

Public Employees Benefits Board Meeting

July 22, 2015

Public Employees Benefits Board Meeting

July 22, 2015

1:30 p.m. – 4:00 p.m.

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

Table of Contents

Meeting Agenda	1-1
Member List.....	1-2
Meeting Schedule 2015	1-3
Board By-Laws	2-1
Annual Rule Making	3-1
UMP Purchasing for Value	4-1
2016 PEBB Program Procurement Summary.....	5-1
Rates Overview	6-1
SmartHealth Participation Update	7-1
2016 PEBB Procurement Resolutions 1 – 7	8-1
2016 PEB Board Meeting Schedule	9-1

TAB 1

AGENDA

Public Employees Benefits Board

July 22, 2015

1:30 p.m. – 4:00 p.m.

Health Care Authority
Cherry Street Plaza
Sue Crystal Rooms A & B
626 8th Avenue SE
Olympia, WA 98501

Conference Call Dial In: 1-888-450-5996, Participant Passcode: 546026

1:30 p.m.*	Welcome and Introductions		Dorothy Teeter	
1:40 p.m.	<ul style="list-style-type: none"> • Meeting Overview • Legislative Update 		Lou McDermott	Information
1:50 p.m.	Annual Rule Making <ul style="list-style-type: none"> • Briefing • Policy Votes 	TAB 3	Rob Parkman	Information Action
2:05 p.m.	UMP Purchasing for Value <ul style="list-style-type: none"> • Plan Design • Clinical Quality 	TAB 4	Lou McDermott Charissa Fotinos	Information
2:25 p.m.	2016 PEBB Program Procurement Summary <ul style="list-style-type: none"> • UMP Classic and CDHP • Group Health • Kaiser • Dental, Life, LTD 	TAB 5	Kim Wallace	Information
3:00 p.m.	Rates Overview	TAB 6	Gwen Grams	Information
3:20 p.m.	SmartHealth Participation Update	TAB 7	Scott Pritchard	Information
3:30 p.m.	2016 PEBB Procurement Resolutions 1 – 6	TAB 8	Lou McDermott	Information
3:45 p.m.	2016 PEB Board Meeting Schedule	TAB 9	Lou McDermott	Information
3:50 p.m.	Public Comment			
4:00 p.m.	Adjourn			

*All Times Approximate

The Public Employees Benefits Board will meet Wednesday, July 22, 2015, at the Health Care Authority, Sue Crystal Rooms A & B, 626 8th Avenue SE, Olympia, WA. 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.

Direct email to: board@hca.wa.gov

Materials posted at: <http://www.pebb.hca.wa.gov/board/> no later than COB 7/20/15.

PEB Board Members

Name	Representing
Dorothy Teeter, Director Health Care Authority 626 8 th Ave SE PO Box 42713 Olympia WA 98504-2713 V 360-725-1523 dorothy.teeter@hca.wa.gov	Chair
Greg Devereux, Executive Director Washington Federation of State Employees 1212 Jefferson Street, Suite 300 Olympia WA 98501 V 360-352-7603 greg@wfse.org	State Employees
Myra Johnson* 6234 South Wapato Lake Drive Tacoma, WA 98408 V 253-473-0789 mjohnson@washingtonea.org	K-12 Employees
Gwen Rench 3420 E Huron Seattle WA 98122 V 206-324-2786 gwenrench@covad.net	State Retirees
Mary Lindquist 4212 Eastern AVE N Seattle WA 98103-7631 C 425-591-5698 marylindquist@comcast.net	K-12 Retirees

PEB Board Members

Name

Representing

Tim Barclay
7634 NE 170th ST
Kenmore WA 98028
V 206-819-5588
timbarclay51@gmail.com

Benefits Management/Cost Containment

Yvonne Tate
1407 169th PL NE
Bellevue WA 98008
V 425-417-4416
ytate@comcast.net

Benefits Management/Cost Containment

Marilyn Guthrie
1640 W Beaver Lake DR SE
Sammamish WA 98075
V 206-715-2760
maguthrie52@gmail.com

Benefits Management/Cost Containment

Harry Bossi*
160 E Soderberg RD J-27
Allyn WA 98524
V 360-689-9275
udubfan93@yahoo.com

Benefits Management/Cost Containment

Legal Counsel

Katy Hatfield, Assistant Attorney General
7141 Cleanwater Dr SW
PO Box 40124
Olympia WA 98504-0124
V 360-586-6561
KatyK1@atg.wa.gov

*non-voting members

7/15/15



Washington State Health Care Authority
Public Employees Benefits Board

P.O. Box 42713 • Olympia, Washington 98504-2713
360-725-0856 • TTY 711 • FAX 360-586-9551 • www.pebb.hca.wa.gov

2015 Public Employees Benefits Board Meeting Schedule

The PEB Board meetings will be held at the Health Care Authority, Sue Crystal Center, Rooms A & B, 626 8th Avenue SE, Olympia, WA 98501. The meetings begin at 1:30 p.m., unless otherwise noted below.

January 29, 2015 (Board Retreat) 9:00 a.m. – 3:00 p.m.

March 31, 2015 (10:00 a.m. – 12:00 p.m.)

April 15, 2015

May 27, 2015

June 24, 2015

July 8, 2015

July 15, 2015

July 22, 2015

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

Updated 7/15/14

TAB 2

PEB BOARD BY-LAWS

ARTICLE I

The Board and its Members

1. **Board Function**—The Public Employee Benefits Board (hereinafter “the PEBB” or “Board”) is created pursuant to RCW 41.05.055 within the Health Care Authority; the PEBB’s function is to design and approve insurance benefit plans for State employees and school district employees.
2. **Staff**—Health Care Authority staff shall serve as staff to the Board.
3. **Appointment**—The Members of the Board shall be appointed by the Governor in accordance with RCW 41.05.055. Board members shall serve two-year terms. A Member whose term has expired but whose successor has not been appointed by the Governor may continue to serve until replaced.
4. **Non-Voting Members**—Until there are no less than twelve thousand school district employee subscribers enrolled with the authority for health care coverage, there shall be two non-voting Members of the Board. One non-voting Member shall be the Member who is appointed to represent an association of school employees. The second non-voting Member shall be designated by the Chair from the four Members appointed because of experience in health benefit management and cost containment.
5. **Privileges of Non-Voting Members**—Non-voting Members shall enjoy all the privileges of Board membership, except voting, including the right to sit with the Board, participate in discussions, and make and second motions.
6. **Board Compensation**—Members of the Board shall be compensated in accordance with RCW [43.03.250](#) and shall be reimbursed for their travel expenses while on official business in accordance with RCW [43.03.050](#) and [43.03.060](#).

ARTICLE II

Board Officers and Duties

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

ARTICLE III
Board Committees

(RESERVED)

ARTICLE IV
Board Meetings

1. Application of Open Public Meetings Act—Meetings of the Board shall be at the call of the Chair and shall be held at such time, place, and manner to efficiently carry out the Board's duties. All Board meetings, except executive sessions *as permitted by law*, shall be conducted in accordance with the Open Public Meetings Act, Chapter 42.30 RCW.
2. Regular and Special Board Meetings—The Chair shall propose an annual schedule of regular Board meetings 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 10 days 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. Minutes summarizing the significant action of the Board shall be taken by a member of the HCA staff during the Board meeting, and an audio recording (or other generally-accepted) electronic recording shall also be made. The audio recording shall be reduced to a verbatim transcript within 30 days of the meeting and shall be made available to the public. The audio tapes shall be retained for six (6) months. After six (6) months, the written record shall become the permanent record. Summary minutes shall be provided to the Board for review and adoption at the next board meeting.
6. Attendance—Board members shall inform the Chair with as much notice as possible if unable to attend a scheduled Board meeting. Board staff preparing the minutes shall record the attendance of Board Members at the meeting for the minutes.

ARTICLE V
Meeting Procedures

1. Quorum— Five voting members of the Board shall constitute a quorum for the transaction of business. No final action may be taken in the absence of a quorum. The Chair may declare a meeting adjourned in the absence of a quorum necessary to transact business.
2. Order of Business—The order of business shall be determined by the agenda.
3. Teleconference Permitted— A Member may attend a meeting in person or, by special arrangement and advance notice to the Chair, A Member may attend a meeting by telephone conference call or video conference when in-person attendance is impracticable.
4. Public Testimony—The Board actively seeks input from the public at large, from enrollees served by the PEBB Program, and from other interested parties. Time is reserved for public testimony at each regular meeting, generally at the end of the agenda. At the direction of the Chair, public testimony at board meetings may also occur in conjunction with a public hearing or during the board's consideration of a specific agenda item. The Chair has authority to limit the time for public testimony, including the time allotted to each speaker, depending on the time available and the number of persons wishing to speak.
5. Motions and Resolutions—All actions of the Board shall be expressed by motion or resolution. No motion or resolution shall have effect unless passed by the affirmative votes of a majority of the 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 Member of the Board 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.
8. Parliamentary Procedure—All rules of order not provided for in these By-laws shall be determined in accordance with the most current edition of Robert's Rules of Order [RONR]. Board staff shall provide a copy of *Robert's Rules* at all Board meetings.
9. Civility—While engaged in Board duties, Board Members conduct shall demonstrate civility, respect and courtesy toward each other, HCA staff, and the public and shall be guided by fundamental tenets of integrity and fairness.
10. State Ethics Law—Board Members are subject to the requirements of the Ethics in Public Service Act, Chapter 42.52 RCW.

ARTICLE VI

Amendments to the By-Laws and Rules of Construction

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

TAB 3

The logo for the Washington State Health Care Authority. It features the text "Washington State Health Care Authority" in a dark blue, sans-serif font. The word "Authority" is significantly larger than the other words. A thick, dark red swoosh underline starts under the letter 'A' in "Authority" and curves over the top of the word, extending to the right.

Washington State
Health Care Authority

Annual Rule Making

Rob Parkman
Management Analyst
PEB Division Policy and Rules Section
July 22, 2015

Purpose of Briefing

- Information: Provide high-level information related to the annual rule making
- Board Action: Vote on policy resolutions presented on June 24, 2015

Scope of the Rule Making

- Administration and Benefits Management
- Provide Clarity
- Technical Corrections
- Implement PEB Board Policy Resolution

Administration and Benefits Management

- Propose amending the rule that governs the administration of the prohibition on dual enrollment.
- Propose amending the rules governing enrollment in retiree insurance. Clarify that an employee is eligible to enroll in retiree insurance when their PEBB coverage continued during an approved leave of absence ends.
- Propose amending the rule that requires a retiree to submit a form in order to defer enrollment in retiree insurance to allow the following exceptions:
 - No form required when a PEBB retiree enrolls as a dependent in PEBB, School District, or Educational Service District employer-sponsored medical plan; or
 - No form was required during the 60 day deadline for retirees to enroll or defer PEBB coverage that occurred between January 1, 2001 and December 31, 2001.

Provide Clarity

- By adding some additional definitions for terms we use in the rule like “pay-status” and “full-time appointed official”
- Adding clarifying language to better describe the evaluation process used to approve or deny employer group applications
- The first level of appeal for an employee denied enrollment in the Medical Flexible Spending Arrangement (FSA) or Dependent Care Assistance Program (DCAP) is with the employee’s agency

Technical Corrections

- Updating an Internal Revenue Code (IRC) reference
- Updates based on SB 5466 (PEBB Technical Correction Bill)

Implement PEB Board Policy

- SmartHealth
- TRICARE

Policy Resolution - SmartHealth

Resolved, effective January 1, 2016 to receive a Public Employees Benefits Board (PEBB) Wellness Incentive in the following plan year, eligible subscribers must complete PEBB Wellness Incentive Program requirements by the following deadline:

- For subscribers continuing enrollment in PEBB medical and subscribers enrolling in PEBB medical with an effective date in January, February, March, April, May, or June, the deadline is September 30
- For subscribers enrolling in PEBB medical with an effective date in July or August, the deadline is 120 days from the subscriber's PEBB medical effective date
- For subscribers enrolling in PEBB medical with an effective date in September, October, November, or December, the deadline is December 31

Policy Resolution - TRICARE

Resolved, that an employee may waive enrollment in Public Employees Benefits Board (PEBB) medical if he or she is enrolled in TRICARE.

Next Steps

- July: Publish proposed amendments and new rules in the Washington State Register
- August/September: Conduct public hearing and adopt final rules
- January: Effective date of rules

Questions?

Barbara Scott, Policy and Rules Manager
PEB Division

Barbara.Scott@HCA.WA.GOV

Tel: 360-725-0830

Rob Parkman, Management Analyst,
PEB Division

Robert.Parkman@HCA.WA.GOV

Tel: 360-725-0883

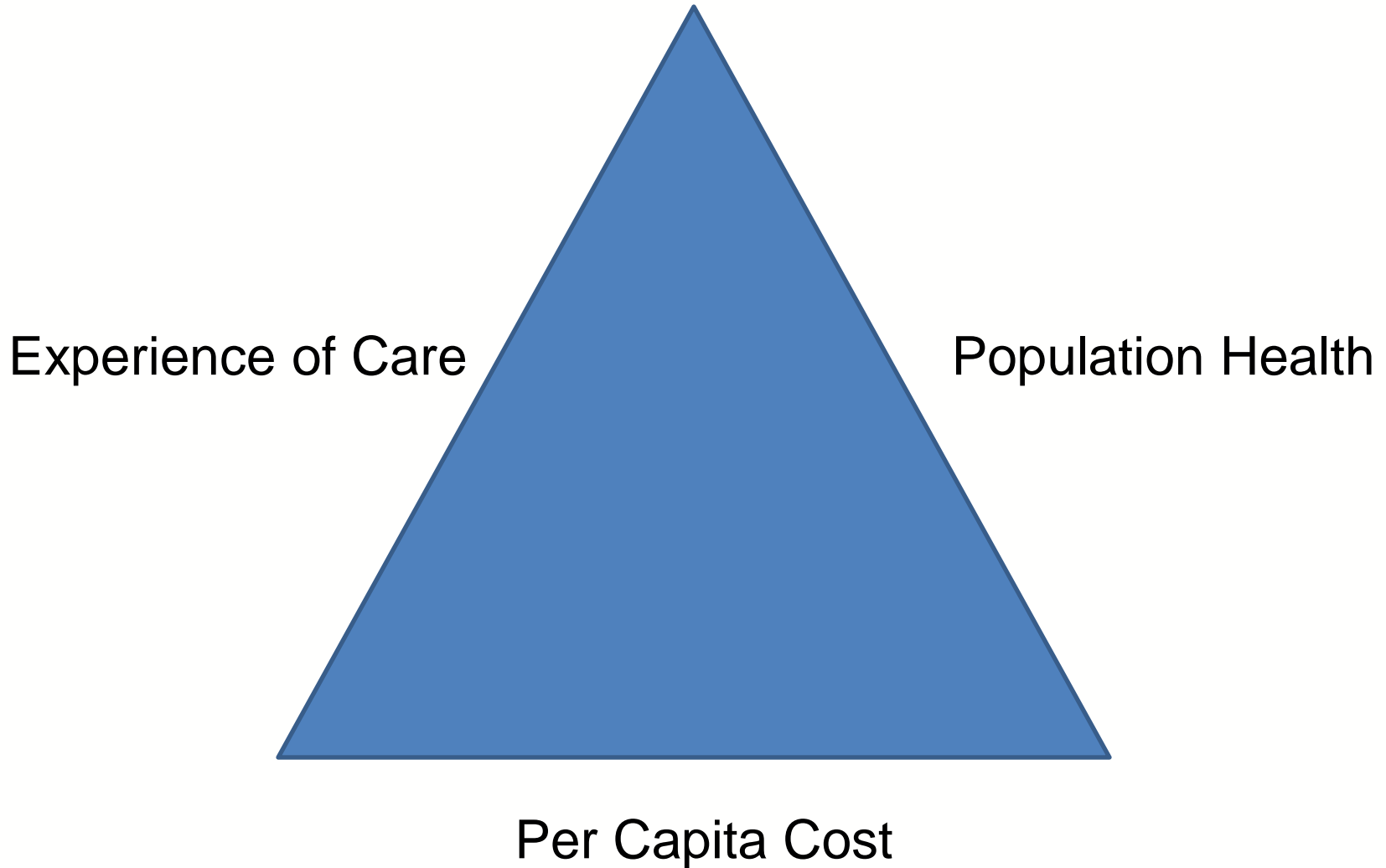
TAB 4

The logo for the Washington State Health Care Authority. It features the text "Washington State Health Care Authority" in a dark blue, sans-serif font. The word "Authority" is significantly larger than the other words. A thick, dark red swoosh underline starts under the 'A' in "Authority", arches over the top of the word, and ends under the 'y'.

2016 PEBB Purchasing for Value

Lou McDermott, Director
Public Employees Benefits Division
July 22, 2015

Triple Aim



PEBB Value Based Purchasing for 2016

- Value = appropriateness, quality, price, outcomes, utilization, patient experience
- Introducing three new Value Based Purchasing Plans
 - Two new Accountable Care Program (ACP) Plans
 - One new Group Health Plan
- Continuing to offer the Group Health & Kaiser plans

UMP Accountable Care Program Options

- King, Pierce, Snohomish, Kitsap, and Thurston
 - Available to PEBB benefits-eligible members who live in those counties
- More coordinated care – smaller, integrated networks
 - Encourage use of primary care
 - Focus on improving your overall health
 - Providers are accountable
 - Clinical quality
 - Patient experience
 - No out-of-pocket for primary care
 - Dedicated websites, call centers, and customer service

Provider Network

Puget Sound High Value Network

- Children's University Medical Group
- Edmonds Family Medicine
- EvergreenHealth
- EvergreenHealth Partners
 - EvergreenHealth Urgent Care
 - Halvorson Cancer Center
 - Evergreen Monroe
 - Lakeshore Clinic
- MultiCare Connected Care
 - Auburn Family Medicine
 - Cardiac Study Center
 - Cascade Orthopedics
 - Digestive Health Specialists
 - MultiCare Allenmore Hospital
 - MultiCare Auburn Medical Center
 - MultiCare Good Samaritan Hospital
 - Mary Bridge Children's Hospital
 - MultiCare Tacoma General Hospital
 - MultiCare Clinics
 - Pediatrics Northwest
 - Summit View Clinic
 - Woodcreek Pediatrics
- Overlake Hospital Medical Center
 - Overlake Medical Clinics
- Seattle Children's Hospital
- Valley General Hospital
- Virginia Mason Hospital and Regional Medical Centers

UW Med. Accountable Care Network

- Capital Medical Center
- Capital Physician Services
- Cascade Valley Hospital and Clinics
- Children's University Medical Group
- MultiCare Connected Care
 - MultiCare Allenmore Hospital
 - MultiCare Auburn Medical Center
 - MultiCare Good Samaritan Hospital
 - Mary Bridge Children's Hospital
 - MultiCare Tacoma General Hospital
 - MultiCare Clinics
- Overlake Hospital Medical Center
 - Overlake Medical Clinics
- Seattle Cancer Care Alliance
- Seattle Children's Hospital
- Skagit Regional Health
 - Skagit Valley Hospital
 - Skagit Regional Clinics
- UW Medicine
 - Harborview Medical Center and Clinics
 - NW Hospital & Medical Center and Clinics
 - UW Medical Center and Clinics
 - UW Neighborhood Clinics
 - UW Physicians
 - Valley Medical Center and Clinics

ACP Plan Design

	UMP ACP
Deductible (non-wellness)	\$125 indiv/\$375 family
Deductible - Rx	None
Max OOP	\$2,000 indiv/\$4,000 family
Max OOP - Rx	\$2,000 per person
Primary care visit	None/Out-of-Network 50% coinsurance
Specialty care visit	15% coinsurance/Out-of-Network 50% coinsurance
Inpatient	\$200 per day up to \$600 per year, plus 15% coinsurance on prof fees
Emergency	\$75 copay, plus 15% coinsurance
Prescription drugs	4 tiers <ul style="list-style-type: none"> • Value – 5% up to \$10 • Tier 1 – 10% up to \$25 • Tier 2 – 30% up to \$75 • Tier 3 – 50% up to \$150

Questions?

Lou McDermott, Director
Public Employees Benefits Division

louis.mcdermott@hca.wa.gov

Tel: 360-725-0891

Washington State Health Care Authority

Purchasing for Value Clinical Quality and the PEBB Accountable Care Program

Charissa Fotinos
Deputy Chief Medical Officer
July 22, 2015

Improving Quality: Coordinating and Standardizing Care

- HCA directs the Accountable Care Program (ACP) to implement and report progress on important care transformation strategies:
 - Invest in infrastructure to advance primary care medical home standards across all ACP partners
 - Adopt coverage decisions of the Health Technology Clinical Committee
 - Deploy electronic health records and participate in the WA State Health Information Exchange (when developed)
 - Provide evidence-based care coordination for high-risk ACP members

Improving Quality: Coordinating and Standardizing Care

- Develop quality improvement plans that implement Bree Collaborative recommendations:
 - Potentially avoidable readmissions
 - Obstetrics
 - Joint replacements
 - Spine surgery (fusions)
 - Cardiology
 - Low back pain
 - End of life care
 - Addiction and dependence treatment

Accountability for Outcomes

- The Accountable Care Program (ACP) will report on a broad set of 19 quality measures that are in the Washington State Core Measures Set and the following clinical domains:
 - Chronic conditions (e.g. diabetes, hypertension)
 - Behavioral health management (depression)
 - Patient experience
 - Medical screenings and immunizations (BMI measurement; childhood immunizations)
 - C-section rates

Accountability for Outcomes: The Quality Improvement Model

- The overall Quality Improvement (QI) score drives the share of gross savings or deficit payment between the HCA and ACP
- The QI score has two components:
 - Extent to which measures improve from baseline
 - Attainment of “benchmark” performance (informed by national benchmarks)
 - Credit given for improvement and for attainment of benchmark

Questions?

Charissa Fotinos, Deputy Chief Medical Officer
Chief Medical Office

charissa.fotinos@hca.wa.gov

Tel: 360-725-9822

TAB 5

The logo for the Washington State Health Care Authority. It features the text "Washington State Health Care Authority" in a dark blue, sans-serif font. The word "Authority" is significantly larger than the other words. A thick, dark red swoosh underline starts under the 'A' in "Authority", arches over the top of the word, and ends under the 'y'.

2016 Procurement Summary

Kim Wallace, MBA
PEB Procurement Manager
July 22, 2015

Topics to Cover

- **Medical Benefits Changes**
 - Uniform Medical Plan (UMP) Classic, CDHP, and ACPs
 - Group Health Classic, Value, CDHP, and SoundChoice
 - Kaiser Permanente Classic and CDHP
- **Dental Benefits**
- **Life and Long-term Disability Benefits**

Benefits Changes across all PEBB Plans UMP, Group Health, and Kaiser

Dr. Robert Bree Collaborative recommendations

- End-of-life counseling – two new codes
- Short-term Brief Intervention Referral and Treatment (SBIRT) for alcohol and substance abuse – various settings by various provider types

United States Preventive Services Task Force (USPSTF) “A” and “B” level recommendations

- Tobacco Cessation Quit Medications and Aids – all medications and nicotine replacement therapy (NRT) with Rx
- Eight new preventive services with no member cost sharing (see list on next page)

USPSTF recommendations, cont'd

- 1. Sexually transmitted infections** – provide intensive behavioral counseling for sexually active adolescents and adults at increased risk
- 2. Chlamydia and gonorrhea** – screen sexually active women 24 or younger, and older women based on risk
- 3. Hepatitis B** – screen non-pregnant adolescents and adults at high risk
- 4. Cardiovascular disease** – offer or refer adults at risk for CVD to intensive behavioral counseling
- 5. Dental caries** – primary care clinicians to prescribe fluoride at age 6 months when water supply is fluoride deficient; also provide fluoride varnish at age of primary tooth eruption
- 6. Abdominal aortic aneurysm** – one-time screening by ultrasonography in men 65-75 who have ever smoked
- 7. Gestational diabetes mellitus** – screen asymptomatic pregnant women after 24 weeks gestation
- 8. Preeclampsia** – use of low dose aspirin as preventive after 12 weeks gestation in women at high risk for preeclampsia

UMP Classic

- No benefits changes for 2016 other than the Robert Bree Collaborative and USPSTF recommendations

UMP CDHP

- Federal Department of Health and Human Services final rule published in February 2015: Individual out-of-pocket limits apply to individuals in a family – cannot exceed \$6,850/year
- UMP CDHP will embed a per-person maximum out-of-pocket (MOOP) limit of \$6,850/year in family CDHP plans
- Deductible and MOOP levels remain the same as 2015, specifically:
 - Deductible
 - \$1,400 Single Subscriber
 - \$2,800 Family
 - MOOP
 - \$4,200 Single Subscriber
 - \$8,400 Family, *with embedded per-person MOOP of \$6,850*

Group Health

- New plan offered for 2016 - SoundChoice
 - Four counties: King, Snohomish, Pierce, and Thurston (currently approx. 45,000 PEBB Group Health enrollees in these counties)
 - Same covered services and exclusions as Classic and Value plans
 - Same provider network as Classic and Value plans
 - Board member handout #1: Overview of 2016 PEBB Medical Plan Benefit Design

Group Health, cont'd

- Non-Medicare benefit changes
 - Cardiac Rehabilitation
 - Will be included under Rehabilitation benefit with combined limits of 60 inpatient days and 60 outpatient visits per year
 - CDHP
 - Will embed a per-person maximum out-of-pocket (MOOP) limit of \$5,100/year in family CDHP plans
 - Broader network – Access PPO

Kaiser Permanente

- Kaiser Classic
 - Increase in annual medical deductible from \$250 to \$300 (no Rx deductible)
 - Increase in copays for office visits
 - Primary care: from \$20 to \$25
 - Specialty care: from \$30 to \$35
 - Urgent care: from \$40 to \$45
 - Change to emergency room cost share
 - From \$75 copay to 15% coinsurance (deductible still applies)
 - New cost sharing for administered medications – 15% coinsurance after deductible; applies to medication only; separate copay based on type of visit

Kaiser Permanente

- Kaiser Classic, cont'd
 - Changes to prescription drug tiers

	2015	2016
Tier 1 – Generic	\$15 copay	\$15 copay
Tier 2 – Preferred Brands	\$30 copay	\$40 copay
Tier 3 – Non-preferred brands	No Tier 3 – member pays \$30 copay like Tier 2	\$75 copay
Tier 4 - Specialty	No Tier 4 – member pays \$30 copay like Tier 2	50% coinsurance up to \$150

Kaiser Permanente

- Kaiser CDHP
 - Will change annual maximum out-of-pocket (MOOP) limits from \$4,200 single subscriber/\$8,400 family to \$5,100 single subscriber/\$10,200 family
 - Will embed a per-person maximum out-of-pocket (MOOP) limit of \$5,100/year in family CDHP plans
 - Changes to prescription drug tiers
 - Same as Kaiser Classic (reviewed above)

PEBB Medicare Plan Benefits

- No benefits changes for 2016

Other PEBB Benefits

Dental benefits – no changes to benefits

Life Insurance – no changes to benefits

Long-term Disability – no changes to benefits

2016 Procurement Summary

Contact Information:

Kim Wallace

PEB Procurement Manager

Kim.Wallace@hca.wa.gov

360-725-1098

Overview of 2016 PEBB Medical Plan Benefit Design

	UMP Classic	UMP ACP	Group Health Classic	Group Health Value	Group Health SoundChoice	Kaiser Classic
Deductible (non-wellness)	\$250 indiv/\$750 family	\$125 indiv/\$375 family	\$250 indiv/\$750 family	\$350 indiv/\$1,050 family	\$250 indiv/\$750 family	\$300 indiv/\$900 family
Deductible - Rx	\$100 indiv/\$300 family (Ded. applies to Tiers 2&3)	None	None	None	None	None
Max OOP	\$2,000 indiv/\$4,000 family	\$2,000 indiv/\$4,000 family	\$2,000 indiv/\$4,000 family	\$2,000 indiv/\$4,000 family	\$3,000 indiv/\$6,000 family	\$2,000 indiv/\$4,000 family
Max OOP - Rx	\$2,000 per person	\$2,000 per person	Rx copays and coins apply to Max OOP above	Rx copays and coins apply to Max OOP above	Rx copays and coins apply to Max OOP above	Rx copays apply to Max OOP above
Primary care visit	15% coins	None	\$15 copay	\$20 copay	20% coins (zero for 1 st visit)	\$25 copay
Specialty care visit	15% coins	15% coins	\$30 copay	\$40 copay	20% coins	\$35 copay
Inpatient	\$200 per day up to \$600 per year, plus 15% coins on professional fees	\$200 per day up to \$600 per year, plus 15% coins on professional fees	\$150 per day, up to \$750 per admission	\$200 per day, up to \$1,000 per admission	\$200 per day, up to \$1,000 per admission	15% coins
Emergency	\$75 copay, plus 15% coins	\$75 copay, plus 15% coins	\$250 copay	\$300 copay	\$75 copay, plus 20% coins.	15% coins.
Prescription drugs	4 tiers <ul style="list-style-type: none"> Value – 5% up to \$10 Tier 1 – 10% up to \$25 Tier 2 – 30% up to \$75 Tier 3 – 50% up to \$150 	4 tiers <ul style="list-style-type: none"> Value – 5% up to \$10 Tier 1 – 10% up to \$25 Tier 2 – 30% up to \$75 Tier 3 – 50% up to \$150 	4 tiers <ul style="list-style-type: none"> Value - \$5 copay Tier 1 - \$20 copay Tier 2 - \$40 copay Tier 3 – 50% up to \$250 	4 tiers <ul style="list-style-type: none"> Value - \$5 copay Tier 1 - \$20 copay Tier 2 - \$40 copay Tier 3 – 50% up to \$250 	6 tiers <ul style="list-style-type: none"> Value - \$5 copay Tier 1 - \$15 copay Tier 2 - \$60 copay Tier 3 – 50% coins Tier 4 - \$150 copay Tier 5 – 50% coins up to \$400 	4 tiers <ul style="list-style-type: none"> Tier 1 - \$15 copay Tier 2 - \$40 copay Tier 3 - \$75 copay Tier 4 – 50% up to \$150

2016 PEBB Medical CDHP Plans Comparison of Deductibles and Maximum Out-of-Pocket Limits

	UMP CDHP	Group Health CDHP	Kaiser CDHP
Annual Deductible	\$1,400 Single Subscriber \$2,800 Family	\$1,400 Single Subscriber \$2,800 Family	\$1,400 Single Subscriber \$2,800 Family
Annual Maximum Out-of-Pocket Limit (MOOP)	\$4,200 Single Subscriber \$8,400 Family, with an embedded per-person MOOP of \$6,850	\$5,100 Single Subscriber \$10,200 Family, with an embedded per-person MOOP of \$5,100	\$5,100 Single Subscriber \$10,200 Family, with an embedded per-person MOOP of \$5,100

Overview of 2016 PEBB Medicare Plan Benefit Design

	Group Health Medicare Advantage	Group Health Classic	UMP Classic	Kaiser Senior Advantage
Deductible	\$0	\$250 indiv/\$750 family	\$250 indiv/\$750 family	\$0
Deductible - Rx	None	None	\$100 per person	None
Max OOP	\$2,500 per person	\$2,000 indiv/\$4,000 family	\$2,500 indiv/\$5,000 family	\$1,500 per person
Max OOP - Rx	None	Rx copays and coinsurance apply to Max OOP above	\$2,000 per person	None
Primary care visit	\$20 copay	\$15 copay	15% coinsurance	\$30 copay
Specialty care visit	\$20 copay	\$30 copay	15% coinsurance	\$30 copay
Inpatient	\$200 per day, up to \$1,000 per admission	\$150 per day, up to \$750 per admission	\$200 per day up to \$600 per admission, plus 15% coinsurance on professional fees	\$500 per admission
Emergency	\$65 copay	\$250 copay	\$75 copay, plus 15% coinsurance	\$50 copay
Prescription drugs	3 tiers <ul style="list-style-type: none"> • (Value tier does not apply) • Tier 1 - \$20 copay • Tier 2 - \$40 copay • Tier 3 - 50% up to \$250 	4 tiers <ul style="list-style-type: none"> • Value - \$5 copay • Tier 1 - \$20 copay • Tier 2 - \$40 copay • Tier 3 - 50% up to \$250 	4 tiers <ul style="list-style-type: none"> • Value - 5% up to \$10 • Tier 1 - 10% up to \$25 • Tier 2 - 30% up to \$75 • Tier 3 - 50% up to \$150 	2 tiers <ul style="list-style-type: none"> • (Value tier does not apply) • Tier 1 - \$40 copay • Tier 2 - \$80 copay

Premera Blue Cross Supplement Plan F – The benefit design of Supplement Plan F is fundamentally different than the plans described above. In general, this plan covers member cost sharing under Medicare Part A and Part B, i.e. the deductibles, coinsurance, and copays.

2016 AV Summary By Plan

(As of July 21st 2015)

PEB Plan Name	Actuarial Value
Group Health - SoundChoice	82.72%
Kaiser - Consumer Directed Health Plan	83.00%
Uniform Medical Plan - Classic	84.82%
Group Health - Consumer Directed Health Plan	85.34%
Uniform Medical Plan - Consumer Directed Health Plan	85.46%
Uniform Medical Plan - Accountable Care Plan	86.56%
Group Health - Value	86.74%
Kaiser - Classic	86.80%
Group Health - Classic	88.24%

In health insurance the actuarial value is the estimated percentage of a typical policyholder's medical bills that an individual plan is expected to pay. A policyholder may receive less than the actuarial value in coverage if he/she has few medical expenses (because the bills may not exceed the deductible) and may receive more than the actuarial value if he/she has numerous expenses. The actuarial value is considered a good baseline for the coverage most policyholders will receive most of the time. The Affordable Care Act of 2010 in the United States requires health insurance providers to calculate and publicize the actuarial value of each plan.

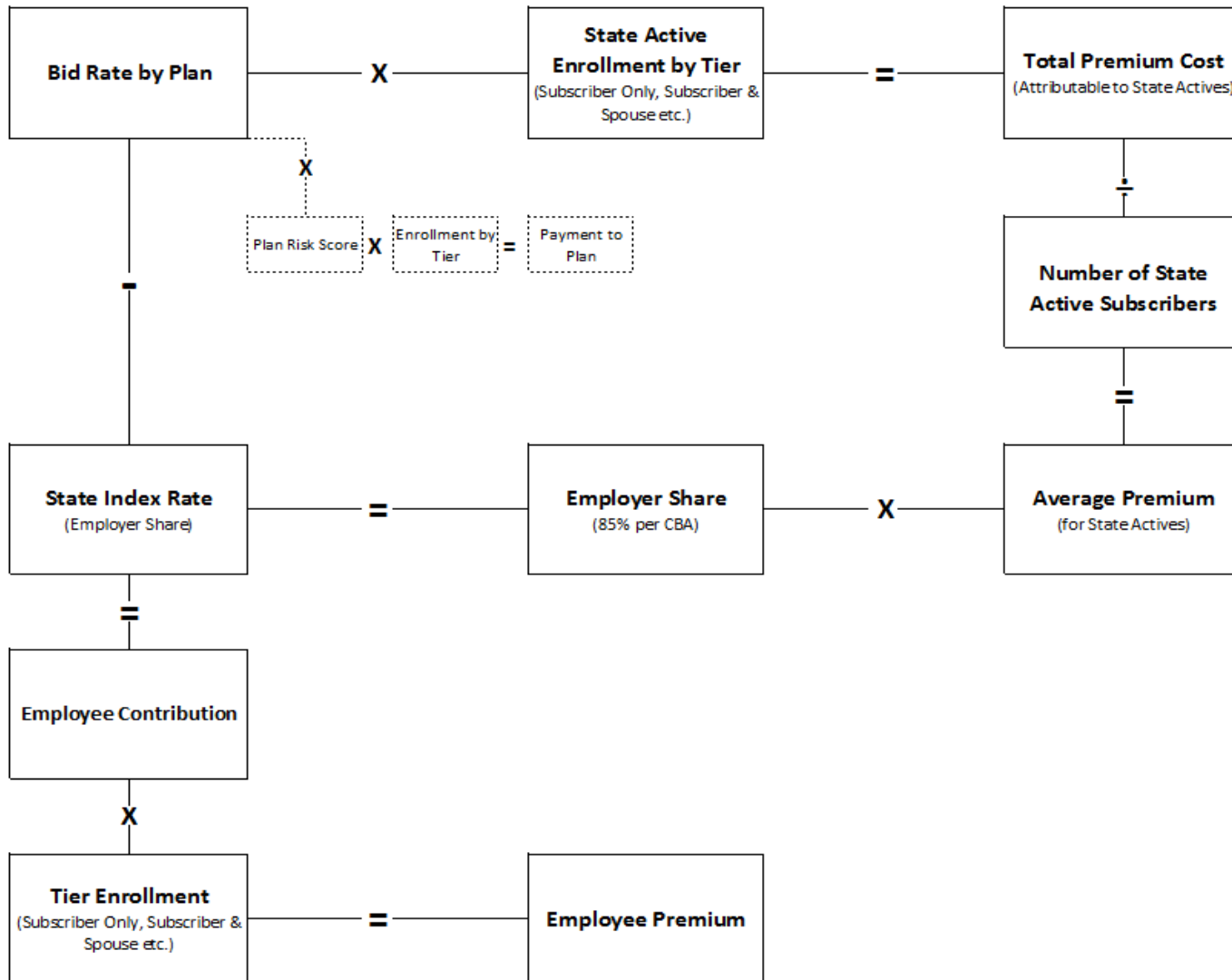
TAB 6



2016 Premium Overview

Gwen Grams, Ph.D.
Manager, Forecasting and Financial Analytics
Division of Financial Services
July 22, 2015

Employee/Employer Premium Calculation



SmartHealth Wellness Incentive Qualification

As of June 30, 2015

	GH Value	UMP Classic	GH Classic	Kaiser Classic	UMP CDHP	GH CDHP	Kaiser CDHP	TOTAL	Baseline GOAL
Eligible Subscribers	23,923	79,578	15,807	1,758	6,480	1,906	157	129,609	129,609
Wellness Incentive Qualified Subscribers	6,826	15,724	2,980	371	2,355	775	54	29,085	77,765
% Incentive Qualification	29%	20%	19%	21%	36%	41%	34%	22%	60%

- *Wellness incentive qualified subscribers are the ones who participated in the SmartHealth program and completed and earned 2,000 points or more in wellness activities by June 30, 2015.*
- *Subscriber participation will vary from adult unit participation as used in developing the composite rates and the state index rate.*

Employee Contribution Calculation

	Proposed 2016 Employee Contribution (Single Subscriber)	Proposed 2016 Employer Contribution (aka State Index Rate)	Proposed 2016 Composite Rate
Group Health Value	\$81	\$487	\$568
Group Health Classic	\$118	\$487	\$605
Kaiser Classic	\$144	\$487	\$631
UMP Classic	\$84	\$487	\$571
Group Health CDHP	\$22	\$487	\$509
Kaiser CDHP	\$29	\$487	\$516
UMP CDHP	\$21	\$487	\$508
Group Health SoundChoice	\$45	\$487	\$532
UMP ACP	\$59	\$487	\$546

- *Consumer Directed Health Plans (CDHP) include Health Savings Account (HSA) payments*
- *Composite Rate includes \$1.14 for SmartHealth web portal*
- *Rounded to the nearest dollar*

Employee Contribution by Tier

	Subscriber		Subscriber & Spouse		Subscriber & Children		Full Family		2015 to 2016 % Change in Subscriber Rate
	2015	Proposed 2016	2015	Proposed 2016	2015	Proposed 2016	2015	Proposed 2016	
Group Health Value	\$75	\$81	\$160	\$172	\$131	\$142	\$216	\$233	8.0%
Group Health Classic	\$107	\$118	\$224	\$246	\$187	\$207	\$304	\$335	10.3%
Kaiser Classic	\$125	\$144	\$260	\$298	\$219	\$252	\$354	\$406	15.2%
UMP Classic	\$84	\$84	\$178	\$178	\$147	\$147	\$241	\$241	0.0%
Group Health CDHP	\$26	\$22	\$62	\$54	\$46	\$39	\$82	\$71	-15.4%
Kaiser CDHP	\$35	\$29	\$80	\$68	\$61	\$51	\$106	\$90	-17.1%
UMP CDHP	\$31	\$21	\$72	\$52	\$54	\$37	\$95	\$68	-32.3%
Group Health SoundChoice	N/A	\$45	N/A	\$100	N/A	\$79	N/A	\$134	N/A
UMP ACP	N/A	\$59	N/A	\$128	N/A	\$103	N/A	\$172	N/A

Subscribers may be subject to the following surcharges

Tobacco Surcharge	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25
Spousal Surcharge	N/A	N/A	\$50	\$50	N/A	N/A	\$50	\$50

- Rounded to the nearest dollar

Non-Medicare Retiree Rates by Tier

	Subscriber		Subscriber & Spouse		Subscriber & Children		Full Family		2015 to 2016 % Change in Subscriber Rate
	2015	Proposed 2016	2015	Proposed 2016	2015	Proposed 2016	2015	Proposed 2016	
Group Health Value	\$569	\$574	\$1,133	\$1,142	\$992	\$1,000	\$1,555	\$1,568	0.9%
Group Health Classic	\$601	\$611	\$1,195	\$1,216	\$1,047	\$1,064	\$1,641	\$1,669	1.7%
Kaiser Classic	\$620	\$637	\$1,233	\$1,269	\$1,080	\$1,111	\$1,693	\$1,742	2.7%
UMP Classic	\$579	\$577	\$1,151	\$1,148	\$1,008	\$1,005	\$1,580	\$1,576	-0.3%
Group Health CDHP	\$530	\$523	\$1,045	\$1,034	\$931	\$921	\$1,387	\$1,374	-1.3%
Kaiser CDHP	\$540	\$530	\$1,065	\$1,048	\$948	\$933	\$1,414	\$1,393	-1.9%
UMP CDHP	\$536	\$522	\$1,056	\$1,034	\$941	\$920	\$1,403	\$1,373	-2.6%
Group Health SoundChoice	N/A	\$538	N/A	\$1,070	N/A	\$937	N/A	\$1,469	N/A
UMP ACP	N/A	\$552	N/A	\$1,099	N/A	\$962	N/A	\$1,509	N/A

Subscribers may be subject to the following surcharges

Tobacco Surcharge	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25
Spousal Surcharge	N/A	N/A	\$50	\$50	N/A	N/A	\$50	\$50

- Rounded to the nearest dollar & including a \$6.03 administrative fee per account

Estimated Medicare Retiree Premium

After Employer Contribution

	% Medicare Retiree Subscribers by Plan	2015	2016
Group Health Medicare Advantage & Classic	25.3%	\$148	\$136
Kaiser Senior Advantage	2.7%	\$153	\$159
UMP Classic	59.7%	\$235	\$268
Premera Medicare Supplement Plan F Retired	12.2%	\$110	\$110
Premera Medicare Supplement Plan F Disabled	0.1%	\$209	\$209

Dental Premiums

	% State Subscribers	Subscriber		Subscriber & Spouse		Subscriber & Children		Full Family	
		2015	2016	2015	2016	2015	2016	2015	2016
Uniform Dental Plan	83.0%	\$45.22	\$44.63	\$90.44	\$89.26	\$90.44	\$89.26	\$135.66	\$133.89
DeltaCare	7.0%	\$39.53	\$39.53	\$79.06	\$79.06	\$79.06	\$79.06	\$118.59	\$118.59
Willamette Dental Group	10.0%	\$42.37	\$42.37	\$84.74	\$84.74	\$84.74	\$84.74	\$127.11	\$127.11

Life Insurance Premiums

BASIC - Employer Funded

	2015	2016
Monthly Premium	\$4.08	\$3.89
Coverage	* \$25K Life * \$5K AD&D	

Employee Supplemental Coverage - Employee Funded

Premium	* Based on age & tobacco usage	
Example	* 45-49 year old * Tobacco user * \$250K coverage	
	2015	2016
Cost per thousand per month	0.115	0.083
Monthly Premium payment	\$28.75	\$20.75

LTD Insurance Premiums

BASIC - Employer Funded

	2015	2016
Monthly Premium	\$2.10	\$2.10
Basic Coverage	* 90 day waiting period or when sick leave runs out, whichever is longer * Minimum \$50/month & maximum of \$240/month	

Optional Employee Coverage

Monthly Premium	* Based upon subscriber's retirement plan & waiting period selected	
Coverage	* Generally 60% of adjusted salary, up to \$6,000/month	
Example	* Higher Education retirement plan * 90 day waiting period	
	2015	2016
Rate - % of Income	0.55%	0.61%

Questions?

Gwen Grams, Ph.D.

Manager, Forecasting and Financial Analytics

Division of Financial Services

Tel: 360-725-1319

Gwen.Grams@hca.wa.gov

TAB 7

Washington State
Health Care Authority

SmartHealth Presentation
PEB Board Meeting

Scott Pritchard
PEB Division
July 22, 2015

2015 Engagement Goals

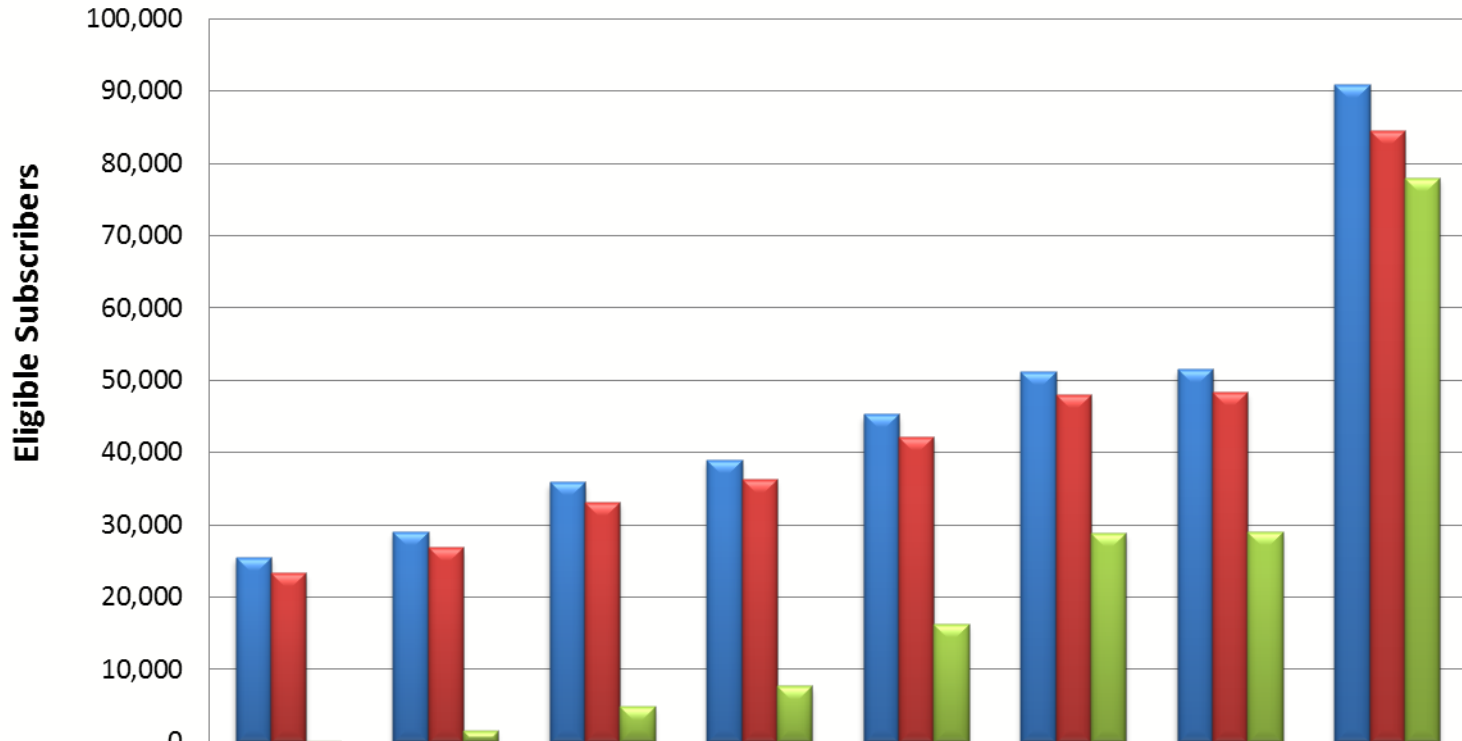
	Baseline Goal (of eligibles)	Stretch Goal (of eligibles)
Subscribers Registered On Site	70%	80%
Incentive Earned	60%	70%
Assessment Completion	65%	70%
Challenge/Activity Participation	60%	70%
2-Week Engagement (avg): Incentive Period / Q3 and Q4	25% / 15%	30% / 20%

2-week engagement is defined as having participated in an activity (e.g., tracked progress) within 2 weeks.

Activity participation is having participated in at least one activity.

SmartHealth Results

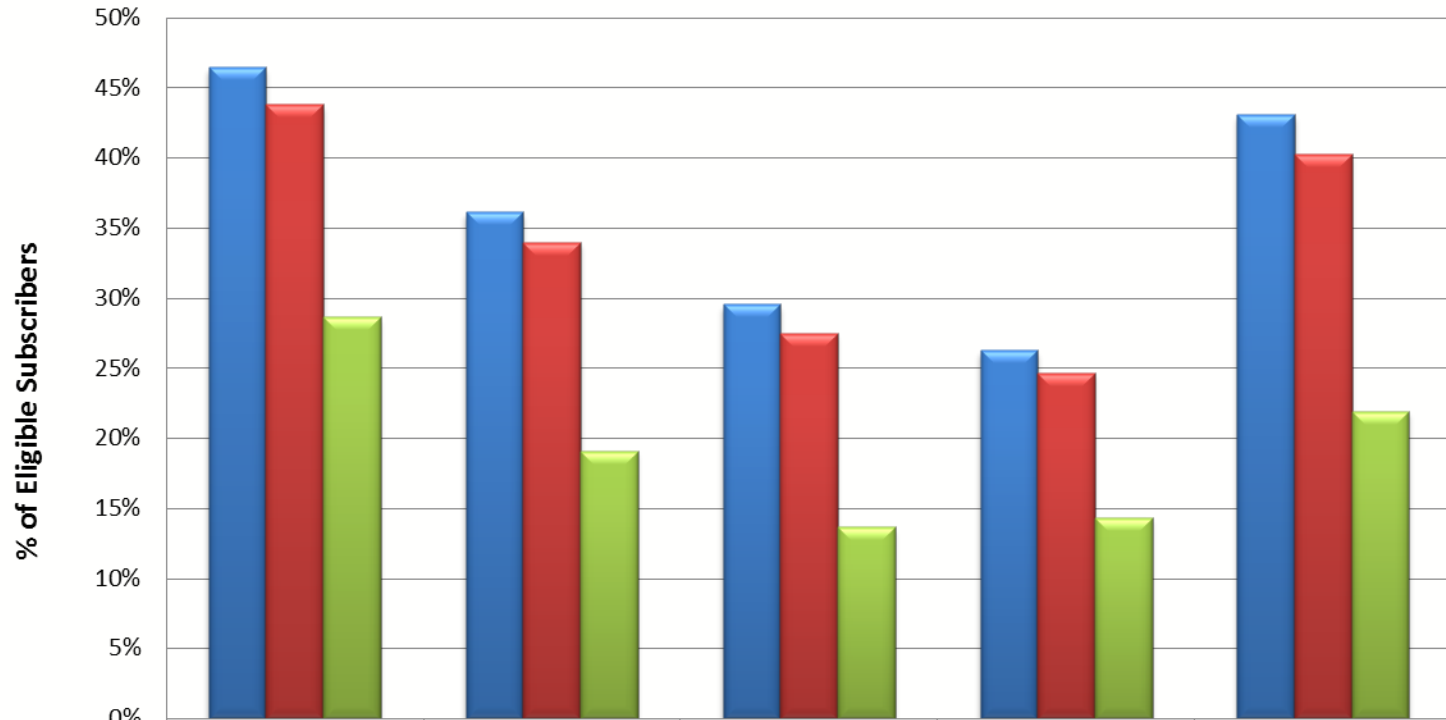
**Total SmartHealth Eligible Subscriber Completions
(through 7/5/2015)**



■ Registrations	25,530	29,066	35,887	39,050	45,322	51,147	51,528	91,000
■ Well-being Assessment	23,446	26,827	33,180	36,336	42,233	48,021	48,451	84,500
■ Incentive	84	1,617	4,886	7,746	16,366	28,888	29,096	78,000

Registrations, Well-being Assessments, & Incentive Percentages

Completion by Population Type (through 7/05/2015)



	*State Agencies (54,599)	*Higher Education (54,335)	*Political Subdivisions (12,573)	*Retirees (7,549)	*All Agencies Under 50 (1,693)
% Registered	46%	36%	30%	26%	43%
% WBA Completed	44%	34%	27%	25%	40%
% Incentive Eligible	29%	19%	14%	14%	22%

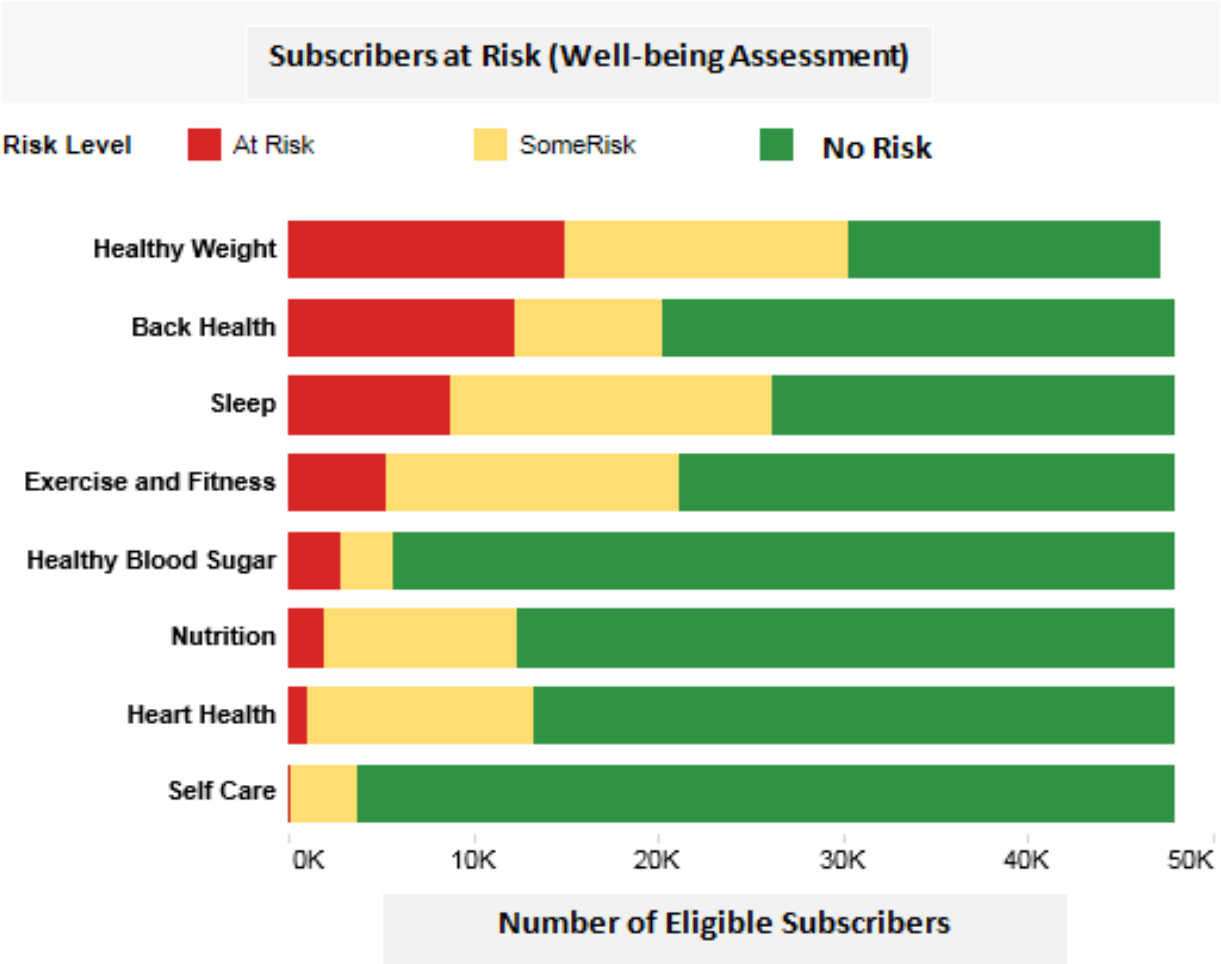
*SmartHealth Eligible Subscribers only.

Top 20 Completion Rates (Ranked by Well-being Assessment)

Agency	Eligible Members	# Registered	% Registered	% Completed Well-being Assessment	% Incentive Qualified
STUDENT ACHVMT COUNCIL	95	78	82%	80%	52%
DEPT OF FINANCIAL INST	177	136	77%	75%	63%
HEALTH CARE AUTHORITY	1,009	754	75%	72%	55%
DEPT OF RETIREMENT SYS	219	166	76%	72%	51%
DEPARTMENT OF HEALTH	1,503	1,095	73%	70%	51%
DEPT OF COMMERCE	274	198	72%	70%	50%
OFM/GOV	276	200	72%	70%	54%
INSURANCE COMMISSIONER	211	155	73%	69%	45%
WASHINGTON STATE LOTTERY	114	81	71%	68%	40%
STATE TREASURER	61	43	70%	66%	49%
STATE BD FOR COMM COLL	182	122	67%	65%	43%
UTILITIES/TRANS COMM	129	86	67%	64%	52%
DEPT/LICENSING	1,126	740	66%	63%	43%
DEPT REVENUE	1,055	649	62%	60%	44%
SECRETARY OF STATE	222	135	61%	58%	36%
STATE AUDITOR	337	198	59%	58%	43%
DEPT OF ECOLOGY	1,501	899	60%	57%	43%
CONSOLIDATED TECH SERV	249	148	59%	57%	39%
DEPT LABOR & INDUSTRIES	2,649	1,563	59%	57%	40%
LIQUOR CONTROL BOARD	266	155	58%	56%	33%
TOTALS	11,655	7,601	65%	63%	45%

Data current as of 7/5/2015.
SmartHealth eligible subscribers only.

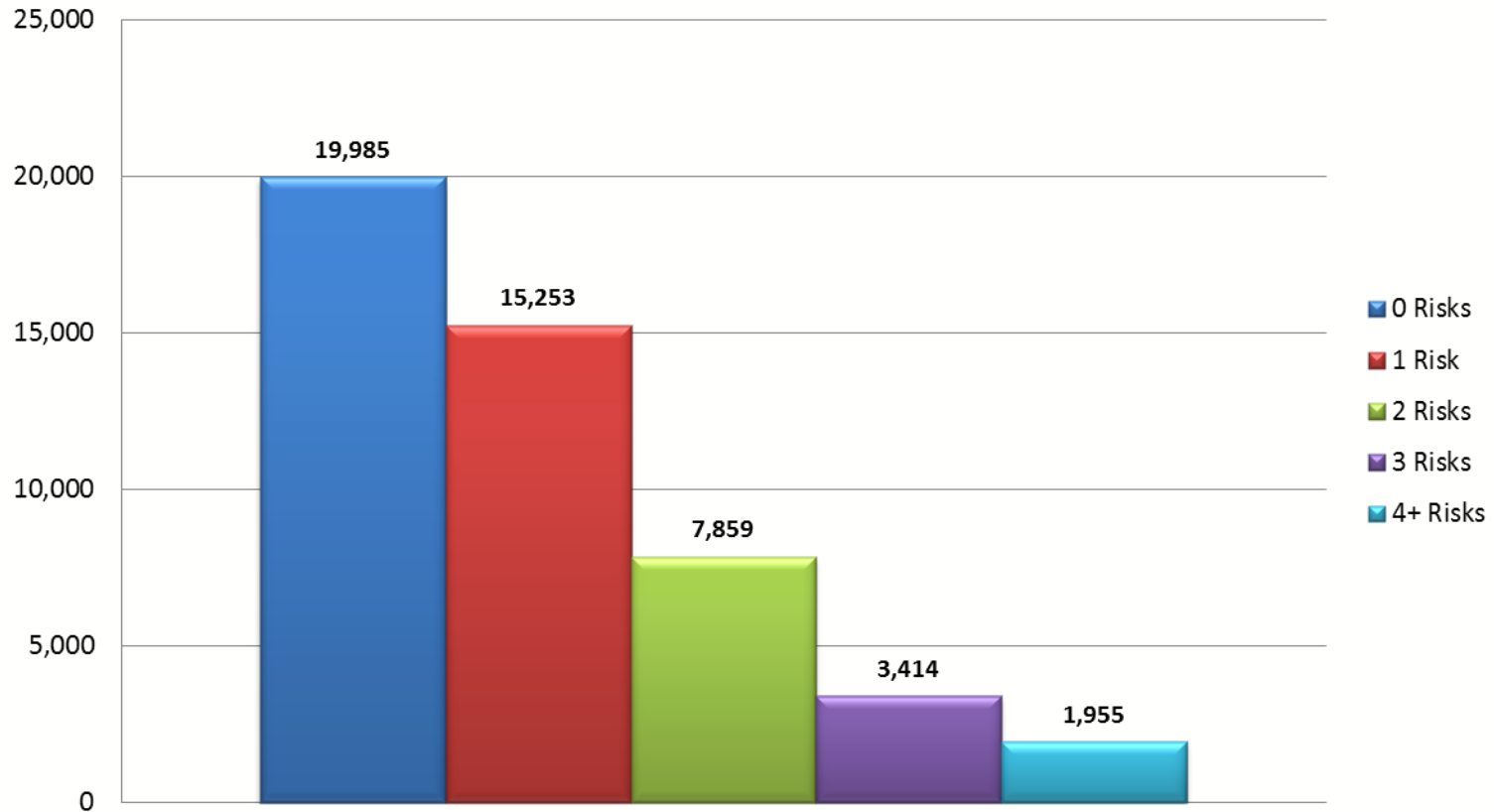
Health Risk Status – What We are Learning



Data current through 7/5/2015.
SmartHealth eligible subscribers only.

Health Risk Status – What We are Learning

Number of Risk Factors
(for completed Well-being Assessments)



Data current through 7/5/2015.
SmartHealth eligible subscribers only.

SmartHealth Activities

- Activity Participation
 - Track Your Activity: 17,686
 - Visit a State Park: 17,255
 - More Veggies: 13,766
 - Connect Your Device: 12,333
 - Healthy Start: 11,289
 - 7-Minute Workout: 8,183
 - Advance Directive: 7,878
 - Employee Assistance Plan: 6,073
 - Healthy Spending: 5,149
 - Governor’s Walk: 3,943
- External Program Participation
 - Delta Dental: Increase of 12,000 (2014-2015)
 - Quit Tobacco (UMP and Group Health): 416
 - Diabetes Prevention Program: 287
 - Living Well – Group Health: 170
 - Diabetes Control Program: 82

SmartHealth Customer Research

- Anecdotal
 - Presentations to professional groups and agencies
 - Conversations with Wellness Coordinators
- Survey
 - 2 each: agency, higher education, political subgroup
 - Participant and non-participant
- Focus groups
 - Planned for Q3
- UW research
 - Impact of mid-manager engagement
- Intern
 - Value Proposition for Senior Leader

Questions?

Scott Pritchard
Health Management
PEB Division

scott.pritchard@hca.wa.gov

360-725-1210

TAB 8

Washington State
Health Care Authority

2016 PEBB Medical Plan
Resolutions

July 22, 2014

Purpose of Briefing Board Action

Vote on Medical Plan Design and Premium Resolutions presented on July 22, 2015.

Plan Design 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.

Plan Design Resolution #2

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

Plan Design 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.

Employee Premiums Resolution #4

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

Employee Premiums Resolution #5

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

Employee Premiums Resolution #6

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

Medicare Explicit Subsidy 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.

2016 Proposed Resolutions

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.
2. Resolved, that Group Health will offer a new PEBB health plan called SoundChoice starting in Plan Year 2016.
3. Resolved, that the PEBB Program will offer a new Uniform Medical Plan accountable care program (ACP) health plan starting in Plan Year 2016.
4. Resolved, that the PEB Board endorses the Group Health Employee Premiums.
5. Resolved, that the PEB Board endorses the Kaiser Employee Premiums.
6. Resolved, that the PEB Board endorses the Uniform Medical Plan Employee Premiums.
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.

TAB 9



Washington State Health Care Authority
Public Employees Benefits Board

P.O. Box 42713 • Olympia, Washington 98504-2713
360-725-0856 • TTY 711 • FAX 360-586-9551 • www.pebb.hca.wa.gov

2016 Public Employees Benefits Board Meeting Schedule

The PEB Board meetings will be held at the Health Care Authority, Sue Crystal Center, Rooms A & B, 626 8th Avenue SE, Olympia, WA 98501. The meetings begin at 1:30 p.m., unless otherwise noted below.

January 7, 2016 (Board Retreat) 9:00 a.m. – 3:00 p.m.

March 16, 2016

April 13, 2016

May 24, 2016

June 22, 2016

July 13, 2016

July 20, 2016

July 27, 2016

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

Updated 7/7/15