

# School Employees Benefits Board

June 24, 2021

## School Employees Benefits Board

June 24, 2021

9:00 a.m. – 12:30 p.m.

### Attendance by Zoom Only

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

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**TAB 1**

**School Employees Benefits Board**  
**June 24, 2021**  
**9:00 a.m. – 12:30 p.m.**

**Aligning with Governor’s Proclamation 20-28**  
**all Board Members and public attendees**  
**will only be able to attend virtually**

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

|            |   |       |  |                            |
|------------|---|-------|--|----------------------------|
| 9:00 a.m.* | <b>Welcome and Introductions</b>  |       | Lou McDermott, Chair   |                            |
| 9:05 a.m.  | <b>Meeting Overview</b>   |       | David Iseminger, Director<br>Employees & Retirees Benefits<br>(ERB) Division   | Information                |
| 9:10 a.m.  | <b>Follow Up from June 3, 2021<br/>Board Meeting</b>                          | TAB 3 | David Iseminger, Director<br>Employees & Retirees Benefits<br>(ERB) Division   | Information/<br>Discussion |
| 9:20 a.m.  | <b>2022 Annual Procurement<br/>Update and 2022 UMP Benefit<br/>Resolution</b> | TAB 4 | Lauren Johnston, SEBB Program<br>Procurement Manager, ERB Division   | Information/<br>Action     |
| 9:40 a.m.  | <b>SEBB Continuation Coverage<br/>Policy Development</b>                      | TAB 5 | Emily Duchaine, Regulatory Analyst<br>Policy, Rules, and Compliance<br>Section, ERB Division   | Information/<br>Discussion |
| 9:55 a.m.  | <b>SmartHealth Update</b>   | TAB 6 | Kristen Stoimenoff, Program Manager<br>Washington Wellness<br><br>Heidi Helsley, Health Promotion<br>Consultant, Washington Wellness<br>ERB Division | Information/<br>Discussion |
| 10:15 a.m. | <b>SEBB Program Financial<br/>Overview</b>                                    | TAB 7 | Tanya Deuel, ERB Finance Manager<br>Financial Services Division  | Information/<br>Discussion |
| 10:45 a.m. | <b>Public Comment</b>   |       |  |                            |
| 11:15 p.m. | <b>Transition to Executive Session</b>  |       |  |                            |
| 11:20 a.m. | <b>Executive Session</b>  |       |  |                            |
| 12:30 p.m. | <b>Adjourn</b>  |       |  |                            |

**\*All Times Approximate**

The School Employees Benefits Board will meet Thursday, June 24, 2021. Due to COVID-19 and out of an abundance of caution, all Board Members and public attendees will attend this meeting virtually.

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

Pursuant to RCW 42.30.110(1)(l), the Board will meet in Executive Session to consider proprietary or confidential nonpublished information related to the development, acquisition, or implementation of state purchased health care services as provided in RCW 41.05.026. The Executive Session will begin at 11:20 a.m. and conclude no later 12:30 p.m.

No "action," as defined in RCW 42.30.020(3), will be taken at the Executive Session.

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

Direct e-mail to: [SEBboard@hca.wa.gov](mailto:SEBboard@hca.wa.gov).

Materials posted at: <https://www.hca.wa.gov/about-hca/school-employees-benefits-board-sebb-program> by close of business on June 21, 2021.

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[Join Zoom Meeting](#)

Join Zoom Meeting  
<https://zoom.us/j/96274276501?pwd=SzkyWWtMd0dId1htTkcxMW9mbXQvQT09>

Meeting ID: 962 7427 6501  
Passcode: 025416  
One tap mobile  
+12532158782,,96274276501# US (Tacoma)  
+16699006833,,96274276501# US (San Jose)

Dial by your location  
+1 253 215 8782 US (Tacoma)  
+1 669 900 6833 US (San Jose)  
+1 346 248 7799 US (Houston)  
+1 929 205 6099 US (New York)  
+1 301 715 8592 US (Washington DC)  
+1 312 626 6799 US (Chicago)

Meeting ID: 962 7427 6501  
Find your local number: <https://zoom.us/u/adSjvQj4xs>

## SEB Board Members

| Name  | Representing  |
|---|---|
| Lou McDermott, Deputy Director<br>Health Care Authority<br>626 8 <sup>th</sup> Ave SE<br>PO Box 42720<br>Olympia, WA 98504-2720<br>V 360-725-0891<br><a href="mailto:louis.mcdermott@hca.wa.gov">louis.mcdermott@hca.wa.gov</a> | Chair   |
| Kerry Schaefer<br>1405 N 10 <sup>th</sup> ST<br>Tacoma, WA 98403<br>C 253-227-3439<br><a href="mailto:kerry.schaefer@hca.wa.gov">kerry.schaefer@hca.wa.gov</a>  | Employee Health Benefits Policy<br>and Administration |
| Pete Cutler<br>7605 Ostrich DR SE<br>Olympia, WA 98513<br>C 360-789-2787<br><a href="mailto:Pete.cutler@hca.wa.gov">Pete.cutler@hca.wa.gov</a>  | Employee Health Benefits Policy<br>and Administration |
| Dawna Hansen-Murray<br>9932 Jackson ST<br>Yelm, WA 98597<br>C 360-790-4961<br><a href="mailto:dawna.hansen-murray@hca.wa.gov">dawna.hansen-murray@hca.wa.gov</a>  | Classified Employees                                  |
| Dan Gossett<br>603 Veralene Way SW<br>Everett, WA 98203<br>C 425-737-2983<br><a href="mailto:dan.gossett@hca.wa.gov">dan.gossett@hca.wa.gov</a>   | Certificated Employees                                |

## SEB Board Members

### Name

### Representing

Katy Henry  
230 E Montgomery AVE  
Spokane, WA 99207  
V 509-655-2350  
[Katy.henry@hca.wa.gov](mailto:Katy.henry@hca.wa.gov)

Certificated Employees

Terri House  
Marysville School District  
4220 80<sup>th</sup> ST NE  
Marysville, WA 98270  
V 360-965-0010  
[terri.house@hca.wa.gov](mailto:terri.house@hca.wa.gov)

Classified Employees

Wayne Leonard  
Assistant Superintendent of  
Business Services  
Mead School District  
608 E 19<sup>th</sup> Ave  
Spokane, WA 99203  
V 509-465-6017  
[wayne.leonard@hca.wa.gov](mailto:wayne.leonard@hca.wa.gov)

Employee Health Benefits Policy  
and Administration  
(WASBO)

Alison Poulsen  
12515 South Hangman Valley RD  
Valleyford, WA 99036  
C 509-499-0482  
[alison.poulsen@hca.wa.gov](mailto:alison.poulsen@hca.wa.gov)

Employee Health Benefits Policy  
and Administration

### Legal Counsel

Katy Hatfield, Assistant Attorney General  
7141 Cleanwater Dr SW  
PO Box 40124  
Olympia, WA 98504-0124  
V 360-586-6561  
[Katy.Hatfield@atg.wa.gov](mailto:Katy.Hatfield@atg.wa.gov)

2/23/21



STATE OF WASHINGTON  
**HEALTH CARE AUTHORITY**

626 8th Avenue SE • P.O. Box 45502 • Olympia, Washington 98504-5502

**SEB BOARD MEETING SCHEDULE**

**2021 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 8<sup>th</sup> Avenue SE, Olympia, WA 98501.

January 28, 2021 - 9:00 a.m. – 4:00 p.m.

March 4, 2021 - 9:00 a.m. – 2:00 p.m.

April 7, 2021 - 9:00 p.m. – 2:00 p.m.

May 5, 2021 - 9:00 a.m. – 2:00 p.m.

June 3, 2021 - 9:00 a.m. – 2:00 p.m.

June 24, 2021 - 9:00 a.m. – 2:00 p.m.

July 15, 2021 - 9:00 a.m. – 2:00 p.m.

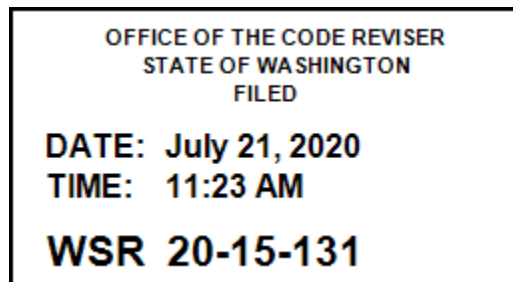
July 22, 2021 - 9:00 a.m. – 2:00 p.m.

July 29, 2021 - 9:00 a.m. – 2:00 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

6/12/20





**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. At the direction of the Chair, public testimony at Board meetings may also occur in conjunction with a public hearing or during the Board’s consideration of a specific agenda item. The Chair has authority to limit the time for public testimony, including the time allotted to each speaker, depending on the time available and the number of persons wishing to speak.
5. Motions and Resolutions—All actions of the Board shall be expressed by motion or resolution. No motion or resolution shall have effect unless passed by the affirmative votes of a majority of the Board members present and eligible to vote, or in the case of a proposed amendment to the By-laws, a 2/3 majority of the Board .
6. Representing the Board’s Position on an Issue—No Board member may endorse or oppose an issue purporting to represent the Board or the opinion of the Board on 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**



# Follow Up from June 3, 2021 SEB Board Meeting

Dave Iseminger, Director  
Employees & Retirees Benefits Division  
June 24, 2021

# UMP PEBB Program

## Total Number of Non-Medicare Appeals

|                         | 2018      | 2019      | 2020      |
|-------------------------|-----------|-----------|-----------|
| <b>Number of claims</b> | 4,835,495 | 4,981,025 | 4,544,923 |
| <b>% of appeals</b>     | .023%     | .024%     | .030%     |

\*Includes expedited appeals

# Questions?

Dave Iseminger, Director  
Employees and Retirees Benefits Division

[David.Iseminger@hca.wa.gov](mailto:David.Iseminger@hca.wa.gov)



**TAB 4**



# 2022 Annual Procurement Update and 2022 UMP Benefit Resolution

Lauren Johnston  
SEBB Program Procurement Manager  
Employees and Retirees Benefits (ERB) Division  
June 24, 2021

# Resolution SEBB 2021-14

## UMP Accumulators

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

## Additional Proposed Change for Uniform Medical Plan

Internal Revenue Service Notice 2019-45 expands the list of preventive care benefits the Uniform Medical Plan High Deductible can cover before a member meets their deductible. Although these services and items are classified as preventive care for purposes of section 223(c)(2)(C), these services and items can still be subject to cost sharing (coinsurance, copayment, etc.).

# IRS Allowed Changes to UMP High Deductible

| Chronic Condition: | Preventive Care Covered: | Coverage Available Under:  | If Approved, 2022 UMP Coverage Would Be:  |
|--------------------|--------------------------|--|---|
| <b>Asthma</b>      | Peak flow meter          | Medical  | <ul style="list-style-type: none"> <li>• Deductible is waived</li> <li>• Member only pays coinsurance until their out-of-pocket limit is met</li> </ul> |
| <b>Diabetes</b>    | Glucometer               | Medical - Continuous glucose monitor (CGM)<br>Pharmacy - All other glucometers |   |
| <b>Diabetes</b>    | Hemoglobin A1c testing   | Medical  |   |
| <b>Diabetes</b>    | Retinopathy screening    | Medical  |   |

## IRS Allowed Changes to UMP High Deductible (*cont.*)

| Chronic Condition:                             | Preventive Care Covered:                     | Coverage Available Under: | If approved, 2022 UMP coverage would be:  |
|--|--|---------------------------|---|
| <b>Heart disease</b>                           | Low-density Lipoprotein (LDL) testing        | Medical                   | <ul style="list-style-type: none"> <li>• Deductible is waived</li> <li>• Member only pays coinsurance until their out-of-pocket limit is met</li> </ul> |
| <b>Hypertension</b>                            | Blood pressure monitor                       | Medical                   |   |
| <b>Liver disease and/or bleeding disorders</b> | International Normalized Ratio (INR) testing | Medical                   |   |

# Proposed Resolution SEBB 2021-15 UMP High Deductible Preventive Care

Beginning January 1, 2022, the UMP High Deductible plan will allow coverage to treat certain chronic conditions, those presented at the June 24, 2021 SEB Board Meeting, before having to meet the plan deductible.

# Questions?

Lauren Johnston

SEBB Program Procurement Manager  
Employees and Retirees Benefits Division

[Lauren.johnston@hca.wa.gov](mailto:Lauren.johnston@hca.wa.gov)



# Appendix

# Resolution Revised Since the June 3, 2021 SEB Board Meeting

# Proposed Resolution SEBB 2021-14

## UMP Accumulators

(As presented on June 3, 2021)

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

## Resolution SEBB 2021-14 UMP Accumulators (Revised Proposed Resolution SEBB 2021-14 After Stakeholder Review)

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

# 2022 Plan and Benefit Changes

# Uniform Medical Plan (UMP) 2022 Proposed Benefit Changes

## **Mental Health Parity**

- Ensures compliance with federal parity laws for mental health/substance use disorder benefits and medical/surgical benefits
- Removes the coinsurance for mental health and substance use disorder inpatient professional services (i.e., physician services) in UMP Achieve 1, UMP Achieve 2, UMP Plus PSHVN, UMP Plus UW.
- No changes needed for UMP High Deductible

# UMP 2022 Proposed Benefit Changes (*cont.*)

## UMP Accumulators

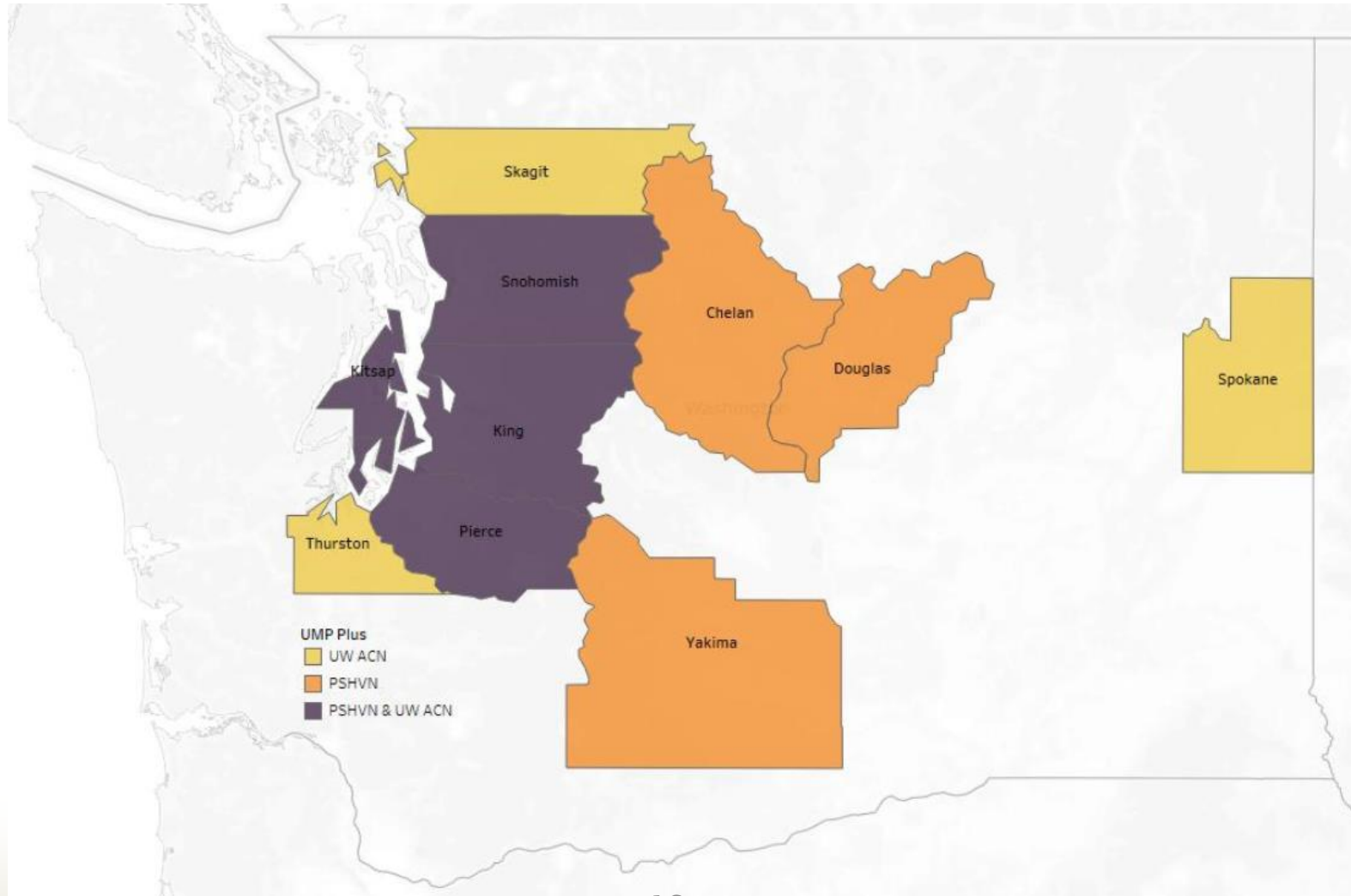
- Currently when members switch plans during a plan year, their accumulators do not roll over with them when they switch to a different UMP plan
- HCA recommends allowing accumulator rollovers between UMP plans for member satisfaction and to align with how Kaiser's and Premera's plans apply rollovers

# Uniform Medical Plan (UMP) 2022 Proposed Benefit Changes

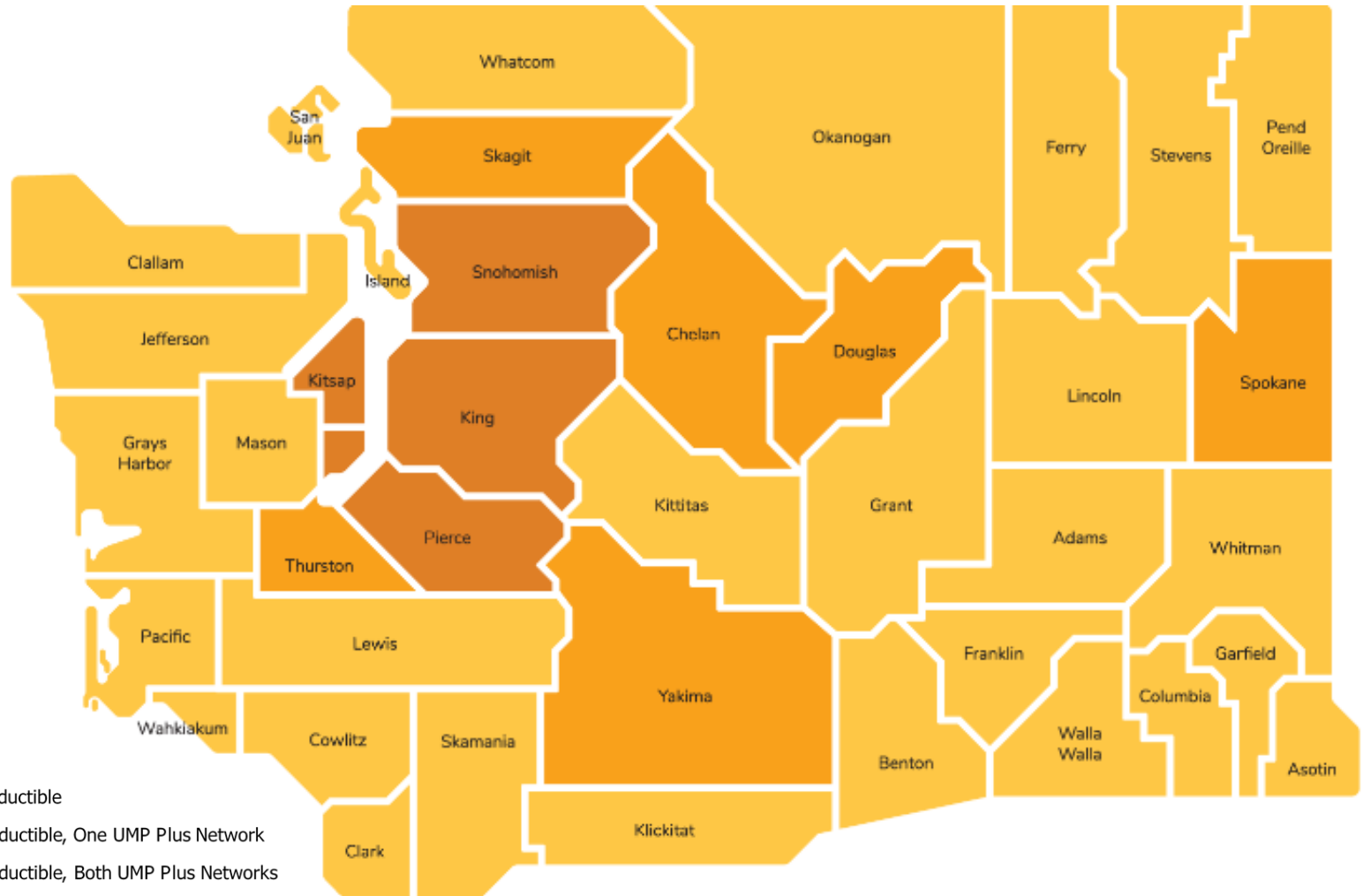
- **UMP High Deductible IRS Change:**  
Health Savings Account (HSA) annual maximum contribution increasing to \$3,650 for subscriber only and \$7,300 for all other tiers
- **UMP Plus – Puget Sound High Value Network:**  
No longer in Thurston County



# 2022 UMP Plus Network Coverage



# UMP Plan Coverage



# KPNW 2022 Proposed Benefit Changes

## **Naturopathy Benefits:**

- Currently a specialty care benefit with a provider referral required, changing to self-referred only
- Primary Care Copay, varies by plan
- No visit limit and no dollar max per plan year

# KPNW 2022 Proposed Benefit Changes (*cont.*)

## Acupuncture Benefits:

- Adding self-referrals
  - Physician-referred: Unlimited visits; Specialty care copay, varies by plan;
  - Self-referred: 20 visits per year; Specialty care copay, varies by plan

# KPNW 2022 Proposed Benefit Changes (*cont.*)

## Massage Benefits:

- Self-referrals allowed
- \$25 copay; 20 visits allowed per year
- No dollar limit maximum (currently combined \$1,000 with naturopathy)

# KPNW 2022 Proposed Benefit Changes (*cont.*)

## Rehabilitation Services:

- Allows self-referrals
- No longer requires a prior authorization

# KPNW 2022 Proposed Benefit Changes (*cont.*)

## Dental Services for Potential Transplant Recipients:

- The member must be referred for a covered transplant evaluation and services authorized by KP's National Transplant Services team. This team approves transplant such as kidney, liver, bone marrow, etc.
- Coverage adds routine dental services necessary to ensure the member is clear of infection prior to being placed on the transplant waitlist

# KPWA 2022 Proposed Benefit Changes

For KPWA and KPWA Options, Inc., adding In-home Infusion Therapy To All Plans:

- Waives cost shares for administration of infused medication in a home setting
- Still a cost share for the associated prescription drug costs
- Out-of-network providers for home infusion will no longer be covered under the KPWA Options Access PPO plans



## KPWA 2022 Proposed Benefit Changes (cont.)

For KPWA and KPWA Options, Inc., removing cost shares for two urine drug screenings:

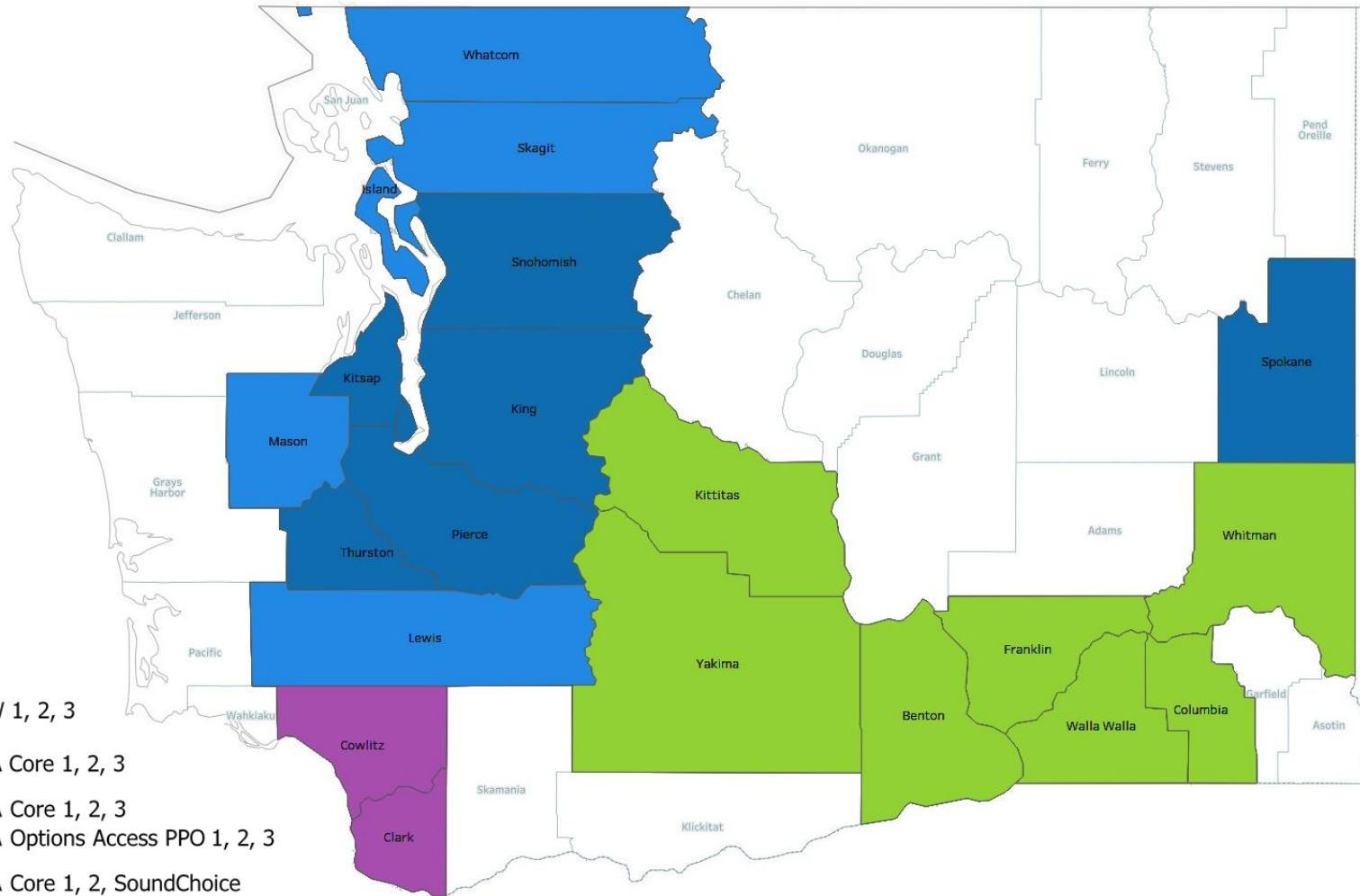
- \$0 copay per plan year
- No diagnosis code restrictions
- Includes urine drug screenings for employment
- Not subject to deductible

## KPWA 2022 Proposed Benefit Changes (*cont.*)

For KPWA Options, Inc., aligning with Premera and UMP by removing the annual out-of-network maximum out-of-pocket limit:

- Access PPO 1: \$9,000/Enrollee or \$18,000/family unit
- Access PPO 2: \$7,000/Enrollee or \$14,000/family unit
- Access PPO 3: \$5,000/Enrollee or \$10,000/family unit

# Kaiser 2022 Service Areas – No Changes



- Kaiser NW 1, 2, 3
- Kaiser WA Core 1, 2, 3
- Kaiser WA Core 1, 2, 3  
Kaiser WA Options Access PPO 1, 2, 3
- Kaiser WA Core 1, 2, SoundChoice  
Kaiser WA Options Access PPO 1, 2, 3

# KPNW & KPWA Provider Network Changes

- KPNW is adding PeaceHealth Southwest Medical Center as an in-network provider
- KPWA's contract with UW Medicine used for Core and SoundChoice plans expires May 31, 2021 (does not impact KPWA Options, Inc. plans)
- KPWA's contract with Kittitas Valley Medical Center for all plans will end on December 31, 2021

# Premera 2022 Proposed Benefit Changes

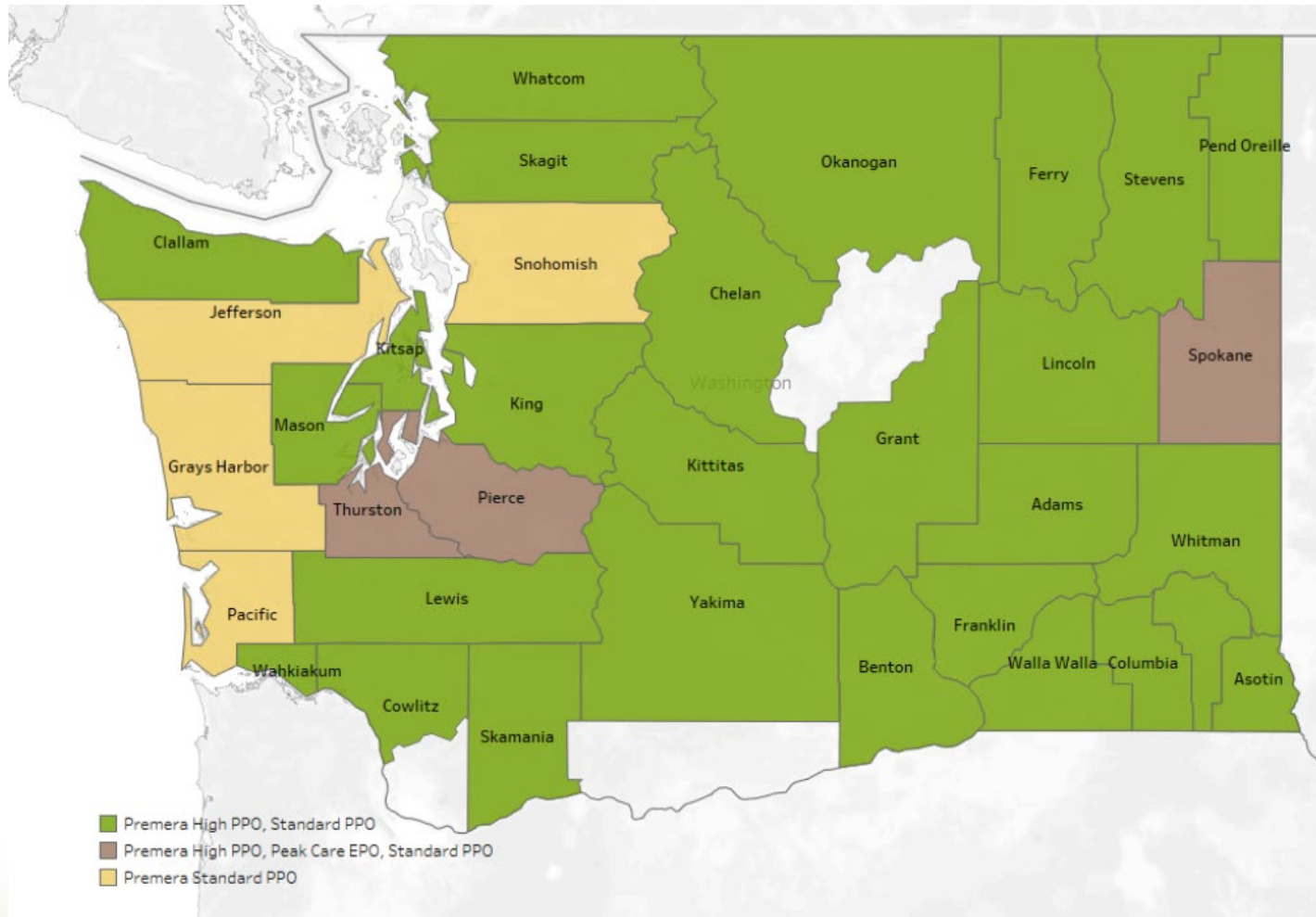
## **Adding a Quit for Life Program:**

- \$0 cost share to members
- Unlimited Phone coaching
- Quit smoking medications
- Quit tools

# Premera Service Area Expansion

- Premera proposes expanding offerings to Kittitas County
- School employees who live or work in Kittitas County would be able to enroll in either the Premera High PPO or Premera Standard PPO

# Premera Proposed 2022 Service Area



**TAB 5**





# SEBB Continuation Coverage Policy Development

Emily Duchaine, Regulatory Analyst  
Policy, Rules, and Compliance Section  
Employees and Retirees Benefits Division  
June 24, 2021

## RCW 41.05.740(6)(d)

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

(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;

# Introduction of Proposed Resolutions

SEBB 2021-16

SEBB Continuation Coverage  
Eligibility for School Employees'  
Dependents

## Dual Enrollment Work Recap

- SB 5322 (2021)
- Fall 2021 open enrollment for plan year 2022
- Newly dual eligible school employees
- Resolutions SEBB 2021-02 through 2021-09
- Guidelines and principles
  - Medical vs. non-medical

# Resolution SEBB 2021-04

## Resolving Dual Enrollment When A School Employee's Only Medical Enrollment Is In PEBB

(Adopted at the April 7, 2021 SEB Board Meeting)

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

# Proposed Resolution SEBB 2021-16

## SEBB Continuation Coverage Eligibility for School Employees' Dependents

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

# Proposed Resolution SEBB 2021-16

## Example #1

**Example:** Ashley is a teacher at Olympia High School. She is currently enrolled in SEBB dental and SEBB vision as a school employee, but she is not enrolled in SEBB medical because she waived.

Ashley's husband Greg is an employee at the Department of Ecology. Ashley is enrolled in PEBB medical as a dependent under Greg's account. They have a daughter, Maya, who is enrolled only in SEBB dental and SEBB vision.

Ashley does not take action during open enrollment to resolve her dual enrollment. As a result of Resolution SEBB 2021-04, Ashley is kept in PEBB benefits where she gets her medical and is auto-disenrolled from SEBB dental and SEBB vision. Her daughter Maya is also auto-disenrolled from SEBB dental and SEBB vision.

# Proposed Resolution SEBB 2021-16

## Example #2

**Example:** Raymond is a custodian at Roosevelt Elementary School. He dropped SEBB medical during fall OE 2020 for the 2021 plan year after he got married and went on his spouse Jennifer's PEBB medical. He is still enrolled in SEBB dental and SEBB vision.

His niece, Bella, is Raymond's extended dependent and he is her only legal guardian on court documents. Bella is enrolled on his SEBB dental and SEBB vision as his extended dependent.

Raymond does not take action during open enrollment to resolve his dual enrollment. As a result of Resolution SEBB 2021-04, Raymond is kept in PEBB benefits where he gets his medical and is auto-disenrolled from SEBB dental and SEBB vision. His niece, Bella, is also auto-disenrolled from SEBB dental and SEBB vision.

Bella cannot be brought over to PEBB dental with Raymond because Bella is not an eligible dependent under Jennifer's PEBB account.



# Federal COBRA Laws and Past Board Resolutions

- Federal COBRA qualified beneficiaries
  - Covered employee, spouse, dependent child
- Federal COBRA qualifying events
  - The death of covered employee; termination or reduction of hours; divorce or legal separation; entitlement to Medicare; dependent child ceases to be a dependent child.
- Policy Resolution SEBB 2018-58, adopted January 2019

## Next Steps

- Incorporate Board feedback in proposed policies
- Send proposed policies to stakeholders *(after today's meeting)*
- Bring recommended policy resolutions to the Board for action at the next Board Meeting

# Questions?

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

[Emily.Duchaine@hca.wa.gov](mailto:Emily.Duchaine@hca.wa.gov)

# Appendix

## Guidelines/Principles For Resolving Dual Enrollment

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

# Public Health Services Act (PHSA) COBRA Requirements

- 42 U.S. Code § 300bb–8 – Definitions

- (3) Qualified beneficiary

- (A) In general

- The term “qualified beneficiary” means, with respect to a covered employee under a group health plan, any other individual who, on the day before the qualifying event for that employee, is a beneficiary under the plan—

- (i) as the spouse of the covered employee, or
        - (ii) as the dependent child of the employee.

# Public Health Services Act (PHSA) COBRA Requirements (*cont.*)

For purposes of this subchapter, the term “qualifying event” means, with respect to any covered employee, any of the following events which, but for the continuation coverage required under this subchapter, would result in the loss of coverage of a qualified beneficiary:

- (1) The death of the covered employee.
- (2) The termination (other than by reason of such employee’s gross misconduct) or reduction of hours of the covered employee’s employment.
- (3) The divorce or legal separation of the covered employee from the employee’s spouse.
- (4) The covered employee becoming entitled to benefits under title XVIII of the Social Security Act [42 U.S.C. 1395 et seq.].
- (5) A dependent child ceasing to be a dependent child under the generally applicable requirements of the plan.

## Policy Resolution SEBB 2018-58 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.



**TAB 6**



# SmartHealth Update

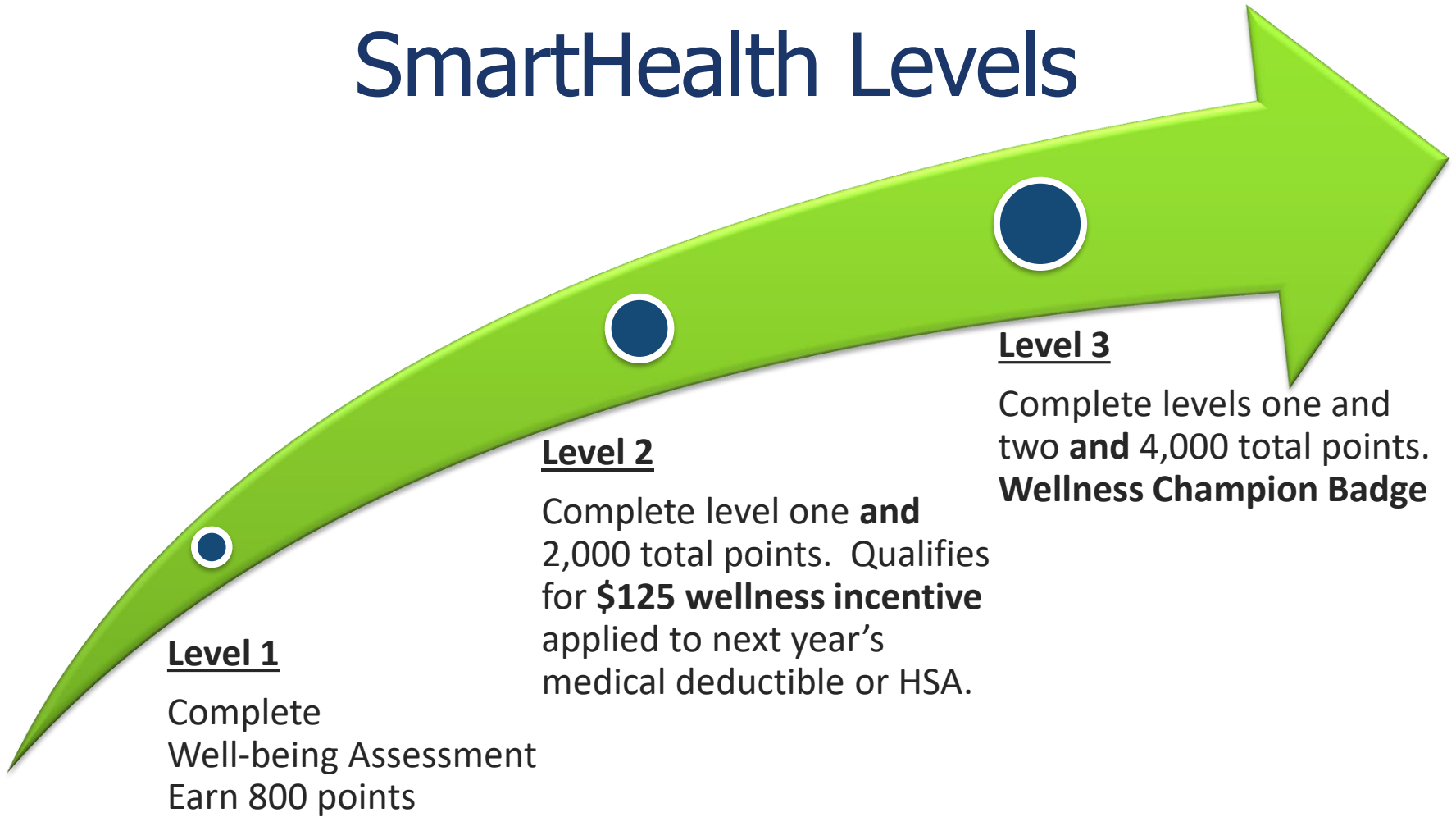
Kristen Stoimenoff  
Program Manager  
Washington Wellness  
Employees and Retirees Benefits Division  
June 24, 2021

Heidi Helsley  
Health Promotion Consultant  
Washington Wellness  
Employees and Retirees Benefits Division

# Topics

- SmartHealth Participation
  - SmartHealth levels completed and trends, 2019-2021
  - 2020 SmartHealth highlights
  - Top activities joined, 2020-2021
- Enhancing benefit awareness
- SmartHealth for SEBB resources
- Upcoming

# SmartHealth Levels

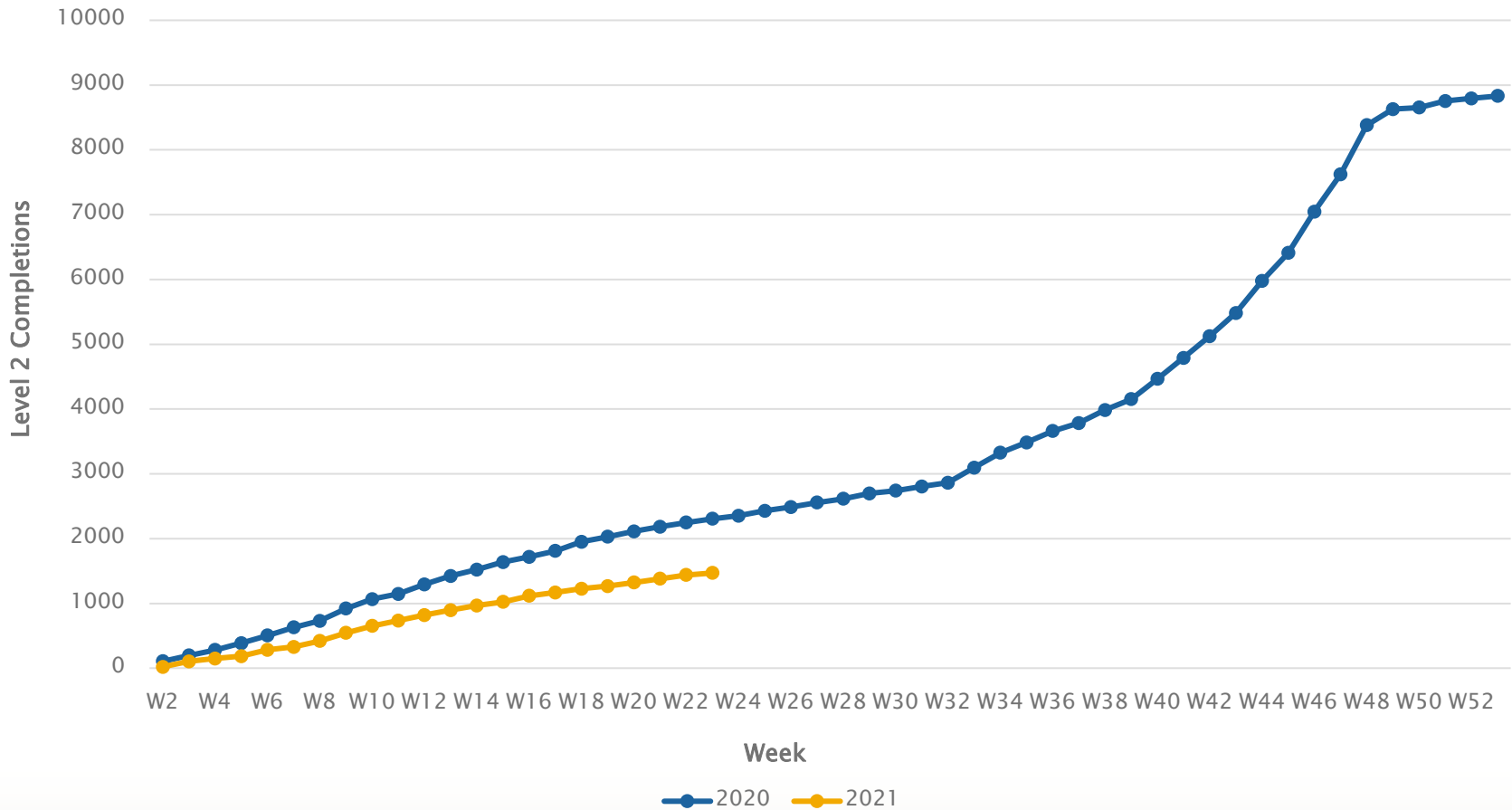


# SmartHealth Levels Completed 2019-2021

| Year  | # Registered | Level 1: WBA Completed<br>(# and % of registered) |     | Level 2: WBA + 2,000 Points<br>(# and % of registered) |     |
|-------|--------------|---|-----|--|-----|
|       |              | #   | %   | #  | %   |
| 2019  | 16,571       | 14,194  | 86% |  |     |
| 2020  | 26,244       | 21,373  | 81% | 8,833  | 34% |
| 2021* | 26,400       | 4,095   | 16% | 1,472  | 6%  |

\* As of June 3, 2021

# SEBB Program Level 2 Trends, 2020-2021




# Smart [Heart] Health

## SMARTHEALTH BY THE NUMBERS

**100,000+** **registered** PEBB and SEBB  
SmartHealth participants

**83,000+** PEBB and SEBB members  
**participated** in SmartHealth  
activities in 2020

**43,000+** PEBB and SEBB SmartHealth  
participants use the site **every month**

 PEBB and SEBB participants **love it.**  
4.4 out of 5 star rating

# Activities with the Most Participation

## 2020

| Activity name                                | # Joined |
|--|----------|
| Preventive Dental Visit – Delta Dental of WA | 15,759   |
| Kaiser Permanente WA - Primary Care Provider | 7,195    |
| Track 5,000 Daily Steps                      | 6,750    |
| Register for Kaiser Permanente WA Website    | 5,543    |
| Avoid Impulsive Shopping                     | 4,288    |
| Give It Your Best Shot                       | 3,707    |
| Are You Actually Hungry?                     | 3,636    |
| Get Connected - Sync Your Device             | 3,575    |
| Are You Holding On to Emotional Pain?        | 3,428    |
| Give a little, help a lot.                   | 3,350    |
| Do I Drink Enough Water?                     | 3,205    |
| Be Smart with Your Money                     | 3,020    |

## 2021

| Activity name                                   | # Joined |
|---|----------|
| Preventative Dental Visit - Uniform Dental Plan | 9,780    |
| Primary Care Provider - Kaiser Permanente WA    | 7,406    |
| Register for Kaiser Permanente WA Website       | 6,070    |
| Track 5,000 Daily Steps                         | 1,187    |
| Stand Up and Stretch                            | 1,183    |
| Do I Drink Enough Water?                        | 1,057    |
| Bring Your Lunch to Work                        | 965      |
| Mental Health Tips                              | 945      |
| WAEOP Walk Challenge                            | 917      |
| Savings - Why. How. Now.                        | 858      |
| What Causes You Stress?                         | 750      |
| Do One Thing That Makes You Happy               | 746      |



# Enhancing Benefit Awareness



Options for Knee, Hip, and Spine Care



Learn about the Diabetes Prevention Program



Protect Your Loved Ones' Future – MetLife



Support for your mental and emotional well-being



Learn How to Live Tobacco Free



Long Term Disability (LTD) Decision Support Tool

# Connecting Members with Their Benefits

- Related activities on one tile for easy access

**Regence**  
FEB 15 - DEC 31  
Uniform Medical SEBB  
UMP (administered by Regence members. In addition to getting by exploring the different activities:

- 2nd.MD is Here to Help!
- Download the Regence
- Get Medical Advice 24/7
- Get Support for Control
- Get Virtual Care with Do
- Heal and Dispatch Health
- Learn More About Quar
- Pregnant or Planning to
- Quit Tobacco (ends 9/30)
- Register for a Regence A
- Shop for Commercial Di

**DeltaCare Activities**  
DeltaCare offers a v members. In addition points in SmartHeal has to offer.

- [Create a MyStr](#)
- [Preventive Der](#)

**MetLife Activities**  
MetLife offers a wid members. In addition points in SmartHeal to offer.

- [Find a Vision P](#)
- [Get an Annual](#)
- [Protect Your L](#)

Jan. 4, 2021 - Dec. 31, 2021

**Premiera Activ**  
Premiera offers a wide ran members. In addition to g points in SmartHealth by to offer.

- [Learn About the Live](#)
- [Learn How to Live To](#)

**Kaiser Permanente WA Activities**  
Kaiser Permanente WA (KPWA) offers a wide range of information and resources for its members ranging from preventive care to emotional and mental health resources. In addition to getting the support you need, you can earn points in SmartHealth by exploring the different resources Kaiser has to offer. View the various resources, information, and activities offered by KPWA below.

- Register for Kaiser Permanente WA Website (ends 9/30)
- Download the Kaiser Permanente WA Mobile App
- Primary Care Provider (ends 9/30)
- Transfer Rx to Mail Order
- Digital Access to Care
- Complete Health Profile (ends 9/30)
- Cancer Screenings

CLOSE

# “SmartHealth for SEBB” Materials

**Stay *well* during summer break**


Make this a self-care summer, a time to recharge, a time to build resiliency and focus on your well-being. Use your free SEBB wellness benefits to support you.

**SmartHealth is your voluntary wellness program that supports whole person well-being.**

Participate in activities that support all of you, including managing stress, building resiliency, and adapting to change.

1. Get started or keep earning points at [smarthealth.hca.wa.gov](https://smarthealth.hca.wa.gov).
2. Complete the Well-being Assessment and earn 800 points.
3. Continue to earn points for each activity completed. Earn 2,000 points by November 30, 2021, to qualify for a **\$125 wellness incentive**.

**SmartHealth activities you might enjoy this summer**

|  |  |
|--|--|
| <p><b>Available through July 2</b></p> <p><b>Getting more and better sleep</b><br/>Consistently getting good sleep is critical to your health, productivity and relationships. Learn about lifestyle shifts you can make to get more and better sleep.</p> <p><b>Cultivate your green thumb</b><br/>Connecting with nature is a great way to reduce stress, and planting a garden is a great way to exercise your body, too.</p>  | <p><b>Available starting July 6:</b></p> <p><b>Compassion - little acts with big impact</b><br/>Compassion has some very real benefits that can even improve your stress levels and relationships.</p> <p><b>Cultivating joy in times of pain</b><br/>We often focus on our negative feelings, but learning to cultivate joy can be just as important. Learn about a simple strategy for finding joy in even the most difficult of times.</p> <p><b>Find your sweet spot of stress</b><br/>There are two sides to every coin, including stress. Good stress keeps you on your toes. Bad stress, and our response, can lead to many health problems like overeating or headaches.</p> |
|--|--|


**More free wellness benefits from your SEBB medical plan**

|  |   |
|--|---|
| <p><b>Programs to reduce the risks of type 2 diabetes.</b><br/>Learn more about your medical plan's resources on HCA's website at <a href="https://hca.wa.gov/sebb-dpp">hca.wa.gov/sebb-dpp</a>.</p> | <p><b>Programs to help you live tobacco free.</b><br/>Learn more on HCA's website at <a href="https://hca.wa.gov/tobacco-free-sebb">hca.wa.gov/tobacco-free-sebb</a>.</p> |
|--|---|

Prefer mobile? Download the Limeade mobile app and enter the code **SmartHealth**.

[smarthealth.hca.wa.gov](https://smarthealth.hca.wa.gov) SmartHealth

HCA 66-0004 (6/21)



**Be mindful about your eating**

Eating can become a mindless act, often done quickly. This can be problematic since it takes your brain up to 20 minutes to realize you're full.

By eating mindfully, you restore your attention and slow down, making eating an intentional act instead of an automatic one.

**What is mindful eating?**  
Mindful eating is practicing awareness and focus while preparing and consuming food.


It invites us to remove distractions and sit uninterrupted with our food. In doing so, we begin to slow down, savor the flavors, and notice when we are full.

**Try it!**  
Join the "Practicing Mindful Eating" activity in SmartHealth between May 10 and July 2. Bring awareness to what you're eating, why you're eating, and how you typically consume food. Mindful eating takes practice.

**What is SmartHealth?**  
SmartHealth is included in your benefits and is a voluntary wellness program that supports your whole person well-being. It helps you manage stress, build resiliency, and adapt to change. As you progress on your wellness journey, you can qualify for the SmartHealth wellness incentives.


SmartHealth

Supporting you on your journey toward living well



**Supporting whole person well-being**

SmartHealth is your voluntary wellness program that supports whole person well-being. Participate in activities that support all of you, including managing stress, building resiliency, and adapting to change.



**Earn wellness incentives!**

Take your well-being assessment and earn 2,000 total points before the deadline, to qualify for a \$125 wellness incentive.

**Here's how:**

- 1 Get started**  
Register (or sign into SmartHealth) at [smarthealth.hca.wa.gov](https://smarthealth.hca.wa.gov) and take the well-being assessment.
- 2 Keep going**  
Review your results and join activities.
- 3 Lead the way**  
Earn a total of 2,000 points by the deadline to qualify for the \$125 for the following year.

SmartHealth supports you on your journey toward living well.  
Learn more at [hca.wa.gov/sebb-smarthealth](https://hca.wa.gov/sebb-smarthealth).

HCA is committed to providing equal access to our services. If you need an accommodation, or require documents in another format, employees contact your payroll or benefits office. SEBB Continuation Coverage subscribers call 1-800-200-1004 (TDD: 711).

<https://www.hca.wa.gov/about-hca/washington-wellness/smarthealth-sebb>

## What's Next?

- Reward Yourself with SmartHealth flyer
- Giving Campaign
- Training videos for Benefit Administrators and Wellness Coordinators
- SmartHealth orientation webinar
- Continue to connect employees with state business resource groups' resources

# Testimonial

Over this past year I've experienced the highest levels of stress in my 20 years of teaching. The stress of returning to in-person learning while balancing remote learners and being isolated from my peers took a heavy toll on me.

SmartHealth helped me focus on behaviors I needed to prioritize my mental & emotional well-being, getting my finances in order and completing daily habits to improve my physical health. Many of these simple actions I wasn't doing and it took a toll on me physically & emotionally. SmartHealth not only helped me with these daily habits, but also set future health & well-being goals.

- Dana, School Employee

# Questions?

Kristen Stoimenoff, Program Manager  
Benefit Strategy and Design  
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[Kristen.Stoimenoff@hca.wa.gov](mailto:Kristen.Stoimenoff@hca.wa.gov)

Heidi Helsley, Health Promotion Consultant  
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Employees and Retirees Benefits Division  
[Heidi.Helsley@hca.wa.gov](mailto:Heidi.Helsley@hca.wa.gov)

**TAB 7**



# SEBB Program Financial Overview

Tanya Deuel  
ERB Finance Manager  
Financial Services Division  
June 24, 2021



# SEBB Program Projection Model Overview

- Excel-based tool used to estimate future balances of all SEBB-related funds
- Incorporates assumptions on benefits' cost trends, rates, enrollment, surplus/deficit position, reserves, outstanding claims (IBNP\*), etc.
- Updated each quarter of the two-year budget cycle (Versions 1.0 – 8.0) based on historical experience
- Used for all program financing including budgeting, procurement, collective bargaining, and to establish the funding rate (accounting and financial reporting done separately)

\*Incurred but not paid

# SEBB Program Finance Terms

**Employer medical contribution (EMC)** - The amount of money SEBB Organizations pay towards medical benefits for all SEBB Program eligible employees, as agreed upon through collective bargaining; equal to 85% of the bid rate for Uniform Medical Plan Achieve 2

**Incurred but not paid (IBNP)** - An estimate of the amount of unpaid claim dollars for past claims that have not yet been paid by the insurer

**Medical ratio** - The ratio of adult units to employees, i.e., a numerical way to account for dependent coverage (tier mix) in the funding rate

**Net funding rate** - The projected cost of benefits exclusive of adjustments for any surplus/deficit position

**Premium stabilization reserves (PSR)** - Legislatively mandated funding reserve for self-insured medical and dental plans

# Program Start-up

## 2019

- Final bid rates reduced EMC from \$578 to \$555
- Updated enrollment assumptions
- Updated UMP claims projections
- **Reduced deficit by \$35 in funding rate (per subscriber per month, PSPM)**

Legislative Session

- Initial funding rate based on PEBB Program net funding rate, not SEBB-specific projections
- Approved final funding rate did not account for PSR build-up, loan repayment, or start-up costs
- **Resulted in initial deficit projection – FY20 funded at \$994, modeling produced \$1,096**

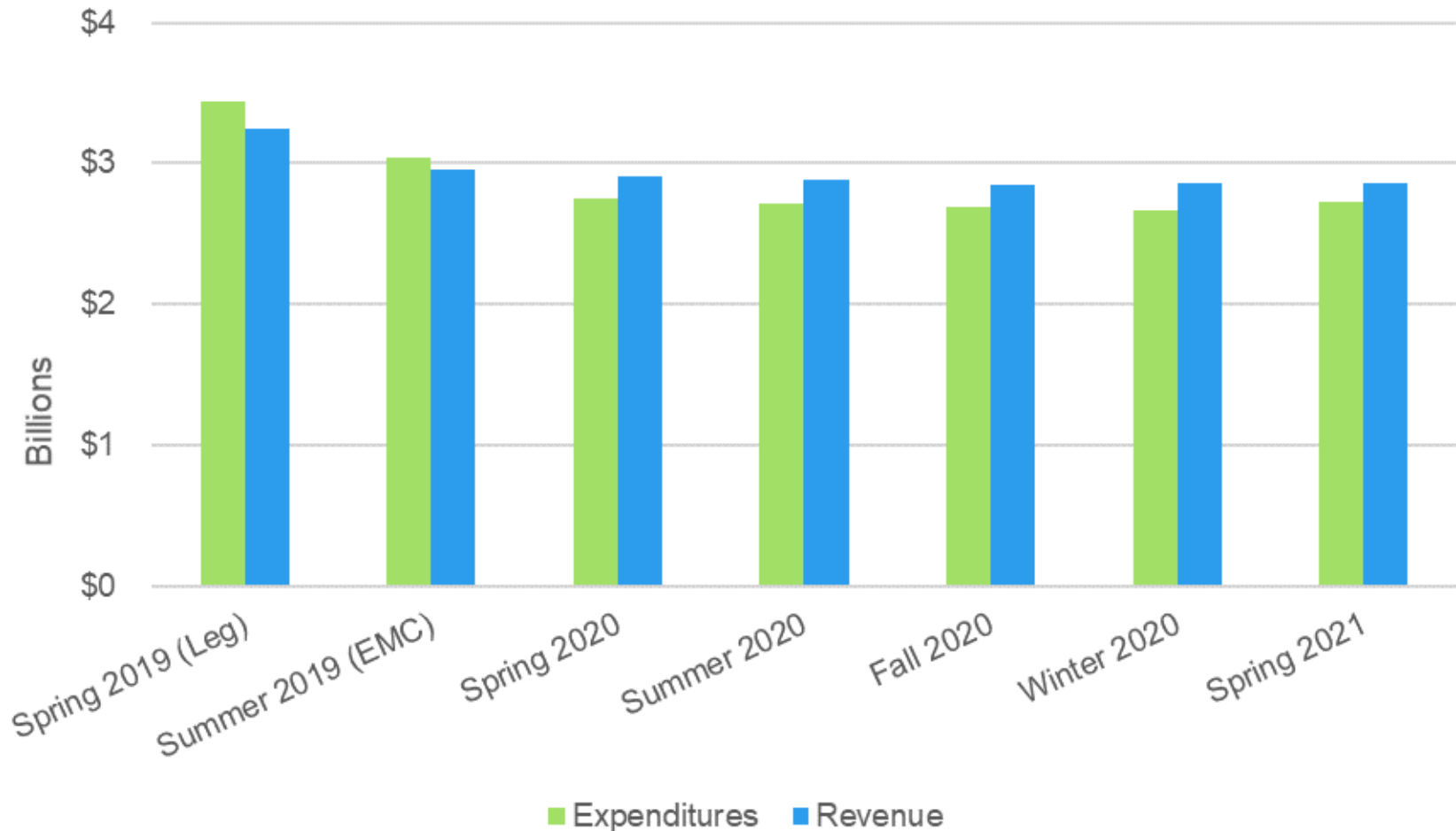
Procurement

## 2020

Legislative Session

- In the Spring 2020 Supplemental Update, districts funded a one-time blended rate to account for transition from fiscal year (FY) to school year (SY)
  - \$994 January – June
  - \$1,056 July - August
- **SY2020 – 2021 funding rate set at \$1,000 based on initial experience**
  - **Higher waivers, fewer dependents, and greater enrollment in self-insured plans than anticipated**

# Historical Funding Position



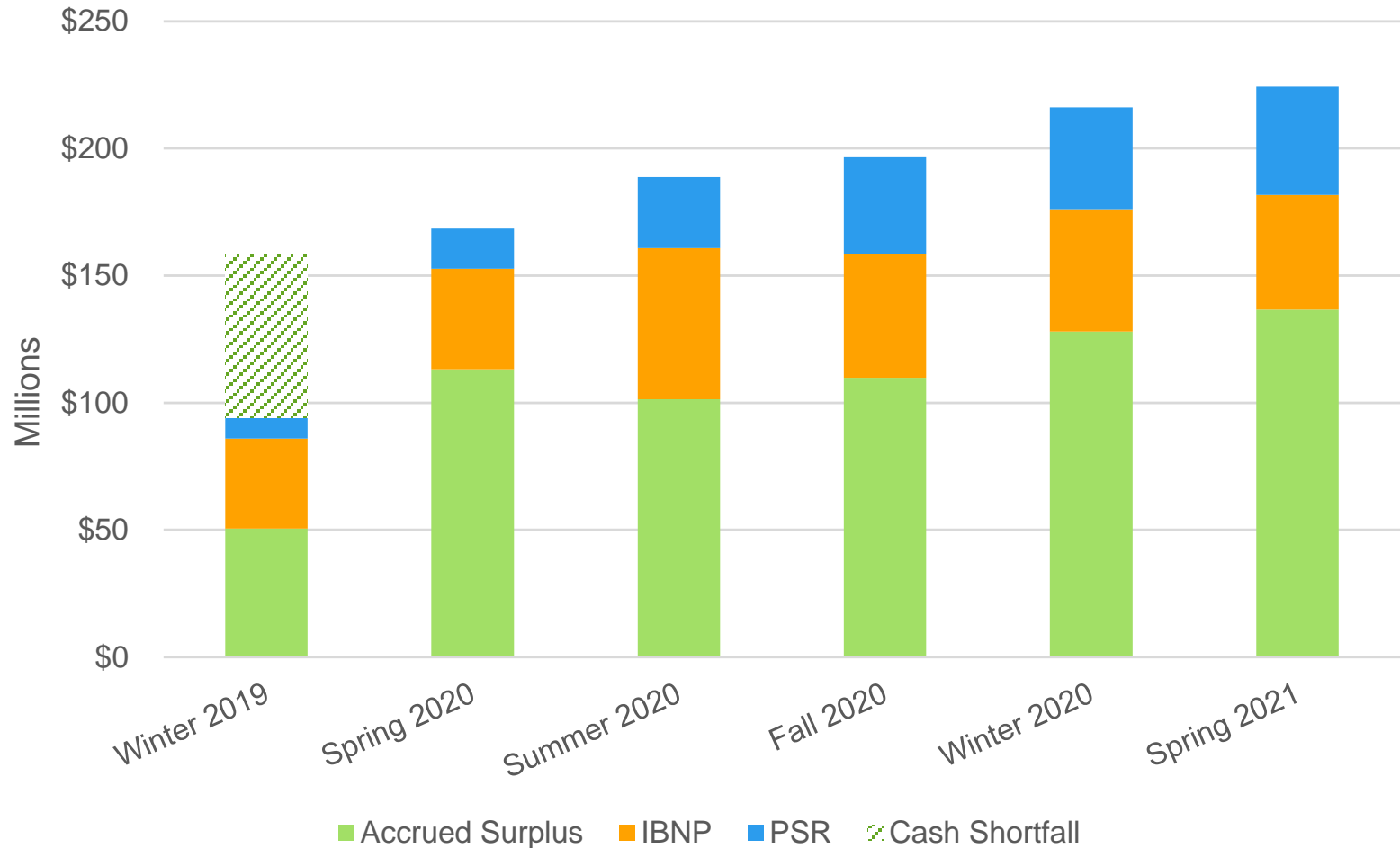
# Initial Experience

- Both projections and actual experience have been volatile
  - New program with new population
  - COVID-19
- Expect volatility to continue until stable baseline experience

# Reserves

- Reserves are restricted funds that ensure financial solvency for an insurer, and can be used to offset temporary cash flow shortages (less than 5 days)
- The SEBB Program is legislatively mandated to maintain reserves for its self-insured benefits
  - The premium stabilization reserves hold 7% of the prior 12 months claims costs for self-insured medical and 4% for self-insured dental
  - The incurred but not paid (IBNP) reserve holds expected future claims payments for past periods
- Surplus amounts are created when revenue exceeds expenditures and may be used in future periods to offset program costs

# Status of SEBB Program Reserves



# Current Financial Position

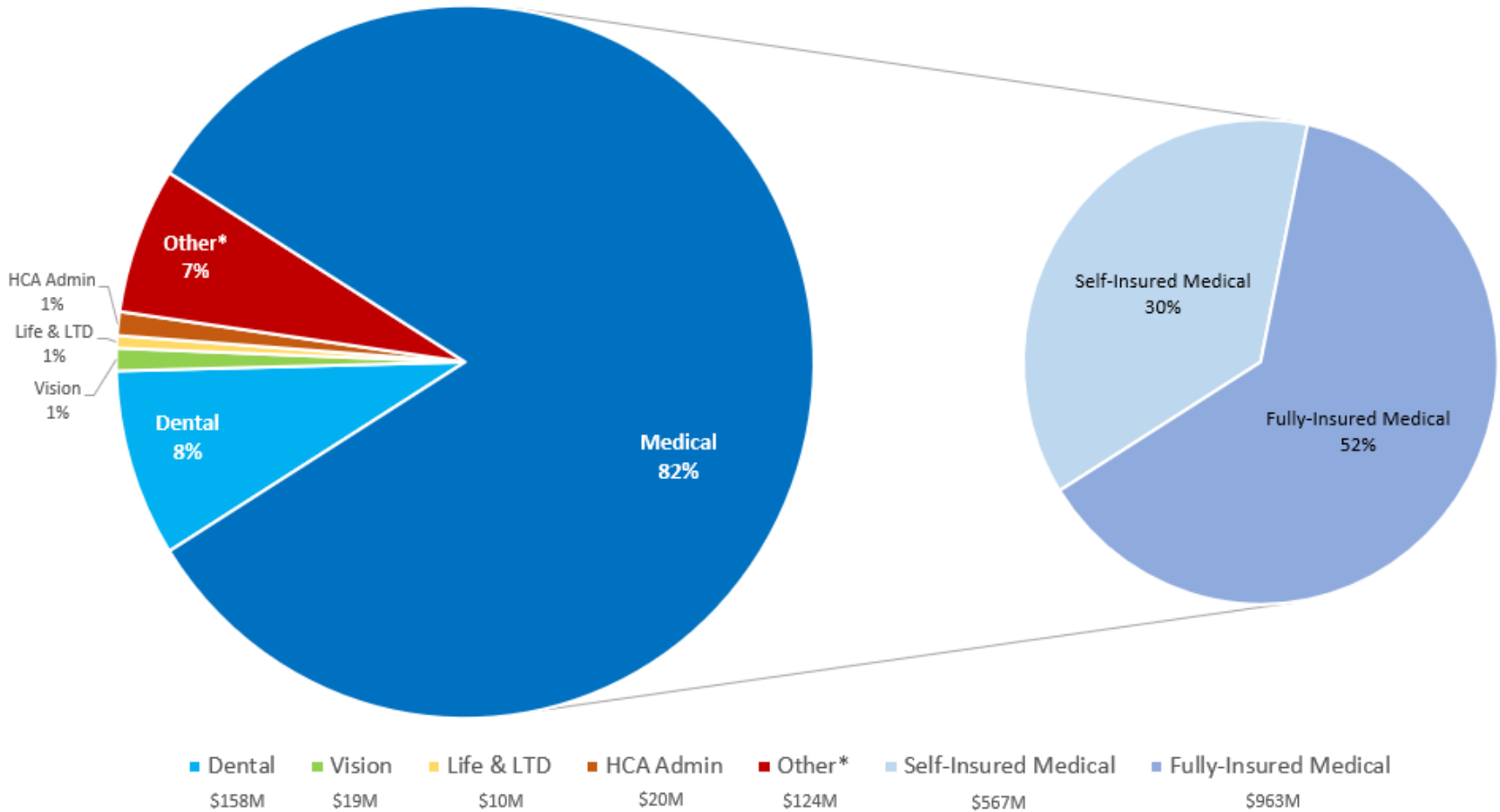
|   | FY20                 | FY21                   | Biennial Total         |
|---|----------------------|------------------------|------------------------|
| <b>REVENUE</b>                                      |                      |                        |                        |
| K-12 Revenue  | \$879,414,570        | \$1,746,094,045        | \$2,625,508,614        |
| K-12 Employee Contribution                          | 70,913,612           | 149,125,795            | 220,039,407            |
| Surcharge Revenue                                   | 2,224,700            | 3,607,225              | 5,831,925              |
| Other Self Pay Premiums (COBRA, LWOP)               | 2,760,367            | 7,429,430              | 10,189,798             |
| Investment Income                                   | 376,885              | 3,000,000              | 3,376,885              |
| <b>TOTAL REVENUE</b>                                | <b>\$955,690,134</b> | <b>\$1,909,256,495</b> | <b>\$2,864,946,629</b> |
| <b>EXPENDITURES</b>                                 |                      |                        |                        |
| Fully-Insured Medical Premiums                      | \$483,775,087        | \$962,954,450          | \$1,446,729,537        |
| Self-Insured Medical Claims, HSA Contribution & TPA | 227,952,285          | 567,369,332            | 795,321,617            |
| Fully-Insured Dental Premiums                       | 18,447,728           | 33,417,805             | 51,865,532             |
| Self-Insured Dental Claims & TPA                    | 42,017,148           | 124,902,880            | 166,920,029            |
| Vision Premiums                                     | 9,610,158            | 19,033,974             | 28,644,131             |
| Basic Life  | 2,915,169            | 6,842,094              | 9,757,263              |
| Basic LTD Premiums                                  | 1,854,951            | 3,633,057              | 5,488,008              |
| Other Expenditures                                  |                      |                        |                        |
| K-12 Remittance                                     | 54,930,103           | 120,041,032            | 174,971,135            |
| HCA Agency Administration (excluding TPA)           | 17,974,169           | 20,060,000             | 38,034,169             |
| Misc*   | 2,699,910            | 3,565,005              | 6,264,915              |
| <b>TOTAL EXPENDITURES</b>                           | <b>\$862,176,708</b> | <b>\$1,861,819,628</b> | <b>\$2,723,996,336</b> |
| <b>SURPLUS (DEFICIT) POSITION</b>                   |                      |                        |                        |
| Beginning SEBB Fund Balance                         |                      |                        | \$10,406,484           |
| Other Financial Activity                            |                      |                        | (14,808,289)           |
| Premium Stabilization Reserve Adjustments           |                      |                        | 42,608,370             |
| Excess/(Deficit) of Revenues over Expenditures      |                      |                        | 140,950,292            |
| <b>Ending Fiscal Year Fund Balance</b>              |                      |                        | <b>\$179,156,857</b>   |
| Target Premium Stabilization Reserve                |                      |                        | (42,608,370)           |
| <b>Ending Surplus (Deficit)</b>                     |                      |                        | <b>\$136,548,487</b>   |

Notes (1) This exhibit reflects reported expenses and claims experience through March 31, 2021.

\* Misc examples include fees, open enrollment and litigation



# Spending Breakdown FY21



\*Other is primarily K-12 Remittance

# Loan and Repayment Status

- The SEBB Program received two separate General Fund-State loans for a total of \$38.7M (plus interest)
  - The Legislature adopted a three-year repayment schedule, with final payment due FY2022
    - First payment of ~\$7.9M has been paid
    - Second payment of ~\$16M scheduled to be paid by June 30, 2021 (this biennium)
    - Third and final payment of ~\$16M will be made by June 30, 2022

# Questions?

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Financial Services Division  
[tanya.deuel@hca.wa.gov](mailto:tanya.deuel@hca.wa.gov)