. The SEB Board by-laws amendment passed.

Legislative Update

Cade Walker, Policy, Rules, and Compliance Section Manager, Employees and Retirees Benefits (ERB) Division, provided an update on relevant bills moving in legislative session. Active legislation and topical bills were discussed.

SEBB Program Financial Overview

This agenda topic was postponed to the next Board meeting, as the presenter was not able to join the meeting due to an emergency.

Policy and Rules Development

Stella Ng, Policy and Rules Coordinator, Employees and Retirees Benefits (ERB) Division, introduced four new policy resolutions to the Board:

- SEBB 2023-01 SEBB continuation coverage for non-represented ESD school employees not eligible for benefits under the SEBB Program
- SEBB 2023-02 SEBB continuation coverage for dependents not eligible under the SEBB Program
- SEBB 2023-03 SEBB continuation coverage for a non-represented school employee's dependent who is already on an ESD's continuation coverage
- SEBB 2023-04 When a subscriber has a change in residence or employment location that affects medical plan availability

Stakeholders will be consulted before the next Board meeting and action on these resolutions will be planned for the April Board meeting.

Hearing Instrument Benefits Overview

Sara Whitley, ERB Finance Manager, Financial Services Division (FSD), provided an introductory overview on hearing instruments and coverage in the SEBB Program. The overview included evolution of the benefit, Senate Bill 5179 operationalization in the SEBB Program's Uniform Medical Plan (UMP), benefit utilization highlights, and opportunity for purchasing strategy adjustment in UMP.

Public Comment

The following members of the public provided comments:

- Fred Yancey, regarding the by-laws vote

Public testimonies can be found in the audio recording for the March 2, 2023 meeting at:

<https://www.hca.wa.gov/about-hca/programs-and-initiatives/school-employees-benefits-board-sebb-program/meetings-and-materials>

Next Meeting

April 6, 2023

9:00 a.m. – 1:30 p.m.

Preview of April 6, 2023 SEB Board Meeting

Dave Iseminger, Director, Employees and Retirees Benefits Division, provided an overview of potential agenda topics for the April 6, 2023 SEB Board Meeting.

Meeting adjourned at 10:32 a.m.

TAB 4

March Meeting Follow Up

David Iseminger
ERB Director
Employees and Retirees Benefits Division
April 6, 2023

Pharmacy Follow Up

Question

What is the UMP customer satisfaction for in-person (retail) prescription services?

Answer

UMP is unable to conduct customer satisfaction surveys at individual network pharmacies.

Pharmacy Follow Up (*cont.*)

- ▶ Difficult given size and diversity of network
 - ▶ Very hard to standardize survey for UMP pharmacies, who have different operating procedures and settings
 - ▶ Kaiser can do this since it's a single mail order pharmacy that serves their population
- ▶ Not in contract with network pharmacies
 - ▶ UMP pharmacies are not paid to collect this information
 - ▶ Kaiser factors this into the cost of operating their mail order pharmacy

Member Satisfaction Survey

HCA requires Moda complete an annual survey for members who contact Moda customer service.

The 2022 member satisfaction survey resulted in over 92% of UMP members (PEBB Program and SEBB Program) indicating they were “very satisfied” or “satisfied” with their customer service experience when they contacted Moda.

Member Satisfaction Survey (*cont.*)

- ▶ The telephonic survey took place from June 1, 2022 – July 31, 2022
- ▶ 452 members opted to participate in the survey
- ▶ 79% were “very satisfied”
- ▶ 13.3% were “satisfied”
- ▶ 175 members left a comment expressing a positive experience
- ▶ The top reasons for calls were prior authorizations, general benefit information, pharmacy network information, and drug pricing

Questions?

David Iseminger, ERB Director
Employees and Retirees Benefits Division

David.Iseminger@hca.wa.gov

TAB 5

2023-25 Budget Update

Tanya Deuel
Finance Manager
Financial Services Division
April 6, 2023

Proposed Funding Rates

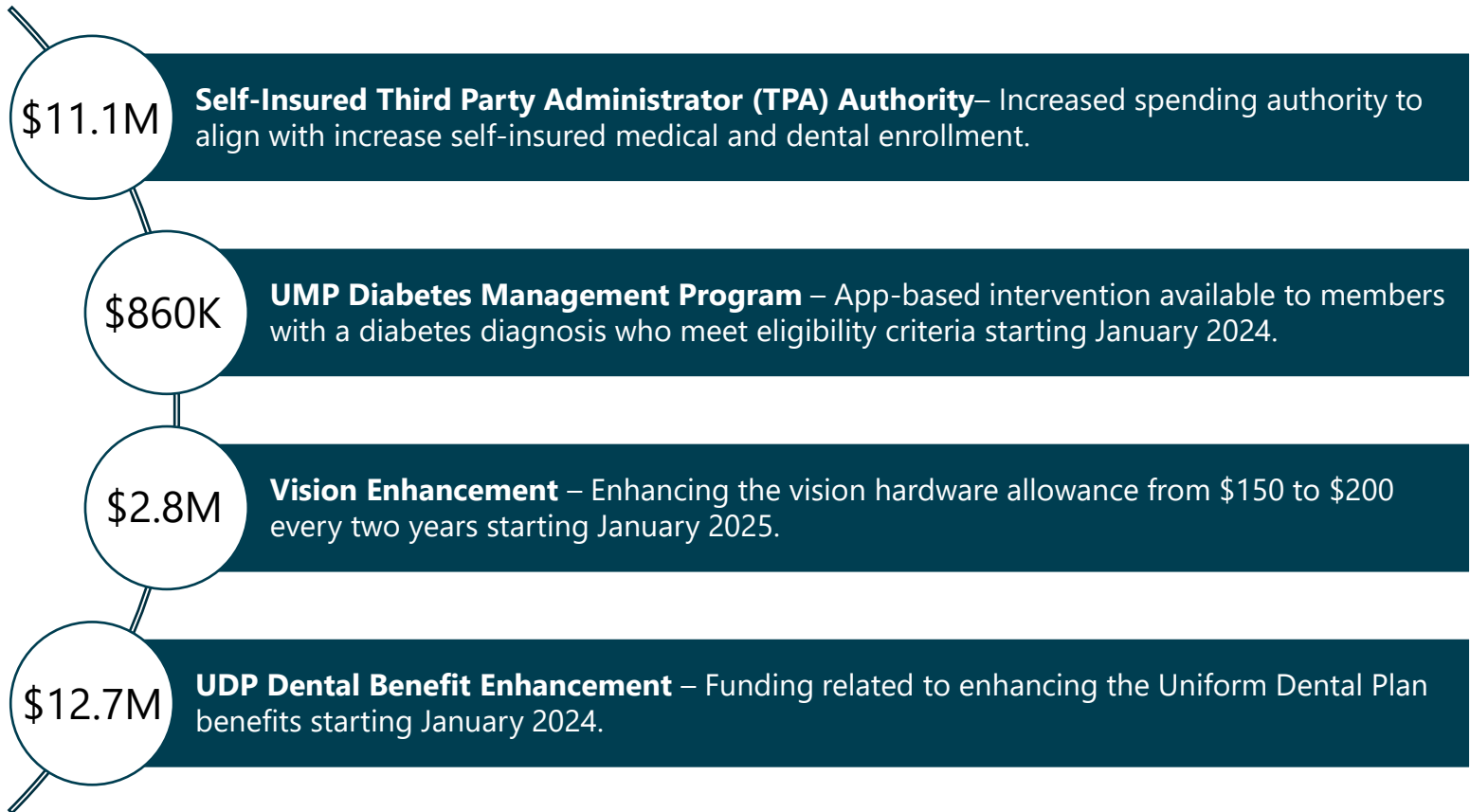
Per eligible employee per
month

Adequate to maintain
current level of benefits

Proposed Funding Rates (*cont.*)

Governor's Proposed	Senate Proposed	House Proposed
<p>SY23-24 \$1,105</p>	<p>SY23-24 \$1,100</p>	<p>SY23-24 \$1,116</p>
<p>SY24-25 \$1,176</p>	<p>SY24-25 \$1,157</p>	<p>SY24-25 \$1,178</p>

Proposed Budget Similarities



Additional Dental Detail

Proposed Benefit Change	Fiscal Year 1	Fiscal Year 2	Included in the Governor's Budget	Included in the Senate Budget	Included in the House Budget
Exclude preventive visits from Annual Plan Maximum	1,258,402	2,516,803			
Composite coverage for posterior teeth fillings	1,251,672	2,503,344	✓	✓	✓
Incentive plan for Class II changes based on prior year Class I utilization	612,377	1,541,037			
Eliminate children's deductible (until age 15)	255,718	511,436	✓	✓	✓
Increase crown coverage (70 percent coverage)	2,725,415	5,450,830	✓	✓	✓
Increase TMJ annual and lifetime benefit	6,729	13,459	✓	✓	✓
Fiscal Year Total	6,110,313	12,536,909			

Proviso Language

▶ Senate

- ▶ \$324K for the implementation of SSB 5275 – Expanding access to benefits provided by SEBB

Questions?

Tanya Deuel, Finance Manager
Financial Services Division
Tanya.Deuel@hca.wa.gov

TAB 6

Legislative Update

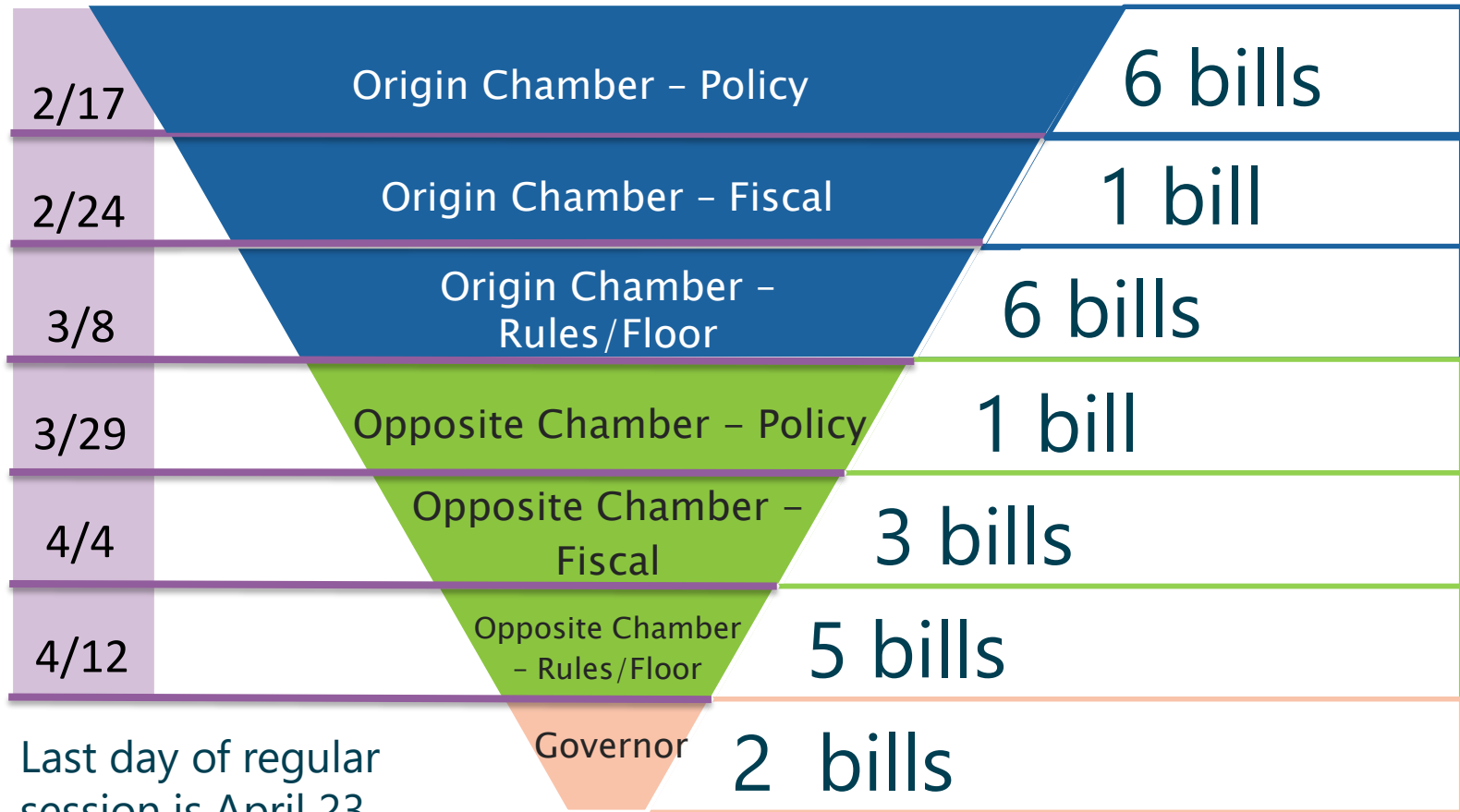
Cade Walker
Policy, Rules, & Compliance Manager
Employees & Retirees Benefits Division
April 6, 2023

2023 Bill Analyses

	ERB Lead	ERB Support	
High Priority	34	18	52
Low Priority	18	118	136
	52	136	188
Fiscal Notes	36	49	

Completed as of 3/27/23

2023 Legislative Session Progress



Requested Legislation

- ▶ SB 5700: Primarily all statutory clean up and removing outdated sections or language – PASSED

- ▶ SB 5421: Creates a public records act exemption for all enrollment information collected by the PEBB and SEBB Programs – PASSED

Topical Areas of Legislation

SEBB

- ▶ **SB 5275 SEBB Benefits Access – Gov. Signed**
- ▶ ~~HB 1246 Health Benefits SEBB Eligibility~~

Retirees

- ▶ **SB 5490 PEBB Deferred Retiree Coverage – Gov. Signed**
- ▶ ~~HB 1008/SB 5420 Plan 2 Members Insurance~~
- ▶ ~~HB 1804/SB 5696 PEBB Subdivision Retirees~~
- ▶ ~~SB 5169 Medicare Health Care Plans in PEBB~~
- ▶ ~~SB 5625 Public Employee Retirees Ombuds~~

Topical Areas of Legislation (*cont.*)

Medical Services Cost Sharing

- ▶ HB 1222 Hearing Instruments Coverage
- ▶ ~~HB 1115/SB 5242 Abortion Cost Sharing~~
- ▶ ~~HB 1261 & SB 5396 Breast Exam Cost Sharing~~
- ▶ ~~HB 1151/SB 5204 Fertility Services Coverage~~

Topical Areas of Legislation (*cont.*)

Pharmacy

- ▶ **SB 5729 Insulin Cost-Sharing Cap – Gov. Signed**
- ▶ ~~HB 1253/SB 5213 Pharmacy Benefit Managers~~
- ▶ ~~HB 1269 Rx Drug Affordability Board~~
- ▶ ~~HB 1465/SB 5445 Prescription Cost-Sharing~~
- ▶ ~~HB 1725 Insulin Access Under 21~~

Topical Areas of Legislation (*cont.*)

Other

- ▶ New or Expanded Licensures: lactation consultants, medical assistants, anesthesiologist assistants, music therapists, physician assistants, optometry, naturopathic physicians.
- ▶ ~~HB 1208/SB 5319 Pet Insurance Regulation – PASSED~~
- ▶ HB 1357 Modernizing Prior Authorizations
- ▶ ~~HB 1495/SB 5373 ARNP & PA Reimbursement~~
- ▶ ~~SB 5241 Health Care Marketplace~~

Questions?

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

Cade.Walker@hca.wa.gov

TAB 7

Policy and Rules Development

Stella Ng
Policy and Rules Coordinator
Employees and Retirees Benefits Division
April 6, 2023

SEB Board Policy Resolutions

SEBB 2023-01

SEBB continuation coverage eligibility for non-represented ESD school employees not eligible for benefits under the SEBB Program

SEBB 2023-02

SEBB continuation coverage for dependents not eligible under the SEBB Program

SEB Board Policy Resolutions (*cont.*)

SEBB 2023-03

SEBB continuation coverage for a non-represented school employee's dependent who is already on an ESD's continuation coverage

SEBB 2023-04

When a subscriber has a change in residence or employment location that affects medical plan availability

RCW 41.05.740 (6)(c) & (d)

(6) The school employees' benefits board shall [...]

(c) Authorize premium contributions for a school employee and the employee's dependents in a manner that encourages the use of cost-efficient health care systems. For participating school employees, the required school employee share of the cost for family coverage premiums may not exceed three times the premiums for a school employee purchasing single coverage for the same coverage plan;

(d) Determine the terms and conditions of school employee and dependent eligibility criteria, enrollment policies, and scope of coverage. At a minimum, the eligibility criteria established by the school employees' benefits board shall address the following:

(i) The effective date of coverage following hire;

(ii) The benefits eligibility criteria, but the school employees' benefits board's criteria shall be no more restrictive than requiring that a school employee be anticipated to work at least six hundred thirty hours per school year to be benefits eligible; and

(iii) Coverage for dependents, including criteria for legal spouses; children up to age twenty-six; children of any age with disabilities, mental illness, or intellectual or other developmental disabilities; and state registered domestic partners, as defined in RCW 26.60.020, and others authorized by the legislature;

RCW 41.05.050 (4)(d)(i)

Beginning January 1, 2020, all school districts, represented employees of educational service districts, and charter schools shall commence participation in the school employees' benefits board program established under RCW 41.05.740. All school districts, represented employees of educational service districts, charter schools, and all school district employee groups participating in the public employees' benefits board plans before January 1, 2020, shall thereafter participate in the school employees' benefits board program administered by the authority. All school districts, represented employees of educational service districts, and charter schools shall provide contributions to the authority for insurance and health care plans for school employees and their dependents. These contributions must be provided to the authority for all eligible school employees eligible for benefits under RCW 41.05.740 (6)(d), including school employees who have waived their coverage; contributions to the authority are not required for individuals eligible for benefits under RCW 41.05.740 (6)(e) who waive their coverage.

ESHB 2140 (2019)

Sec. 4 (6)(b) Effective January 1, 2020, "school employee" for the school employees' benefits board program includes:

- (i) All employees of school districts, educational service districts, and charter schools established under chapter 28A.710 RCW;
- (ii) Represented employees of educational service districts; and
- (iii) Effective January 1, 2024, all employees of educational service districts.

Sec. 5 (d)(ii) Beginning January 1, 2024, all educational service districts shall participate in the school employees' benefits board program.

Sec. 6 (6) The authority to make available basic and optional benefits to school employees under this section expires December 31, 2019, except for nonrepresented employees of educational service districts for which the authority expires December 31, 2023. Beginning January 1, 2020, school districts, for all school employees, and educational service districts, for represented employees, shall make available basic and optional benefits through plans offered by the health care authority and the school employees' benefits board. Beginning January 1, 2024, educational service districts, for nonrepresented employees, shall make available basic and optional benefits through plans offered by the health care authority and the school employees' benefits board.

Board Follow Up

At the March 2, 2023, SEB Board Meeting, the Board asked whether school employees electing SEBB continuation coverage would be eligible to enroll in any medical, dental, or vision coverage *or* only continue existing coverage types.

Resolution SEBB 2023-01

SEBB continuation coverage eligibility for non-represented ESD school employees not eligible for benefits under the SEBB Program (Revised)

A non-represented Educational Service District's school employee and their dependents who are enrolled in medical, dental, or vision under a group plan offered by a SEBB Organization on December 31, 2023, who lose eligibility because the school employee is not eligible under the SEBB Program, may elect to continue existing enrollment in one or more of the following SEBB benefits: medical, dental, or vision coverage. These benefits will be provided for a maximum of 18 months on a self-pay basis.

Resolution SEBB 2023-01

Example #1

Example: John had PEBB medical and dental coverage through ESD's group plan. He loses the eligibility for the employer contribution on January 1, 2024 because he is not anticipated to be eligible under the SEBB Program.

- ▶ Can John enroll in medical, dental, and vision through SEBB continuation coverage? No, John is limited to what he previously had through his ESD's group plan. He can only enroll in SEBB Continuation Coverage in medical and dental for a maximum of 18 months on a self-pay basis.
- ▶ If John had only been enrolled in medical coverage, would he be eligible to enroll in dental coverage? No, John would only be able to enroll in medical coverage because that is what he had through his ESD.

Resolution SEBB 2023-01

Example #2

Example: Jenna is a non-represented ESD school employee who was only enrolled in PEBB dental coverage through her ESD. On January 1, 2024 she is not anticipated to be eligible under the SEBB Program.

- ▶ Can Jenna enroll in medical and vision through SEBB continuation coverage? No, Jenna is limited to what she previously had through her ESD's group plan. She can only enroll in SEBB Continuation Coverage for dental for a maximum of 18 months on a self-pay basis.

Resolution SEBB 2023-01

SEBB continuation coverage eligibility for non-represented ESD school employees not eligible for benefits under the SEBB Program

Resolved that, a non-represented Educational Service District's school employee and their dependents who are enrolled in medical, dental, or vision under a group plan offered by a SEBB Organization on December 31, 2023, who lose eligibility because the school employee is not eligible under the SEBB Program, may elect to continue existing enrollment in one or more of the following SEBB benefits: medical, dental, or vision coverage. These benefits will be provided for a maximum of 18 months on a self-pay basis.

Resolution SEBB 2023-02

SEBB continuation coverage for dependents not eligible under the SEBB Program (Revised)

A dependent of a SEBB-eligible non-represented school employee of an Educational Service District who is enrolled in medical, dental, or vision under a school employee's account on December 31, 2023 who loses eligibility because they are not an eligible dependent under the SEBB Program may continue existing enrollment for a maximum of 36 months on a self-pay basis.

Resolution SEBB 2023-02

SEBB continuation coverage for dependents not eligible under the SEBB Program

Resolved that, a dependent of a SEBB-eligible non-represented school employee of an Educational Service District who is enrolled in medical, dental, or vision under a school employee's account on December 31, 2023 who loses eligibility because they are not an eligible dependent under the SEBB Program may continue existing enrollment for a maximum of 36 months on a self-pay basis.

Resolution SEBB 2023-03

SEBB continuation coverage for a non-represented school employee's dependent who is already on an ESD's continuation coverage (Revised)

A dependent of a non-represented school employee who is continuing medical, dental, or vision coverage through an Educational Service District on December 31, 2023 may elect to continue existing enrollment to finish out their remaining months, up to the maximum number of months authorized by COBRA for a similar event, by enrolling in a medical, dental, or vision plan offered through the SEBB Program on a self-pay basis.

Resolution SEBB 2023-03

SEBB continuation coverage for a non-represented school employee's dependent who is already on an ESD's continuation coverage

Resolved that, a dependent of a non-represented school employee who is continuing medical, dental, or vision coverage through an Educational Service District on December 31, 2023 may elect to continue existing enrollment to finish out their remaining months, up to the maximum number of months authorized by COBRA for a similar event, by enrolling in a medical, dental, or vision plan offered through the SEBB Program on a self-pay basis.

Proposed Resolution SEBB 2023-04

When a subscriber has a change in residence or employment location that affects medical plan availability

After a change in residence or employment location, the subscriber must elect a new medical plan if a subscriber's current medical plan is no longer available based on either residence or employment location. If they do not elect a new medical plan within the time period allowed by special open enrollment rules, the subscriber will be enrolled in a SEBB medical plan as designated by the director or designee.

Proposed Resolution SEBB 2023-04

Example #1 (Revised)

Example: Sarah lives in Clark County and is an employee of Stevenson-Carson School District in Skamania County. Sarah enrolled in Kaiser Permanente NW 1. In February 2024, Sarah moves her residence from Clark County to Skamania County. Because Sarah no longer lives or works in a county where Kaiser Permanente NW 1 is available, under current rules Sarah **must** elect a new medical plan.

- ▶ What happens if Sarah fails to elect a new medical plan during the special open enrollment period when her current Kaiser Permanente NW 1 is no longer available in the county where she lives or works? If Sarah does not elect a new medical plan within the time period allowed by special open enrollment rules, she will be enrolled in the most comparable SEBB medical plan as designated by the director or designee.

Proposed Resolution SEBB 2023-04

Example #3 (Revised)

Example: Jose lives in Skamania County and is an employee of the Vancouver School District in Clark County. Jose enrolled in Kaiser Permanente NW 1. In March 2024, Jose leaves his job at the Vancouver School District and starts a new job at the Stevenson-Carson School District in Skamania County.

- ▶ What happens if Jose fails to elect a new medical plan during the special open enrollment period when his current Kaiser Permanente NW 1 is no longer available in the county he lives or works? If Jose does not elect a new medical plan within the time period allowed by special open enrollment rules, he will be enrolled in the most comparable SEBB medical plan as designated by the director or designee.

Resolution SEBB 2023-04

When a subscriber has a change in residence or employment location that affects medical plan availability

Resolved that, after a change in residence or employment location, the subscriber must elect a new medical plan if a subscriber's current medical plan is no longer available based on either residence or employment location. If they do not elect a new medical plan within the time period allowed by special open enrollment rules, the subscriber will be enrolled in a SEBB medical plan as designated by the director or designee.

Next Steps

- ▶ Issue guidance to SEBB Organizations on these resolutions
- ▶ Incorporate resolutions into the SEBB Program rules

Questions?

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

Stella.Ng@hca.wa.gov

Appendix

Resolutions Edited Since the March 2, 2023 Board Meeting

Resolution SEBB 2023-01

SEBB continuation coverage eligibility for non-represented ESD school employees not eligible for benefits under the SEBB Program

Resolved that, a non-represented Educational Service District's school employee and their dependents who are enrolled in medical, dental, or vision under a group plan offered by a SEBB Organization on December 31, 2023, who lose eligibility because the school employee is not eligible under the SEBB Program, may elect to continue existing enrollment in one or more of the following SEBB benefits: medical, dental, or vision coverage. These benefits will be provided for a maximum of 18 months on a self-pay basis.

Resolution SEBB 2023-02

SEBB continuation coverage for dependents not eligible under the SEBB Program

Resolved that, a dependent of a SEBB-eligible non-represented school employee of an Educational Service District who is enrolled in medical, dental, or vision under a school employee's account on December 31, 2023 who loses eligibility because they are not an eligible dependent under the SEBB Program may continue existing enrollment for a maximum of 36 months on a self-pay basis.

Resolution SEBB 2023-03

SEBB continuation coverage for a non-represented school employee's dependent who is already on an ESD's continuation coverage

Resolved that, a dependent of a non-represented school employee who is continuing medical, dental, or vision coverage through an Educational Service District on December 31, 2023 may elect to continue existing enrollment to finish out their remaining months, up to the maximum number of months authorized by COBRA for a similar event, by enrolling in a medical, dental, or vision plan offered through the SEBB Program on a self-pay basis.

Original March 2, 2023 Board Materials



Rules and Policy Development

Stella Ng, Policy and Rules Coordinator
Policy, Rules, and Compliance Section
Employees and Retirees Benefits Division
March 2, 2023

RCW 41.05.740 (6)(c) & (d)

(6) The school employees' benefits board shall [...]

(c) Authorize premium contributions for a school employee and the employee's dependents in a manner that encourages the use of cost-efficient health care systems. For participating school employees, the required school employee share of the cost for family coverage premiums may not exceed three times the premiums for a school employee purchasing single coverage for the same coverage plan;

(d) Determine the terms and conditions of school employee and dependent eligibility criteria, enrollment policies, and scope of coverage. At a minimum, the eligibility criteria established by the school employees' benefits board shall address the following:

(i) The effective date of coverage following hire;

(ii) The benefits eligibility criteria, but the school employees' benefits board's criteria shall be no more restrictive than requiring that a school employee be anticipated to work at least six hundred thirty hours per school year to be benefits eligible; and

(iii) Coverage for dependents, including criteria for legal spouses; children up to age twenty-six; children of any age with disabilities, mental illness, or intellectual or other developmental disabilities; and state registered domestic partners, as defined in [RCW 26.60.020](#), and others authorized by the legislature;

RCW 41.05.050 (4)(d)(i)

Beginning January 1, 2020, all school districts, represented employees of educational service districts, and charter schools shall commence participation in the school employees' benefits board program established under RCW [41.05.740](#). All school districts, represented employees of educational service districts, charter schools, and all school district employee groups participating in the public employees' benefits board plans before January 1, 2020, shall thereafter participate in the school employees' benefits board program administered by the authority. All school districts, represented employees of educational service districts, and charter schools shall provide contributions to the authority for insurance and health care plans for school employees and their dependents. These contributions must be provided to the authority for all eligible school employees eligible for benefits under RCW [41.05.740](#) (6)(d), including school employees who have waived their coverage; contributions to the authority are not required for individuals eligible for benefits under RCW [41.05.740](#) (6)(e) who waive their coverage.

Introduction of Proposed Resolution

SEBB 2023-01

SEBB continuation coverage eligibility for non-represented ESD school employees not eligible for benefits under the SEBB Program

SEBB 2023-02

SEBB continuation coverage for dependents not eligible under the SEBB Program

Introduction of Proposed Resolution (*cont.*)

SEBB 2023-03

SEBB continuation coverage for a non-represented school employee's dependent who is already on an ESD's continuation coverage

SEBB 2023-04

When a subscriber has a change in residence or employment location that affects medical plan availability

ESHB 2140 (2019)

Sec. 4 (6)(b) Effective January 1, 2020, "school employee" for the school employees' benefits board program includes:

- (i) All employees of school districts, educational service districts, and charter schools established under chapter 28A.710 RCW;
- (ii) Represented employees of educational service districts; and
- (iii) Effective January 1, 2024, all employees of educational service districts.

Sec. 5 (d)(ii) Beginning January 1, 2024, all educational service districts shall participate in the school employees' benefits board program.

Sec. 6 (6) The authority to make available basic and optional benefits to school employees under this section expires December 31, 2019, except for nonrepresented employees of educational service districts for which the authority expires December 31, 2023. Beginning January 1, 2020, school districts, for all school employees, and educational service districts, for represented employees, shall make available basic and optional benefits through plans offered by the health care authority and the school employees' benefits board. Beginning January 1, 2024, educational service districts, for nonrepresented employees, shall make available basic and optional benefits through plans offered by the health care authority and the school employees' benefits board.

Proposed Resolution SEBB 2023-01 SEBB continuation coverage eligibility for non-represented ESD school employees not eligible for benefits under the SEBB Program

A non-represented Educational Service District's school employee and their dependents who are enrolled in medical, dental, or vision under a group plan offered by a SEBB Organization on December 31, 2023, who lose eligibility because the school employee is not eligible under the SEBB Program, may elect to enroll in one or more of the following SEBB benefits: medical, dental, or vision coverage. These benefits will be provided for a maximum of 18 months on a self-pay basis.

Proposed Resolution SEBB 2023-02 SEBB continuation coverage for dependents not eligible under the SEBB Program

A dependent of a SEBB-eligible non-represented school employee of an Educational Service District who is enrolled in medical, dental, or vision under a school employee's account on December 31, 2023 who loses eligibility because they are not an eligible dependent under the SEBB Program may enroll in medical, dental, and vision for a maximum of 36 months on a self-pay basis.

Proposed Resolution SEBB 2023-03

SEBB continuation coverage for a non-represented school employee's dependent who is already on an ESD's continuation coverage

A dependent of a non-represented school employee who is continuing medical, dental, or vision coverage through an Educational Service District on December 31, 2023 may elect to finish out their remaining months, up to the maximum number of months authorized by COBRA for a similar event, by enrolling in a medical, dental, or vision plan offered through the SEBB Program on a self-pay basis.

Proposed Resolution SEBB 2023-04

When a subscriber has a change in residence or employment location that affects medical plan availability

After a change in residence or employment location, the subscriber must elect a new medical plan if a subscriber's current medical plan is no longer available based on either residence or employment location. If they do not elect a new medical plan within the time period allowed by special open enrollment rules, the subscriber will be enrolled in a SEBB medical plan as designated by the director or designee.

Proposed Resolution SEBB 2023-04

Example #1

Example: Sarah lives in Clark County and is an employee of Stevenson-Carson School District in Skamania County. Sarah enrolled in Kaiser Permanente NW 1. In February 2024, Sarah moves her residence from Clark County to Skamania County. Because Sarah no longer lives or works in a county where Kaiser Permanente NW 1 is available, under current rules Sarah **must** elect a new medical plan.

- What happens if Sarah fails to elect a new medical plan during the special open enrollment period when her current Kaiser Permanente NW 1 is no longer available in the county where she lives or works? If Sarah does not elect a new medical plan within the time period allowed by special open enrollment rules, she will be enrolled in a SEBB medical plan as designated by the director or designee.

Proposed Resolution SEBB 2023-04

Example #2

Example: Kelly lives in Clark County and is an employee of the Vancouver School District in Clark County. Kelly enrolled in Kaiser Permanente NW 2. In February 2024, Kelly moves her residence from Clark County to Skamania County but does not change her employment.

- Can Kelly remain in Kaiser Permanente NW 2 if she has a change in her residence? While Kelly has the option to elect a new medical plan under the special open enrollment rules, if Kelly does not elect to change plans, she will remain enrolled in Kaiser Permanente NW 2 because she still works in Clark County.

Proposed Resolution SEBB 2023-04

Example #3

Example: Jose lives in Skamania County and is an employee of the Vancouver School District in Clark County. Jose enrolled in Kaiser Permanente NW 1. In March 2024, Jose leaves his job at the Vancouver School District and starts a new job at the Stevenson-Carson School District in Skamania County.

- What happens if Jose fails to elect a new medical plan during the special open enrollment period when his current Kaiser Permanente NW 1 is no longer available in the county he lives or works? If Jose does not elect a new medical plan within the time period allowed by special open enrollment rules, he will be enrolled in a SEBB medical plan as designated by the director or designee.

Proposed Resolution SEBB 2023-04

Example #4

Example: Mike lives in Clark County and is an employee of the Vancouver School District in Clark County. Mike enrolled in Kaiser Permanente NW 1. In April 2024, Mike leaves his job at the Vancouver School District and starts a new job at the Stevenson-Carson School District in Skamania County, but does not change his residence.

- Can Mike remain in Kaiser Permanente NW 1 if he has a change in employment? While Mike has the option to elect a new medical plan under the special open enrollment rules, if Mike does not elect to change plans, he will remain enrolled in Kaiser Permanente NW 1 because he still lives in Clark County.

Next Steps

- Incorporate Board feedback in the proposed policies
- Submit feedback to HCAPEBSEBBoardPolicyFeedback@hca.wa.gov by March 13, 2023
- Bring recommended proposed policy resolutions to the Board for action at the April 6, 2023 Board Meeting

Questions?

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

Appendix

Resolution SEBB 2018-58 (As passed on 1/24/19) Continuation coverage for dependents not eligible under the SEBB Program

Resolved that, a dependent of a SEBB eligible school employee who is enrolled in medical, dental, or vision under a school employee's account on December 31, 2019 who loses eligibility because they are not an eligible dependent under the SEBB Program may enroll in medical, dental, and vision for a maximum of 36 months on a self-pay basis.

Resolution SEBB 2019-06 (As passed on 03/07/2019)

SEBB continuation coverage eligibility for school employees not eligible for benefits under the SEBB Program

Resolved that, a school employee and their dependents who are enrolled in medical, dental, or vision under a group plan offered by a SEBB Organization on December 31, 2019, who lose eligibility because the school employee is not eligible under the SEBB Program, may elect to enroll in one or more of the following SEBB benefits: medical, dental, or vision coverage. These benefits will be provided for a maximum of 18 months on a self-pay basis.

Resolution SEBB 2019-06 (As passed on 03/07/2019)

SEBB continuation coverage eligibility for school employees not eligible for benefits under the SEBB Program Example

A bus driver, who has himself and his spouse enrolled in district benefits (medical, dental, or vision), is not anticipated to be eligible under the SEBB Program effective January 1, 2020.

- Is there a COBRA qualifying event? No, change in eligibility is not a qualifying event.
- Is this school employee and his spouse eligible for SEBB continuation coverage? Yes, based on adoption of SEBB 2019-06.
- What SEBB benefits are they eligible for? Medical, dental, or vision coverage.
- How long may this coverage continue? 18 months (similar to reduction of hours).

Resolution SEBB 2019-07 (As passed on 3/7/2019)

SEBB continuation coverage eligibility for dependents already on a SEBB Organization's continuation coverage

Resolved that, a dependent of a school employee who is continuing medical, dental, or vision coverage through a SEBB Organization on December 31, 2019 may elect to finish out their remaining months, up to the maximum number of months authorized by COBRA for a similar event, by enrolling in a medical, dental, or vision plan offered through the SEBB Program on a self-pay basis.

Resolution SEBB 2019-07 (As passed on 3/7/2019) SEBB continuation coverage eligibility for dependents already on a SEBB Organization's continuation coverage Example

A bus driver terminates his relationship with his domestic partner on June 22, 2019. The domestic partner elects continuation coverage under the terms of the school district's group health plan effective July 1, 2019, and is still enrolled in continuation coverage as of December 31, 2019. Are they eligible for SEBB continuation coverage?

- Is the domestic partner a COBRA qualified beneficiary? No.
- Is this domestic partner eligible for SEBB continuation coverage? Yes, based on adoption of SEBB 2019-07.
- What SEBB benefits are they eligible for? Medical, dental, or vision coverage.
- How long may this coverage continue? 36 months (similar to divorce).

TAB 8

2023 Annual Rulemaking

Stella Ng
Policy and Rules Coordinator
Employees and Retirees Benefits Division
April 6, 2023

Rulemaking Timeline

June 2023	File proposed amendments (CR-102) and distribute new rules for public comments
July 2023	Conduct public hearing and adopt final rules (CR-103)
January 2024	Permanent rules effective

Focus of Rulemaking

- ▶ Implement SEB Board policy resolutions and legislation
- ▶ Administration and benefits management
- ▶ Regulatory alignment

Implement Legislation

- ▶ **ESHB 2140 (2019)** Include non-represented ESD school employees in the SEBB Program
- ▶ **SSB 5490** Retired or disabled employees who were previously denied coverage solely for failure to timely notify HCA to defer and appealed the denial of PEBB retiree insurance coverage.
- ▶ **SSB 5275** SEBB employer groups

Implement Legislation (*cont.*)

- ▶ **SHB 1804/ SSB 5696** Employer group retirees
- ▶ **HB 1008** PERS, SERS, TRS Plan 2 member eligibility to PEBB retiree insurance coverage

Administration and Benefits Management

- ▶ Add a new special enrollment event when there is a substantial decrease in the providers available in a SEBB health plan.
- ▶ Amend special open enrollment rules to add a notice requirement for a SEBB Organization when a school employee experienced an event that creates a special open enrollment event.

Administration and Benefits Management (*cont.*)

- ▶ Amend additional rules to implement SEBB 2022-01 when school employees returning to work from active duty.

Regulatory Alignment

- ▶ Amend to include details when a school employee has a carryover amount from their medical Flexible Spending Arrangement (FSA) in the previous plan year and enroll in a Consumer Directed Health Plan for the following year.

Questions?

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

Stella.Ng@hca.wa.gov

TAB 9

SEBB Program Financial Overview

Molly Christie
Fiscal Analyst
Financial Services Division
April 6, 2023

Annual Total Medical Cost

▶ Average total annual **medical cost** for a Tier 4 family on **UMP Achieve 2*** is slightly **less than the national average** for a hypothetical family of 4**

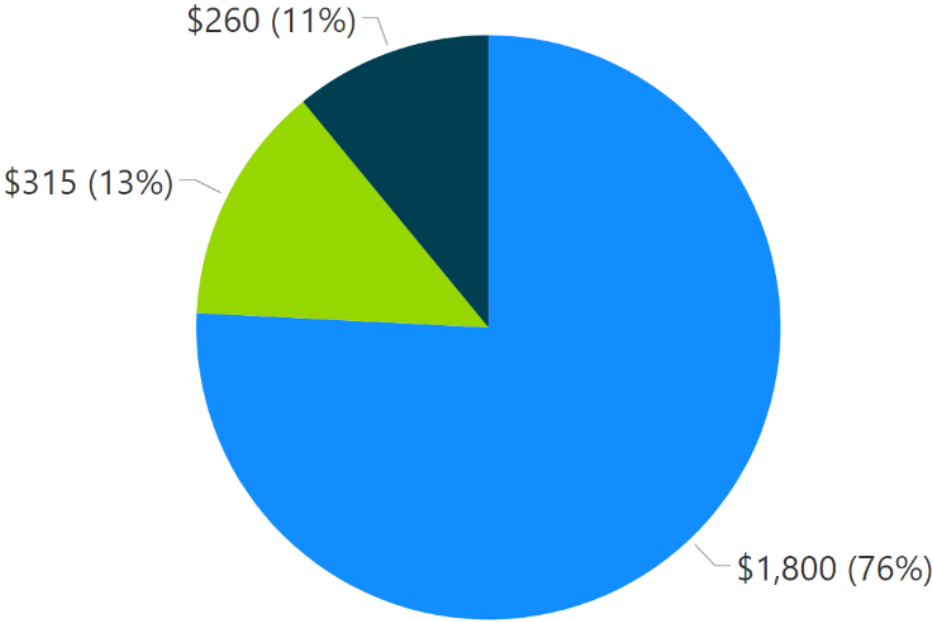
▶ Health care costs for SEBB Program members are **projected to increase in 2023** in line with historical (pre-COVID) trend



*Values are an approximation based on bid rates and the AV calculator for UMP Achieve 2, Tier 4 (subscriber, spouse, dependent[s])

**Based on the 2022 Milliman Medical Index

Monthly Medical Contribution Breakdown



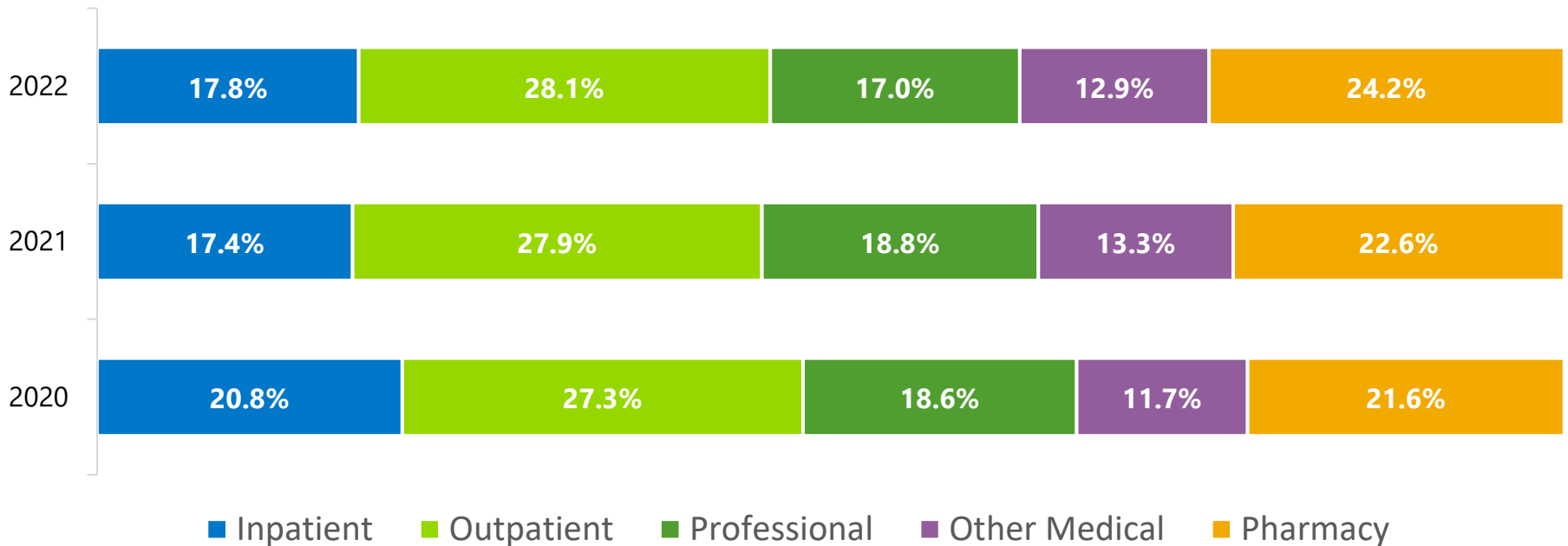
▶ **Washington contributes significantly more toward total medical benefits (~76%) for a Tier 4 family enrolled in UMP Achieve 2 than an average family of 4 in the national benchmark employer-sponsored plan (~58%)**

● Employer Contribution ● Employee Premium ● Employee Out-of-pocket

-Employee out-of-pocket includes coinsurance/copays and deductibles
-Values are an approximation based on 2023 bid rates and the AV calculator for UMP Achieve 2, Tier 4 (subscriber, spouse, dependent[s])

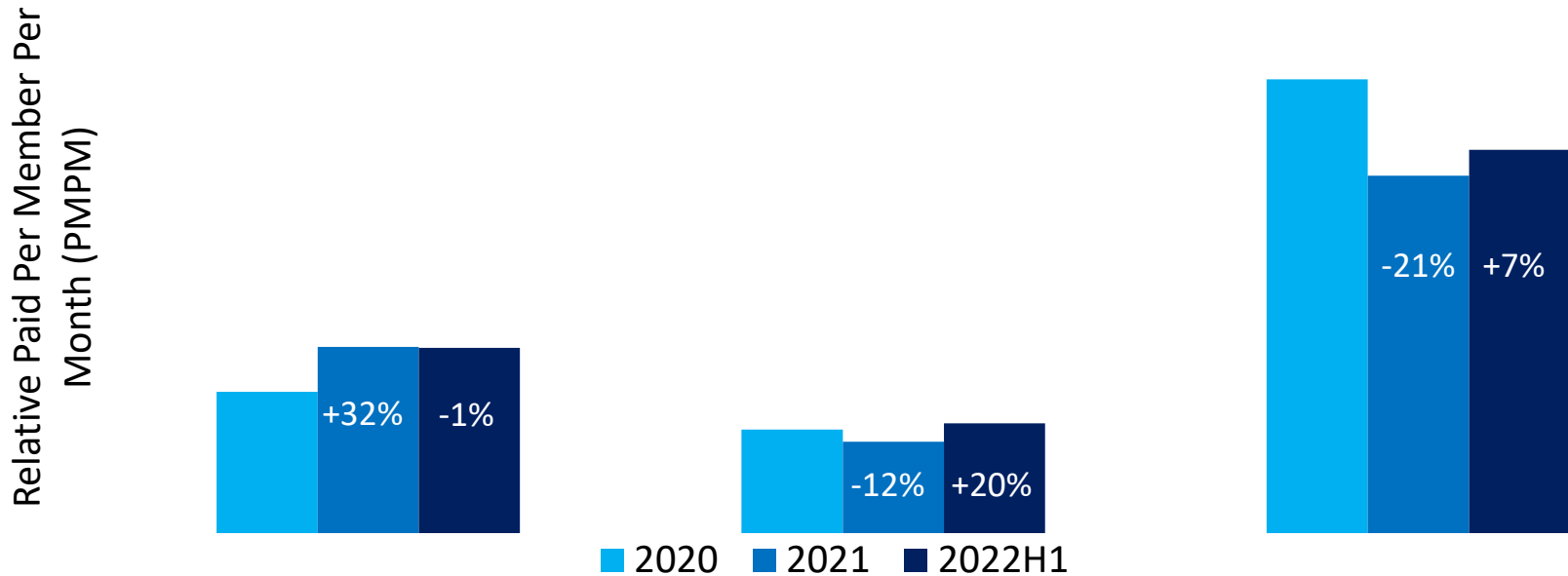
Medical Cost Drivers

UMP Achieve 2
Mix of Major Service Categories by Year



Select Service Trends

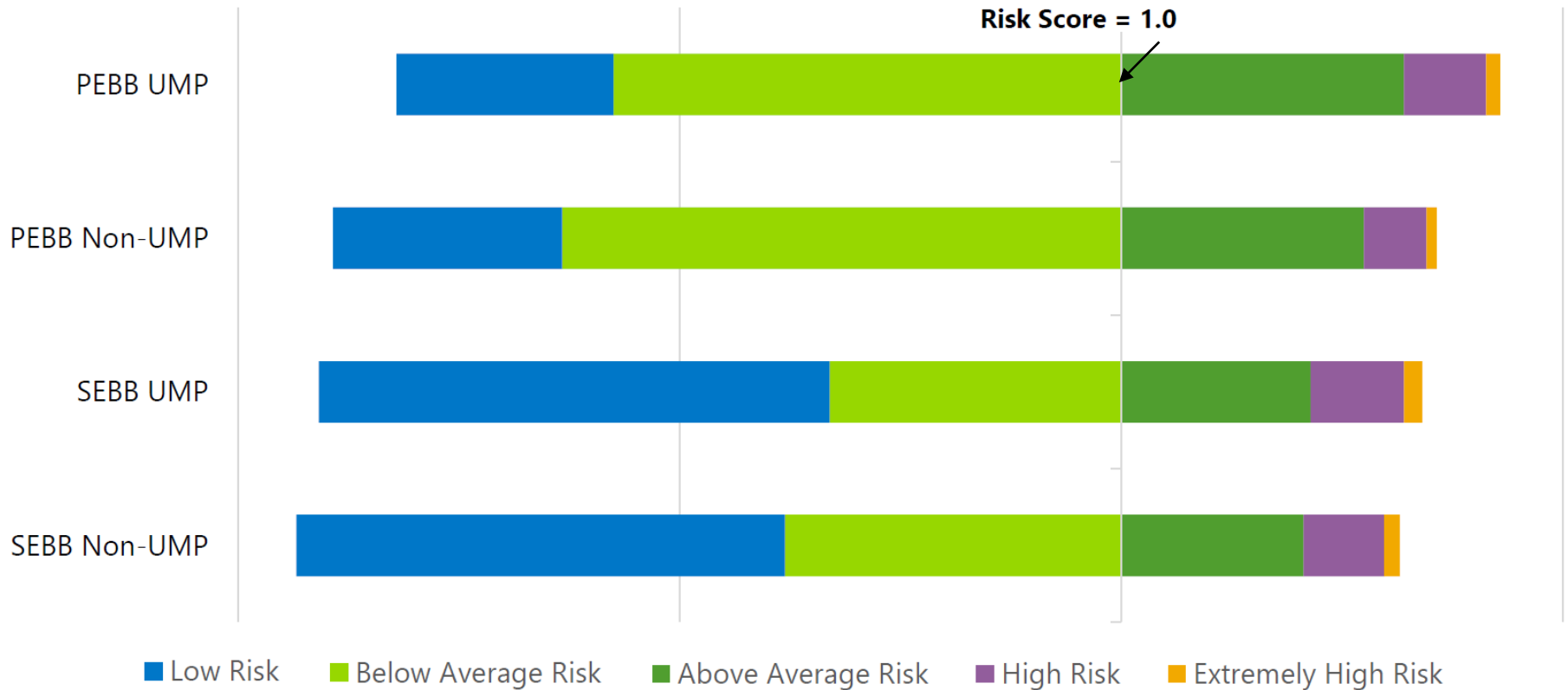
SEBB Program UMP Achieve 2 - Select Service Trends



*2022H1 represents claims incurred and paid through June 2022

Risk Profile

Risk Score Bands – PEBB Non-Medicare 2023 Procurement / SEBB 2021 Concurrent



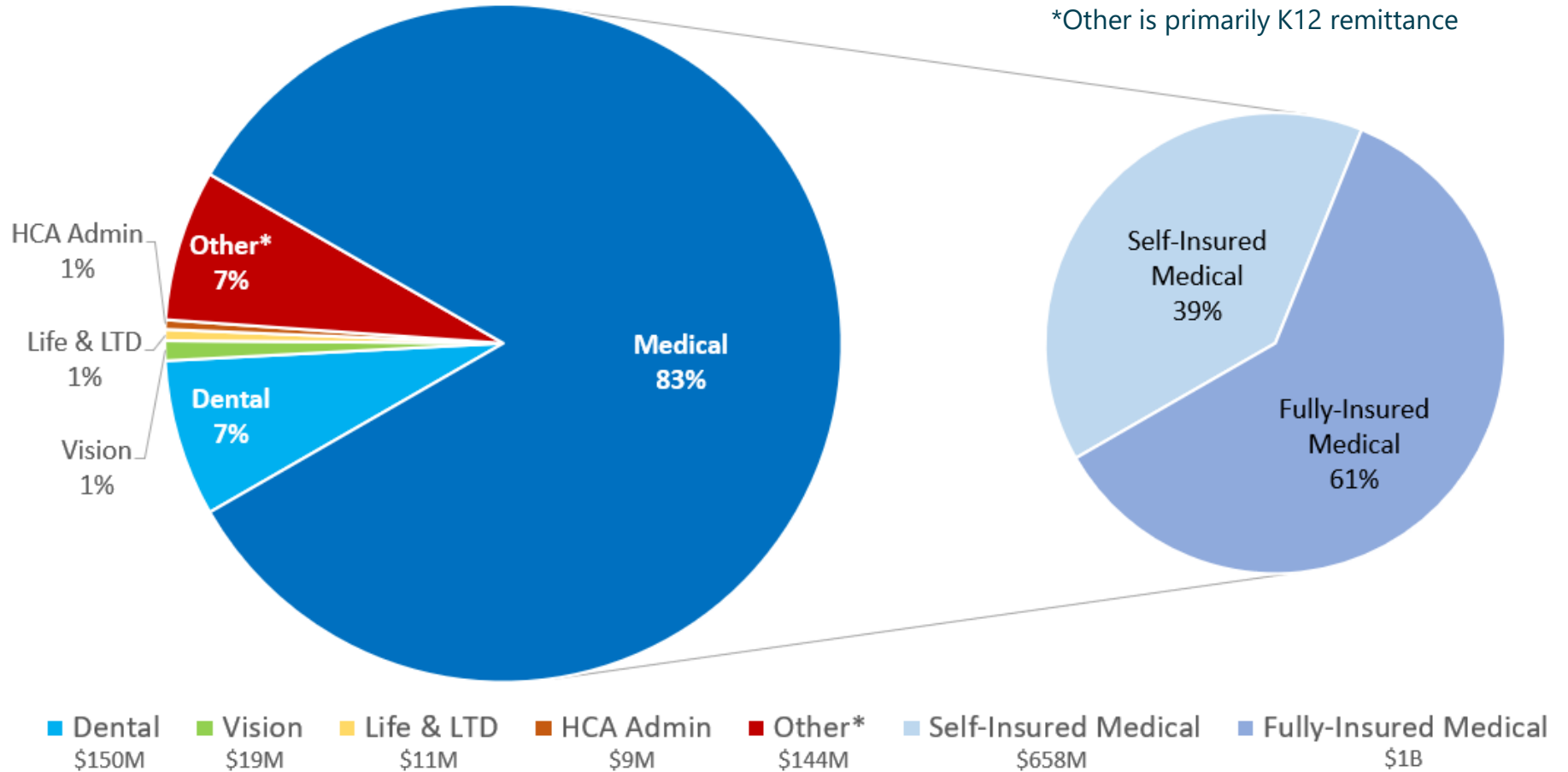
■ Low Risk ■ Below Average Risk ■ Above Average Risk ■ High Risk ■ Extremely High Risk

Experience & Trend

- ▶ No predictable overall spending pattern/trend while the SEBB Program continues to mature
 - ▶ Average net funding rate trend from 2021 and projected through 2025 is approximately 2.7%, which is low
 - ▶ 2021-2023 were favorable years – limited historical experience resulted in conservative estimates; projections for 2024-2025 are comparatively high but in line with expected pre-pandemic trend
- ▶ PEBB Program experience used as proxy in projections until reliable SEBB Program baseline experience is available – earliest 2024 (at least 3 “good” years)

Spending Breakdown FY23

*Other is primarily K12 remittance



Current Financial Position

REVENUE	FY22	FY23	Biennial Total
K-12 Revenue	1,707,778,866	1,779,182,555	3,486,961,421
K-12 Employee Contribution	183,138,273	189,883,673	373,021,946
Surcharge Revenue	3,504,175	3,529,325	7,033,500
Other Self Pay Premiums (COBRA, LWOP)	11,068,224	15,813,235	26,881,459
Investment Income	610,777	581,641	1,192,418
TOTAL REVENUE	\$1,906,100,314	\$1,988,990,430	\$3,895,090,744
EXPENDITURES			
Fully-Insured Medical Premiums	932,582,741	1,010,717,791	1,943,300,531
Self-Insured Medical Claims, HSA Contribution & TPA	667,282,341	657,814,744	1,325,097,084
Fully-Insured Dental Premiums	32,600,188	33,110,453	65,710,641
Self-Insured Dental Claims & TPA	111,760,361	116,547,534	228,307,895
Vision Premiums	19,214,978	18,954,283	38,169,261
Basic Life	6,963,529	6,930,767	13,894,296
Basic LTD Premiums	3,699,150	3,676,756	7,375,906
Other Expenditures			
K-12 Remittance	152,758,704	138,728,391	291,487,095
HCA Agency Administration (excluding TPA)	9,253,056	9,094,381	18,347,438
Misc*	4,410,643	5,277,000	9,687,643
TOTAL EXPENDITURES	\$1,940,525,690	\$2,000,852,099	\$3,941,377,790
SURPLUS (DEFICIT) POSITION			
Beginning SEBB Fund Balance			\$152,954,236
Other Financial Activity			(11,149,608)
Premium Stabilization Reserve Adjustments			9,083,158
Excess/(Deficit) of Revenues over Expenditures			(46,287,046)
Ending Fiscal Year Fund Balance			\$104,600,740
Target Premium Stabilization Reserve			(52,399,169)
Ending Surplus (Deficit)			\$52,201,571

Notes (1) This exhibit reflects reported expenses and claims experience through September 2022.

* Misc examples include fees, open enrollment and litigation

Questions?

Molly Christie, Fiscal Information & Data Analyst

Financial Services Division

Molly.Christie@hca.wa.gov

TAB 10

SmartHealth Update

Kristen Stoimenoff
Washington Wellness Program Manager
Employees & Retirees Benefits Division
April 6, 2023

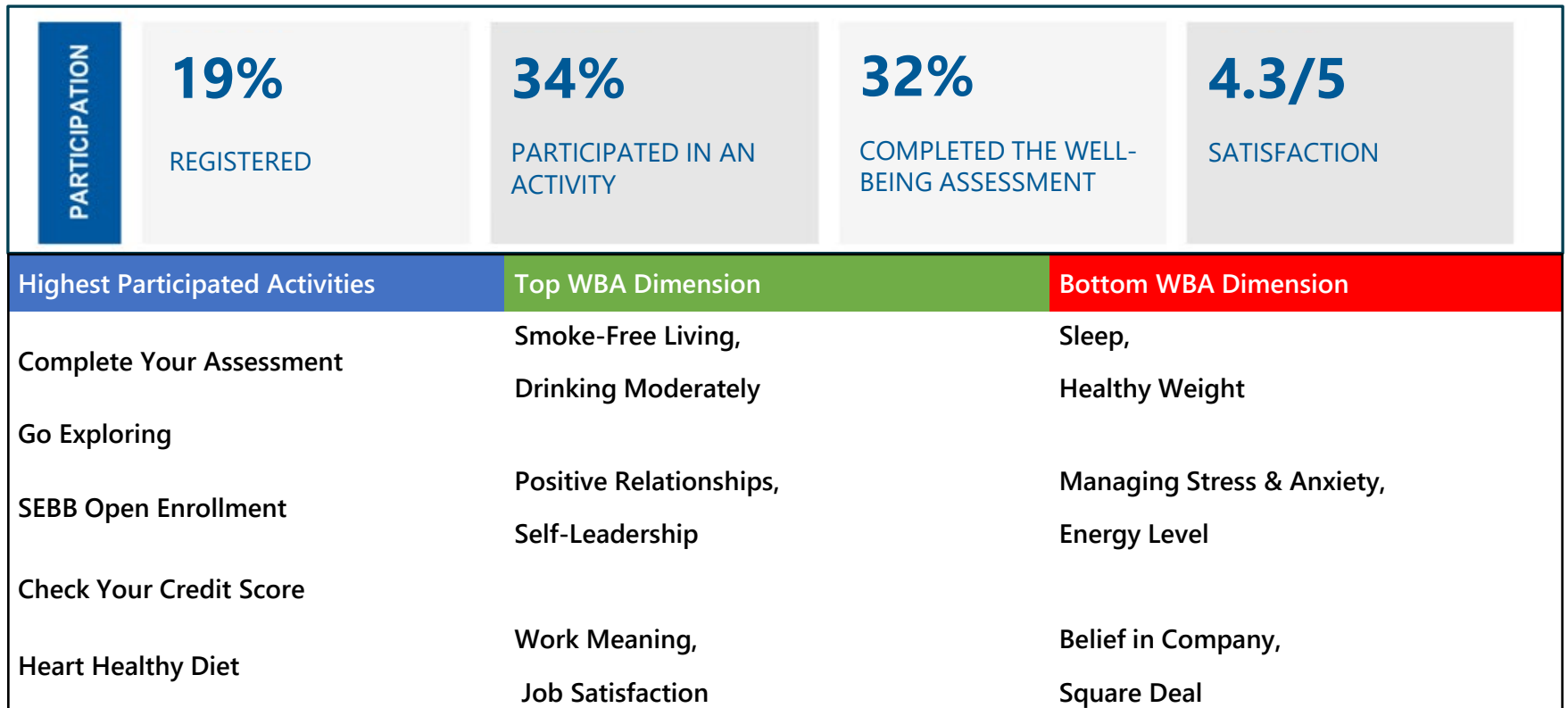
Presentation Overview

- ▶ Secure Access Washington (SAW) transition for SmartHealth
- ▶ 2022 SEBB SmartHealth Participation
 - ▶ Engagement numbers
 - ▶ Most popular activities
 - ▶ Highest and lowest well-being dimensions
- ▶ Limeade recommendations and program follow-up
- ▶ SEBB employer engagement
- ▶ Washington Wellness program evaluation
- ▶ Washington Wellness program changes






Secure Access Washington (SAW) Transition for SmartHealth

- ▶ Background
- ▶ Communications
- ▶ Support
- ▶ Impact

2022 SEBB Program SmartHealth Participation



Program Participation Trends

	 Registration	 Assessment	 Incentive	 Participated in an Activity	 Satisfaction
2020	26,122	21,183 (81%)	8,774 (34%)	88%	4.3/5
2021	29,317	9,385 (32%)	5,815 (20%)	87%	4.3/5
2022	31,846	10,256 (32%)	5,547 (17%)	34%	4.3/5

SEBB Program Employer Engagement Trends

- ▶ Impact of Substitute House Bill 1363 (2021)
 - ▶ Acknowledging the significant toll Secondary Traumatic Stress has on educators, and subsequently students, and focuses on the adoption of policy and procedures to support staff health and well-being.
 - ▶ District-wide workforce mental health committee directed to establish (or amend) policies and procedures in support of employee wellness, and required sharing Secondary Traumatic Stress, stress management, and other mental health resources like SmartHealth
- ▶ OSPI Workforce Secondary Traumatic Stress website*
- ▶ Increase in Zo8 Award applications
- ▶ Increase in technical assistance engagement
- ▶ Meaningful, actionable response to program evaluation

*<https://www.k12.wa.us/student-success/health-safety/workforce-secondary-traumatic-stress>

Limeade Recommendations

**Recommendations
for 2023**



General Recommendations

Create value for Wellness Coordinators

Coordinators are the gateway to organization promotion and broader reach of SmartHealth:

- Provide simple resources and guidance for promoting SmartHealth
- Opportunity to opt-in to Wellness Coordinator channel
- Ongoing training

Address Burnout with a holistic lens

Organizational Support

- Partner with state agencies and other organizations to promote their resources

Manager Support

- Manager toolkit that organizations could leverage alongside trainings or promotions

Individual Support

- Replenish, Reframe, Repeat

Drive SmartHealth Utilization

Better insights into lagging indicators of SmartHealth strategy

Continue reminding SmartHealth users why SAW SSO has been implemented

Generate SmartHealth recognition

Spotlight: Addressing Burnout

Organization - Foster an inclusive workplace

- SmartHealth partnering with Office of Equity to point organization leaders and wellness coordinators to resources and tools.

Manager - Set the example and remove obstacles for employees

- SmartHealth offers a Manager Toolkit with resources and activities specific to managers who look out for others as well as themselves.

Individual - Utilization of resources and self-care.

- SmartHealth promotion of benefits and resources. Connect with activities that encourage SmartHealth users to replenish, reframe and repeat.



Washington Wellness Program Evaluation



Methodology

1-10 Likert scale rating

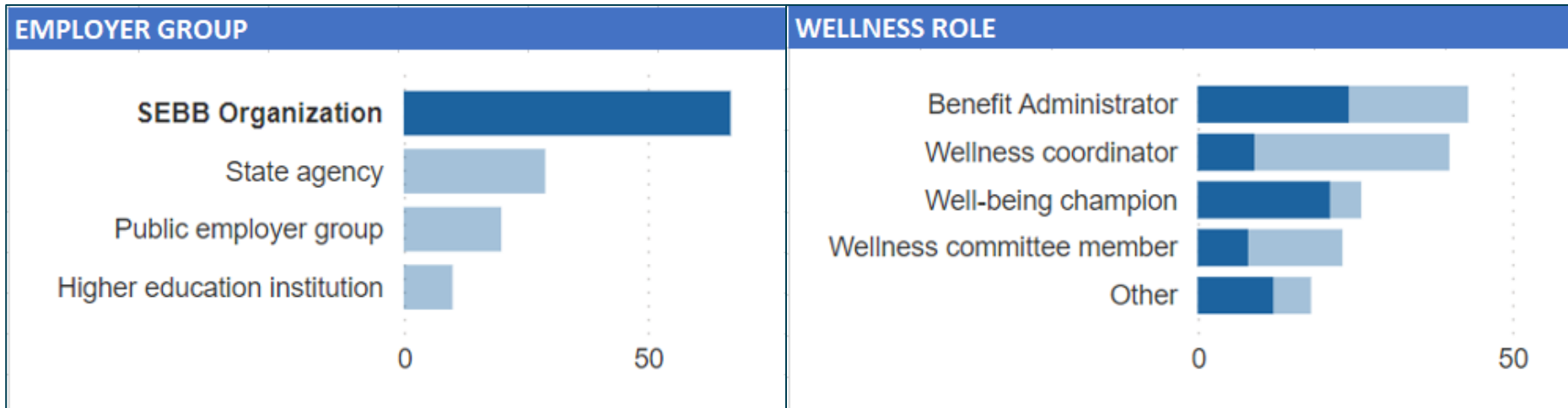
- ▶ Familiarity
- ▶ Process
- ▶ Support
- ▶ Use and usefulness
- ▶ Understanding

Open ended: How can we improve?

- ▶ SmartHealth portal
- ▶ WA Wellness support
- ▶ Diabetes prevention
- ▶ Tobacco prevention/cessation
- ▶ Roadmap
- ▶ Zo8 Award
- ▶ Quarterly trainings
- ▶ Email communications

Participant Profile – Group and Role

- ▶ 1,730 wellness contacts invited to participate
- ▶ 126 respondents
- ▶ 7% response rate



Strengths & Opportunities

Strengths

- ▶ Familiarity
- ▶ Communication
- ▶ Responsiveness

Opportunities

- ▶ Data dashboard
- ▶ SmartHealth Roadmap
- ▶ Wellness Benefits

Washington Wellness Program Changes

- ▶ 4 full-time Health Promotion Consultants
- ▶ 2 dedicated Employee Experience Specialist contractors
- ▶ Doubled SEBB Program capacity on team
- ▶ Communications lead with SEBB Program expertise

Questions?

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

Kristen.Stoimenoff@hca.wa.gov

TAB 11

Procurement Update

Shawna Lang
Portfolio Management Section Manager
Employees and Retirees Benefits Division
April 6, 2023

FSA and DCAP Procurement

What services are part of this the procurement?

- ▶ Flexible Spending Arrangement (FSA) & Dependent Care Assistance Program (DCAP) for PEBB and SEBB Programs
- ▶ Compact of Free Association (COFA) Act of 1985 Republic of the Marshall Islands (RMI), and the Federated States of Micronesia (FSM)
 - ▶ Include the COFA population (Medicaid)

FSA and DCAP Procurement (*cont.*)

What is the timeline for the procurement?

- ▶ Nearing completion of negotiations:
Potential signature by Spring 2023
- ▶ Contract go-live: January 1, 2024, with
implementation from signature to December
31, 2023
 - ▶ In negotiations, 2-3 items to resolve

FSA/DCAP Procurement Highlights

- ▶ Enhanced benefit reporting
- ▶ Option for HSA contract management by HCA
- ▶ Enhanced data security features
 - ▶ Security design review process, such as 1 day breach notification procedures
- ▶ Reduced administrative fees by about \$215K annually

Wellness Procurement

What services is the procurement for?

- ▶ SmartHealth portal provider
- ▶ The current wellness contract has been in place since 2014 and the competitive procurement process was initiated to select an apparent successful bidder, WebMD.
- ▶ The online portal access will remain similar and familiar to members because the website will remain the same as that is an HCA-owned URL, and activities will be completed in a very similar fashion to the current portal.
- ▶ The appearance and options will be slightly different, but we are very excited about the upcoming changes as they will create a clear and user-friendly experience for our members.

Wellness Procurement (*cont.*)

▶ What is the timeline for the procurement?

Request for Information	March 2022
Request for Proposal	July 2022 – October 2022
Announce Apparent Successful Bidder	November 2022
Negotiate Contract	November 2022 – Spring 2023
Contract Executed	Spring 2023
Security Design Review (SDR) Begins	February 2023
Implementation Begins[^] [^] HCA cannot supply any data until SDR approved	February 2023
Completed/Approved SDR	Spring 2023
Solution go-live	January 1, 2024

Wellness Procurement Highlights

- ▶ The portal will operate in substantially the same way as the current portal, easing member transition.
- ▶ The portal will have improved data security requirements within the contract.
- ▶ The portal under the new vendor appears to be interactive for users and will provide a full array of activities and content that can be customized to specific demographics, such as organization and planning to help maintain and improve members physical, emotional, relational, and financial health as well as highlighting the importance of a healthy work-life balance.

Accountable Care Program (ACP) Procurement

What services is the procurement for?

- ▶ UMP Plus
- ▶ Current UMP Plus contracts expire 12/31/2025 and no further extensions planned to existing contracts
- ▶ Benefit design to mirror existing benefit structure with a potential proposal
- ▶ Main changes include updates to the financial, clinical and quality models

Accountable Care Program (ACP) Procurement (*cont.*)

What is the timeline for the procurement?

- ▶ Tentative release of RFP Summer 2023
- ▶ Review and selection of ASB through December 2023
- ▶ Contract negotiations and development in 2024
- ▶ Implementation work in 2025
- ▶ Go live January 1, 2026

Accountable Care Program (ACP) Procurement Highlights

- ▶ Enhanced clinical and financial metrics
- ▶ Opportunity to identify interested additional bidders into the program not currently participating

Questions?

Shawna Lang, Portfolio Management and Monitoring
Section Manager

Employees and Retirees Benefits Division

Shawna.Lang@hca.wa.gov