

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

August 6, 2015  
Health Care Authority, Sue Crystal Rooms A & B  
Olympia, Washington  
1:30 p.m. – 2:15 p.m.

**Members Present:**

Dorothy Teeter  
Greg Devereux  
Yvonne Tate  
Harry Bossi  
Myra Johnson

**Members on the Phone:**

Gwen Rench  
Marilyn Guthrie  
Tim Barclay

**Members Absent:**

Mary Lindquist

**PEB Board Counsel**

Katy Hatfield

**Call to Order**

Dorothy Teeter, Chair, called the meeting to order at 1:30 p.m. Sufficient members were present to allow a quorum.

Board and audience self-introductions followed.

**Approval of June 24, 2015 PEBB Meeting Minutes**

**Dorothy Teeter:** Are there comments or corrections from the Board?

**Greg Devereux** would like clarification on page 2, bullet 3 which reads “All covered benefits will be the same as in UMP Classic. The benefit design is different, but the benefits are the same.”

**Lou McDermott:** We will clarify, update the minutes, and bring to the Board for approval at our next PEB Board meeting.

### **Response to Rate Question**

**Dorothy Teeter:** At our July 22, 2015 meeting, **Gwen Rench** had a question about rates. Gwen Grams is here to provide clarification.

**Gwen Grams:** Gwen Rench asked a question about why there was such a differential increase in the rates for Medicare retirees between what happened with UMP and Group Health and Kaiser. At that time, we answered that the experience in the UMP pharmacy was a major driver in the UMP rate increases. We also mentioned that we had different assumptions from UMP to Kaiser and Group Health about how many consumers would be using the new Hepatitis C drugs, which are very expensive.

Those reasons are still valid, but there is one more reason for that differential. It is just the nature of the plans. For UMP, Medicare is the primary coverage so all those claims are paid on fee for service. Group Health and Kaiser are called Advantage Plans. That means that consumers drop their Medicare coverage and they become the primary coverage for services. It also means that Medicare is providing those plans with some incentives to control the costs; and the plans are better, more enabled, to control the costs because they are in charge of the way the bills come in. Under UMP, it is primarily a fee for service when someone approaches their physician or their care giver and the services are provided under Medicare.

**Greg Devereux:** Did you say the first issue was in part drug, like the Hepatitis C drug?

**Gwen Grams:** Yes I did.

**Greg Devereux:** I can see where they would be expensive but I wouldn't think the incidence of usage would be that great among this population. Thus it would spread it across the population and not be that expensive.

**Gwen Grams:** I understand that the older population is actually more likely to be higher users of the Hepatitis C drugs.

**Lou McDermott:** A lot of the population who's been affected by Hepatitis C was before the blood supply was being screened. They received transfusions when they were younger. Hepatitis C is a very slow moving disease and it takes a long time for it to take effect, so this actually is the population that is affected. They are starting to have issues with Hepatitis C with liver fibrosis, etc. It is the older population who are mostly affected. The other population who is affected is the very young IV drug users.

**Greg Devereux:** I would be curious what the incidence is among the older population.

**Lou McDermott:** I believe that nationwide it is an average of three percent of the overall population that is infected with Hepatitis C. I don't know specifically for that age group, but we will research and provide that information to the Board.

## **2016 PEBB Procurement Resolutions 1-7**

**Dorothy Teeter:** Today we will vote on the 2016 PEBB Procurement Resolutions 1–7. We shared all seven of these with the Board at our July 22 meeting. We will vote on each one individually.

### **Procurement Resolution 1**

Resolved, that the Uniform Medical Plan Consumer Directed Health Plan (CDHP) will administer an embedded per person maximum out-of-pocket (MOOP) limit of \$6,850 per year in family CDHP plans.

Moved. Seconded. Approved.  
Voting to Approve: 6  
Voting No: 0

### **Procurement Resolution 2**

Resolved, that Group Health will offer a new PEBB health plan called SoundChoice starting in Plan Year 2016.

Moved. Seconded. Approved.  
Voting to Approve: 6  
Voting No: 0

### **Procurement Resolution 3**

Resolved, that the PEBB Program will offer a new Uniform Medical Plan accountable care program (ACP) health plan starting in Plan Year 2016.

Moved. Seconded. Approved.  
Voting to Approve: 6  
Voting No: 0

### **Procurement Resolution 4**

Resolved, that the PEB Board endorses the Group Health Employee Premiums.

Moved. Seconded. Approved.  
Voting to Approve: 6  
Voting No: 0

### **Procurement Resolution 5**

Resolved, that the PEB Board endorses the Kaiser Employee Premiums.

Moved. Seconded. Approved.

Voting to Approve: 4

Yvonne Tate

Marilyn Guthrie

Tim Barclay

Dorothy Teeter

Voting No: 2

Greg Devereux

Gwen Rench

### **Procurement Resolution 6**

Resolved, that the PEB Board endorses the Uniform Medical Plan Employee Premiums.

Moved. Seconded. Approved.

Voting to Approve: 6

Voting No: 0

### **Procurement Resolution 7**

Resolved, that the PEB Board endorses the maximum \$150 employer Medicare Contribution, not to exceed 50% of plan premium, set forth in the legislative budget appropriation.

Moved. Seconded. Approved.

Voting to Approve: 6

Voting No: 0

**Dorothy Teeter:** A technical question was asked as to why there was only one "B" when spelling PEB on procurement resolutions 4, 5, 6, and 7.

**Lou McDermott:** The word Board is the second "B." It is spelled out - PEB Board = Public Employees Benefits Board.

**Lou McDermott:** The meeting dates for 2016 are: January 7, March 16, April 13, May 24, June 22, July 13, July 20, and July 27. There is the possibility of a meeting being canceled, if appropriate within the schedule, depending upon the legislature or how far along we are on certain issues, but that's the proposed schedule for 2016.

**Dorothy Teeter:** I'd like to say thank you to the Board Members for staying with us and really asking good questions throughout this whole set of meetings. We will offer a couple of new options for our PEBB members next year. I appreciate that due diligence on your part to help us get there. I'd also like to acknowledge the staff of our PEBB Program, and thanks to everyone who comes to these meetings and helps participate in making good policy.

Our next meeting is the Retreat on January 7.

Meeting adjourned at 1:54 p.m.