

Public Employees Benefits Board Meeting

April 11, 2024

Public Employees Benefits Board

April 11, 2024

9:00 a.m. – 1:45 p.m.

This meeting will be hybrid with attendance options both in person and via Zoom

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

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TAB 1

Public Employees Benefits Board
April 11, 2024
9:00 a.m. – 1:45 p.m.

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

TO JOIN ZOOM MEETING – SEE INFORMATION BELOW

9:00 a.m.*	Welcome and Introductions		Lou McDermott, Chair Pro-Tem	
9:05 a.m.	Meeting Overview		Dave Iseminger, Director Employees & Retirees Benefits (ERB) Division	Information
9:10 a.m.	Approval of Meeting Minutes • March 21, 2024	TAB 3	Lou McDermott, Chair Pro-Tem	Action
9:20 a.m.	March Meeting Follow Up	TAB 4	David Iseminger, Director Employees & Retirees Benefits (ERB) Division	Information/ Discussion
9:30 a.m.	Supplemental Budget Update	TAB 5	Tanya Deuel, ERB Finance Manager Financial Services Division (FSD)	Information/ Discussion
9:45 a.m.	Vision Benefit Design Update	TAB 6	Beth Heston, Procurement Manager Stella Ng, Policy & Rules Coordinator Employees & Retirees Benefits (ERB) Division	Action
10:15 a.m.	Policy and Rules Development	TAB 7	Stella Ng, Policy & Rules Coordinator Emily Duchaine, Regulatory Analyst Employees & Retirees Benefits (ERB) Division	Action
10:45 a.m.	UMP Benefit Design	TAB 8	Ryan Ramsdell, Unit Manager Employees & Retirees Benefits (ERB) Division	Information/ Discussion
11:05 a.m.	Break			
11:15 a.m.	2024 Annual Rulemaking Briefing	TAB 9	Stella Ng, Policy & Rules Coordinator Employees & Retirees Benefits (ERB) Division	Information/ Discussion

11:30 a.m.	2025 UMP Medicare Plan D Option	TAB 10	Ellen Wolfhagen, Retiree Benefits Manager Luke Dearden, Clinical Pharmacist Clinical Quality & Care Transformation (CQCT) Division Stella Ng, Policy & Rules Coordinator Employees & Retirees Benefits (ERB) Division	Action
12:30 p.m.	General Public Comment			
1:00 p.m.	Closing			
1:05 p.m.	Transition to Executive Session			
1:20 p.m.	Executive Session			
1:45 p.m.	Adjourn		Lou McDermott, Chair Pro-Tem	

*All Times Approximate

The Public Employees Benefits Board will meet Thursday, April 11, 2024 at the Washington State Health Care Authority, Sue Crystal Rooms A & B, 626 8th Avenue SE, Olympia, WA. Attendance for this meeting can be in person or via Zoom. Masks are optional.

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 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 1:05 p.m. and will conclude no later than 1:45 p.m.*

No “final action,” as defined in RCW 42.30.020(3), will be taken in the Executive Session.

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

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

Materials will be posted at <http://www.pebb.hca.wa.gov/board/> by close of business on Monday, April 8, 2024.

Join Zoom Meeting

<https://us02web.zoom.us/j/85802578938?pwd=MVJRbFFyTIJPazB0N0hnMmFaZXlwUT09>

Meeting ID: 858 0257 8938

Passcode: 623441

One tap mobile

+12532050468,,85802578938#,,,,*623441# US

+12532158782,,85802578938#,,,,*623441# US (Tacoma)

Dial by your location

- +1 253 205 0468 US
- +1 253 215 8782 US (Tacoma)
- +1 669 900 6833 US (San Jose)
- +1 719 359 4580 US
- +1 346 248 7799 US (Houston)
- +1 669 444 9171 US
- +1 305 224 1968 US
- +1 309 205 3325 US
- +1 312 626 6799 US (Chicago)
- +1 360 209 5623 US
- +1 386 347 5053 US
- +1 507 473 4847 US
- +1 564 217 2000 US
- +1 646 931 3860 US
- +1 689 278 1000 US
- +1 929 205 6099 US (New York)
- +1 301 715 8592 US (Washington DC)

Meeting ID: 858 0257 8938

Passcode: 623441

Find your local number: <https://us02web.zoom.us/j/85802578938>

PEB Board Members

Name	Representing
Sue Birch, Director Health Care Authority 626 8 th Ave SE PO Box 42713 Olympia WA 98504-2713 V 360-725-2104 sue.birch@hca.wa.gov	Chair
Kurt Spiegel WA Federation of State Employees 1212 Jefferson ST SE #300 Olympia WA 98501 V 833-622-9373 PEBBoard@hca.wa.gov	State Employees
Elyette Weinstein 5000 Orvas CT SE Olympia WA 98501-4765 V 360-705-8388 PEBBoard@hca.wa.gov	State Retirees
Tom MacRobert 4527 Waldrick RD SE Olympia WA 98501 V 360-264-4450 PEBBoard@hca.wa.gov	K-12 Retirees
Michaela Doelman Office of Financial Management 302 Sid Snyder Ave Olympia WA 98501 C 360-790-8315 PEBBoard@hca.wa.gov	Benefits Management/Cost Containment

PEB Board Members

Name	Representing
Sharon Laing Box 358421 1900 Commerce Street Tacoma, WA 98402 V 253-692-4475 PEBBoard@hca.wa.gov	Benefits Management/Cost Containment
John Comerford* 121 Vine ST Unit 1205 Seattle, WA V 206-625-3200 PEBBoard@hca.wa.gov	Benefits Management/Cost Containment
Harry Bossi 19619 23 rd DR SE Bothell WA 98012 V 360-689-9275 PEBBoard@hca.wa.gov	Benefits Management/Cost Containment
Legal Counsel Michael Tunick, Assistant Attorney General 7141 Cleanwater DR SW PO Box 40124 Olympia WA 98504-0124 V 360-586-6495 MichaelT4@atg.wa.gov	

*non-voting members

1/26/24



STATE OF WASHINGTON
HEALTH CARE AUTHORITY
626 8th Avenue SE • PO Box 45502 • Olympia, Washington 98504-5502

PEB BOARD MEETING SCHEDULE

2024 Public Employees Benefits (PEB) Board Meeting Schedule

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

February 1, 2024 (Board Retreat) - starting at 9:00 a.m.*

March 21, 2024 - starting at 9:00 a.m.

April 11, 2024 - starting at 9:00 a.m.

May 9, 2024 - starting at 9:00 a.m.

June 13, 2024 - starting at 9:00 a.m.

June 27, 2024 – starting at 9:00 a.m.

July 11, 2024 - starting at 9:00 a.m.

July 18, 2024 - starting at 9:00 a.m.

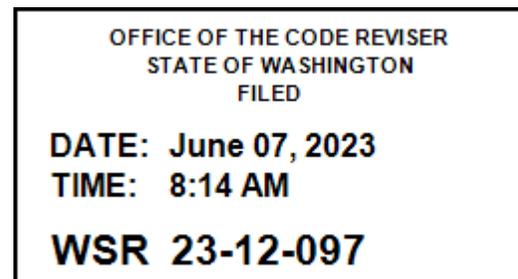
July 25, 2024 - starting at 9:00 a.m.

August 1, 2024 - starting at 9:00 a.m.

*Meeting times are tentative

If you are a person with a disability and need a special accommodation, please contact the Employees and Retirees Benefits (ERB) Board Operations Manager at 360-725-9400.

06/06/2023



TAB 2

PEB BOARD BY-LAWS

ARTICLE I

The Board and its Members

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

ARTICLE II

Board Officers and Duties

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

ARTICLE III
Board Committees

(RESERVED)

ARTICLE IV
Board Meetings

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

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

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

ARTICLE V
Meeting Procedures

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

himself or herself from casting a vote as necessary to comply with the Ethics in Public Service Act.

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

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

Last Revised March 9, 2023

TAB 3

Draft
Public Employees Benefits Board
Meeting Minutes

March 21, 2024
Health Care Authority
Sue Crystal Rooms A & B
Olympia, Washington
9:00 a.m. – 3:15 p.m.

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

Members Present in Olympia

Lou McDermott, Chair Pro-Tem
John Comerford
Elyette Weinstein
Sharon Laing
Michaela Doelman
Harry Bossi

Members Present via Zoom

Tom MacRobert
Kurt Spiegel

Members Absent

None

SEB Board Counsel

Michael Tunick, AAG (in person)

Call to Order

Lou McDermott, Chair Pro-Tem, called the meeting to order at 9:02 a.m. Sufficient members were present to allow a quorum. Board members and the public were able to attend either in person or virtually via Zoom.

Meeting Overview

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

Approval of Meeting Minutes

Elyette Weinstein moved, and Michaela Doelman seconded a motion to approve the July 19, 2023 meeting minutes. Minutes were approved by unanimous vote.

Harry Bossi moved, and both Elyette Weinstein and Tom MacRobert seconded a motion to approve the February 1, 2024 Board retreat minutes. Minutes were approved by unanimous vote.

February Retreat Follow Up

David Iseminger, Director, Employees and Retirees Benefits (ERB) Division gave a verbal update regarding the Benefits 24/7 application and its launch earlier in the year. Details of the update included information regarding issues identified since the Board's retreat with the new application and ongoing stabilization efforts.

Legislative Session Debrief

Cade Walker, Policy, Rules, and Compliance Section Manager in the Employees and Retirees Benefits Division provided a debrief of the 2024 legislative session. The debrief included bill analyses by the ERB Division, agency requested legislation, and passed legislation.

Pharmacy Retail Consolidation

Jenny Switzer, Senior Account Manager in the Employees and Retirees Benefits (ERB) Division provided some information regarding pharmacy retail consolidation marketplace trends. The information included details regarding United States pharmacy types, UMP network pharmacy changes from 2019-2024, pharmacy closures, UMP's response, Rite Aid bankruptcy, Washington state closures, distance to the nearest network pharmacies, and outreach to members.

Behavioral Health Network Adequacy

Andrea Philhower, Fully Insured Team Manager in the Employees and Retirees Benefits (ERB) Division presented more information as follow up to the February PEBB Board retreat presentation. The follow up included a correction regarding the definition of actuarial value, as well as information regarding access to behavioral health appointments, and complaints to carriers.

Policy and Rules Development

Stella Ng, Policy and Rules Coordinator and **Emily Duchaine**, Regulatory Analyst in the Employees and Retirees Benefits (ERB) Division introduced 11 policy resolutions for the PEBB Program.

- PEBB 2024-01: Amending Resolution PEBB 2021-02 Employees may waive enrollment in medical.
- PEBB 2024-02: Amending Resolution PEBB 2021-03 PEBB benefit enrollment requirements when SEBB benefits are waived.

- PEBB 2024-03: Amending Resolution PEBB 2021-04 Resolving dual enrollment when an employee's only medical enrollment is in SEBB.
- PEBB 2024-04: Amending Resolution PEBB 2021-05 Resolving dual enrollment involving dual subscriber eligibility.
- PEBB 2024-05: Amending Resolution PEBB 2021-06 Resolving dual enrollment involving a PEBB dependent with multiple medical enrollments.
- PEBB 2024-06: Amending Resolution PEBB 2021-07 Resolving dual enrollment involving a member with multiple medical enrollments as a dependent.
- PEBB 2024-07: Amending Resolution PEBB 2021-08 PEBB benefit automatic enrollments when SEBB benefits are auto-disenrolled.
- PEBB 2024-08: Amending Resolution PEBB 2021-09 Enrollment requirements when an employee loses dependent coverage in SEBB benefits.
- PEBB 2024-09: Amending Resolution PEBB 2021-05 PEBB continuation coverage eligibility for employees' dependents.
- PEBB 2024-10: Rescinding Resolution PEBB 2022-02 Employees may waive enrollment in dental.
- PEBB 2024-11: Amending PEBB 2022-04 Deferring PEBB retiree insurance coverage when the subscriber becomes eligible for the employer contribution.

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

Vision Benefit Design Implementation

Beth Heston, Procurement Manager and **Stella Ng**, Policy and Rules Coordinator in the Employees and Retirees Benefits (ERB) Division, provided an update on the vision benefits and changes occurring in the PEBB Program for plan year 2025. Details of the update included background of vision benefits, proposed changes for the PEBB Program, medical benefits for eye disease, vision benefit for employees and non-Medicare retirees, PEBB vision plan lens enhancements member costs, pediatric vision coverage, pediatric lens enhancements, in-network retail locations, and the communications plan. The presentation also included proposed resolutions.

- PEBB 2024-12: Fully insured vision plans.
- PEBB 2024-13: Default enrollment if an employee did not enroll in a PEBB vision plan during the annual open enrollment in 2024.
- PEBB 2024-14: Non-Medicare retiree enrollment requirement.
- PEBB 2024-15: Amending PEBB 2021-12 (amending Resolution PEBB 2020-04 Relating to default enrollments for an employee who fails to make a timely election).
- PEBB 2024-16: Amending PEBB policy resolution "error correction" adopted on July 16, 2014.

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

SmartHealth Update

Kristen Stoimenoff, Washington Wellness Manager in the Employees and Retirees Benefits (ERB) Division gave a presentation on SmartHealth and included an update on information about the transition to the new SmartHealth vendor, WebMD.

Inflation Reduction Act Update

Luke Dearden, Clinical Pharmacist in the Clinical Quality and Care Transformation Division presented some information regarding the Inflation Reduction Act (IRA). The presentation included an overview of the IRA, Part D benefit design, drug price negotiations, drugs picked under the IRA for 2026, drug price increase protection, and a cap on insulin cost-share.

2025 UMP Medicare Plan Option

Ellen Wolfhagen, Retiree Benefits Manager in the Employees and Retirees Benefits (ERB) Division, **Molly Christie**, Fiscal Analyst in the Financial Services Division, **Luke Dearden**, Clinical Pharmacist from the Clinical Quality and Care Transformation Division, and **Stella Ng**, Policy and Rules Coordinator in the Employees and Retirees Benefits Division came together to present some more information regarding the 2025 UMP Medicare plan option that was discussed in the February Board retreat.

The presentation included information regarding communication efforts so far, feedback themes from stakeholders, refined financial insights, history of the “donut hole,” current Part D coverage phases, IRA eliminates Part D coverage gap for 2025, cost-share structure comparison, 90-day drug supply comparisons, personalized stakeholder outreach plans, step therapy, prior authorization information, continuity of care, compounded drugs, drug copay coupons, and information about the historical context of the Part D idea . The presentation also included proposed resolutions.

- PEBB 2024-17: UMP Classic Medicare Part D coverage.
- PEBB 2024-18: Automatic enrollment – UMP Classic Medicare – annual open enrollment 2024.
- PEBB 2024-19: UMP Classic Medicare enrollment.
- PEBB 2024-20: UMP Classic Medicare enrollment during gap month(s).
- PEBB 2024-21: Amending PEBB 2022-03 Medicare Advantage Prescription Drug plan enrollment during gap month(s).
- PEBB 2024-22: When a subscriber is involuntarily terminated by a Medicare Part D plan.

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

General Public Comment

The following members of the public provided comments:

- **Laurie Weidner**
- **Fred Yancey**
- **Linnea Mulder**
- **Sharon Etheridge**

Topics brought forth during public comments included comments regarding support of the 2025 UMP Medicare plan option, appreciation of retiree personal outreach by Ellen Wolfhagen, as well as questions about pharmacy step therapy and the \$2,000 out-of-pocket maximum.

Their testimonies can be found in the audio recording for the March 21, 2024 PEB Board meeting at:

<https://www.hca.wa.gov/about-hca/programs-and-initiatives/public-employees-benefits-board-pebb-program/meetings-and-materials#meeting-materials>

Next Meeting

April 11, 2024

Starting time 9:00 a.m.

Preview of April 11, 2024 PEB Board Meeting

Dave Iseminger, Director, Employees and Retirees Benefits (ERB) Division, provided an overview of potential agenda topics for the March 21, 2024 meeting.

Executive Session

Pursuant to RCW 42.30.110(1)(L), the Board met in 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 began at 3:05 p.m. and concluded at 3:49 p.m.

Meeting was adjourned at 3:50 p.m.

TAB 4

March Meeting Follow Up

David Iseminger
ERB Director
Employees and Retirees Benefits Division
April 11, 2024

Question

Has Moda received any inquiries about using Amazon Rx services?

- ▶ Amazon is already in the Uniform Medical Plan (UMP) network
- ▶ So far in 2024, there have been 6,733 UMP claims to Amazon

Question

Can you share a link to the Rx comparison tool?

Coverage information for UMP Classic, UMP Select, and UMP Plus:

https://memberportal.navitus.com/micro-sites/pharmacy-pricing?entrypoint=drug&type=standard&id=PUBLIC987601*NVUMPP

Coverage information for UMP Consumer Directed Health Plan (CDHP):

https://memberportal.navitus.com/micro-sites/pharmacy-pricing?entrypoint=drug&type=standard&id=PUBLIC1234501*NVUMPP

Questions?

David Iseminger, ERB Director
Employees and Retirees Benefits Division

David.Iseminger@hca.wa.gov

TAB 5

Supplemental Budget Update

Tanya Deuel
ERB Finance Manager
Financial Services Division
April 11, 2024

Final Funding Rates

FY2024 \$1,145

FY 2025 \$1,170

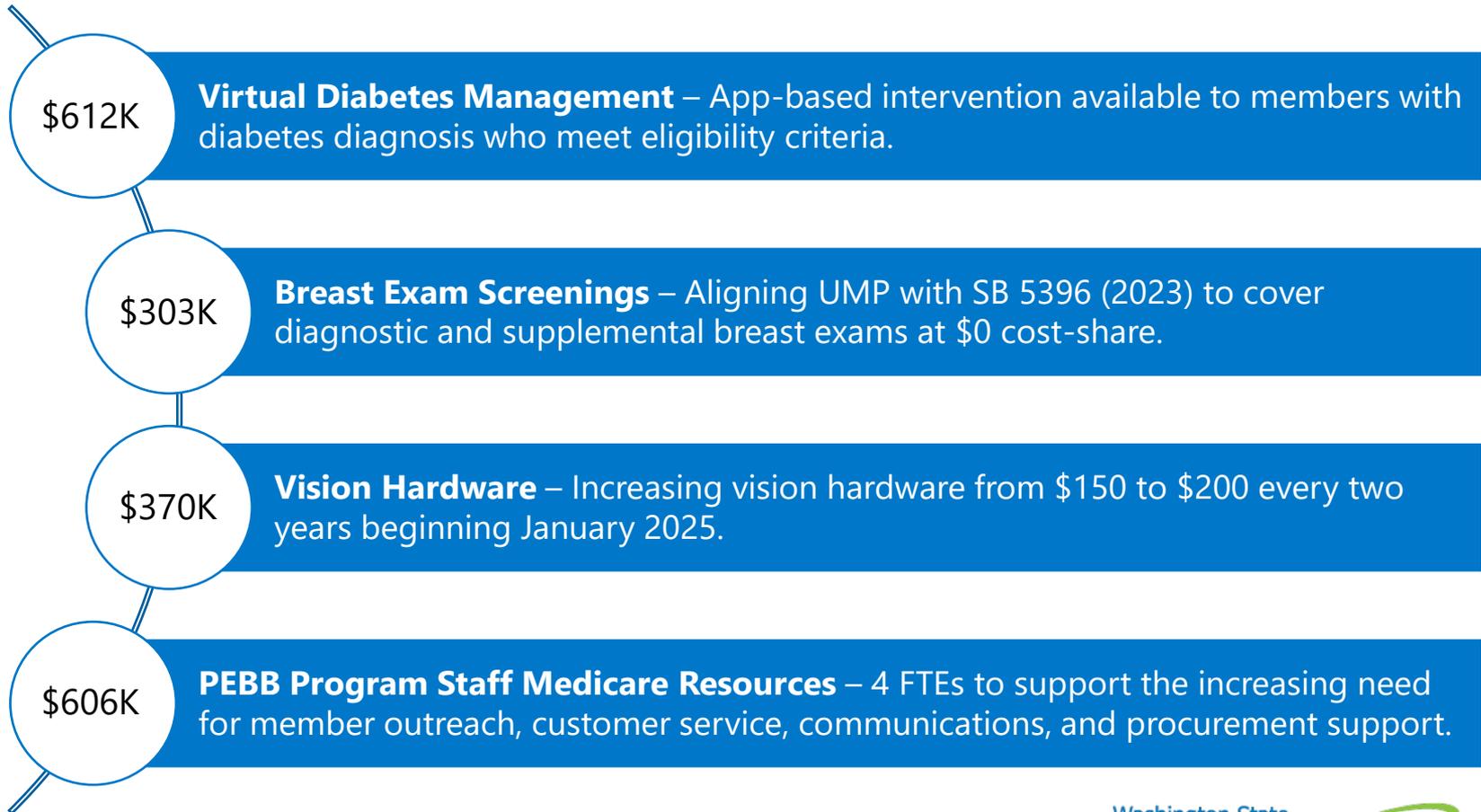
Per eligible employee per month

Adequate to maintain
current level of benefits

Medicare Explicit Subsidy

- ▶ \$183 Medicare Explicit Subsidy
(per Medicare retiree per month)
 - ▶ Maintained from calendar year 2024

Final Conference Budget Funding



Consolidation Legislative Report

Consolidation – Section 212

\$100,000 is provided to report to the legislature by December 1, 2024, the necessary statutory and program changes required to achieve consolidation of:

- PEBB and SEBB into a single governing board
- The current PEBB non-Medicare and SEBB active risk pools
- Existing eligibility provisions
- Benefit offerings into more aligned plans

The report should consider:

- Ways to engage with impacted participants
- Options to maintain eligibility
- Options to ensure equity
- Data and findings from previous reports related to consolidation

Obesity and Weight Loss Treatment Drugs Budget Provisions

Appropriation Required – Section 902

The rates are not sufficient to add coverage of prescription drugs for the treatment of obesity or weight loss. The authority shall not add coverage of prescription drugs for the treatment of obesity or weight loss without a specific appropriation from the legislature. Nothing in this section requires removal of any existing coverage of prescription drugs to treat diabetes.

Legislative Report – Section 212

By December 1, 2024, the authority shall submit a report to the legislature describing options, and a recommendation, for possible future coverage in the Uniform Medical Plan for FDA approved Glucagon-Like Peptide 1 agonists for the treatment of obesity and weight loss.

Additional Proviso Language

RDS Revenue – Section 902

The board has the authority to forgo the federal retiree drug subsidy collected under RCW 41.05.068 for Uniform Medical Plan Classic Medicare, only to leverage additional federal subsidies via adoption of a Medicare Part D employer group waiver plan to help reduce premiums for Medicare retirees enrolled in Uniform Medical Plan Classic Medicare.

Questions?

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

TAB 6

Vision Benefit Design Update

Beth Heston
Procurement Manager
Employees & Retirees Benefits Division

Stella Ng
Policy and Rules Coordinator
Employees & Retirees Benefits Division
April 11, 2024

Objectives

- ▶ Review proposed changes to PEBB Program vision benefit
- ▶ Overview of vision plan service areas
- ▶ Vote on proposed fully insured vision plans resolutions

Vision Benefit Changes

Vision Benefit for Employees and non-Medicare Retirees

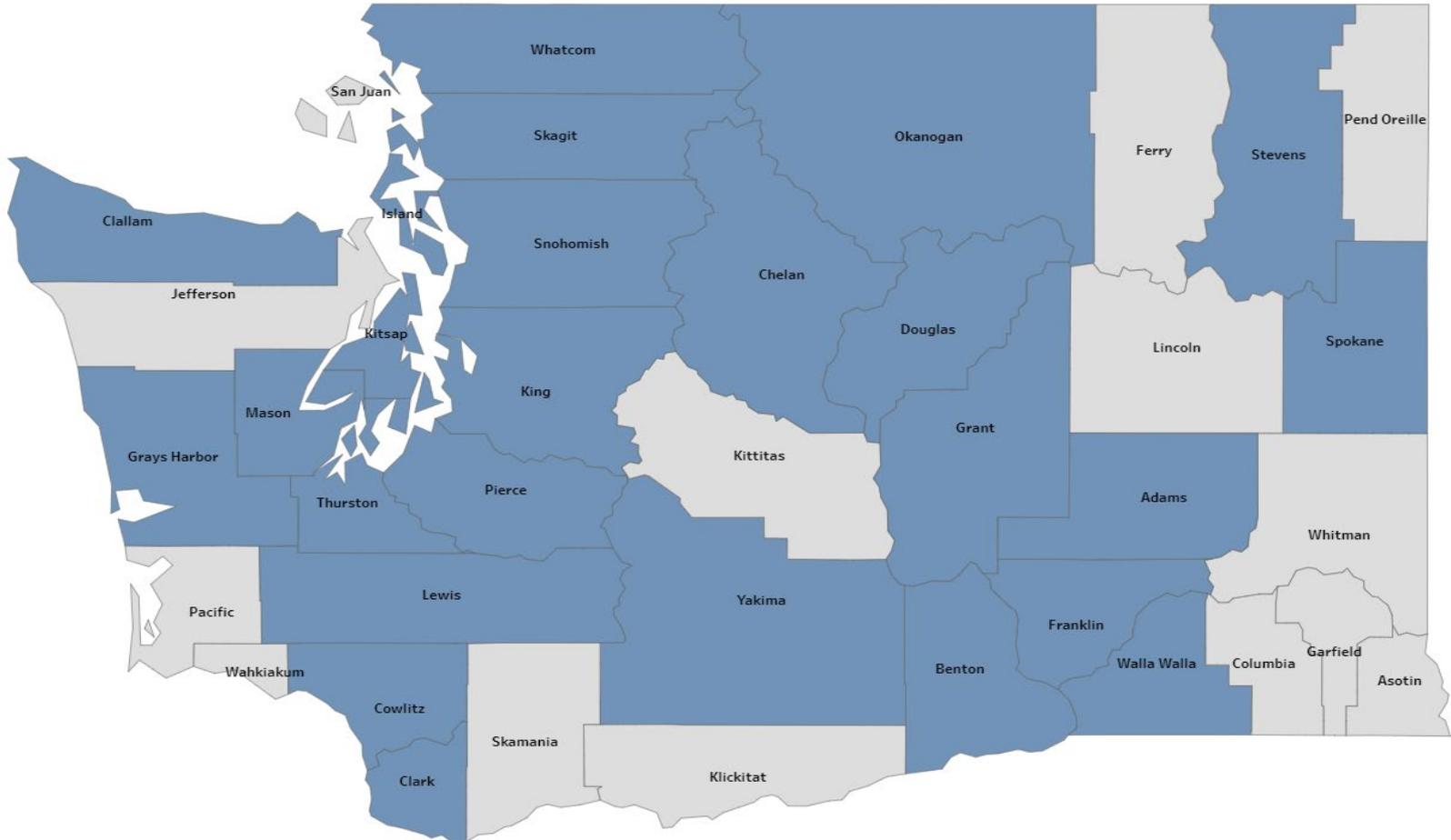
- ▶ What is covered in the standalone benefit?
 - ▶ A yearly routine eye exam for members
 - ▶ Dependents 19 and under receive a pair of glasses (or contacts in lieu of glasses) every year
 - ▶ **\$200** every two years to be spent on a pair of glasses (frame and lenses) or contact lenses in lieu of frame and lenses, beginning 2025
 - ▶ Beginning in 2025, the two-year benefit reset occurs **in numerically-odd years** (2025, 2027, 2029, etc.)

Medical Benefits for Eye Disease

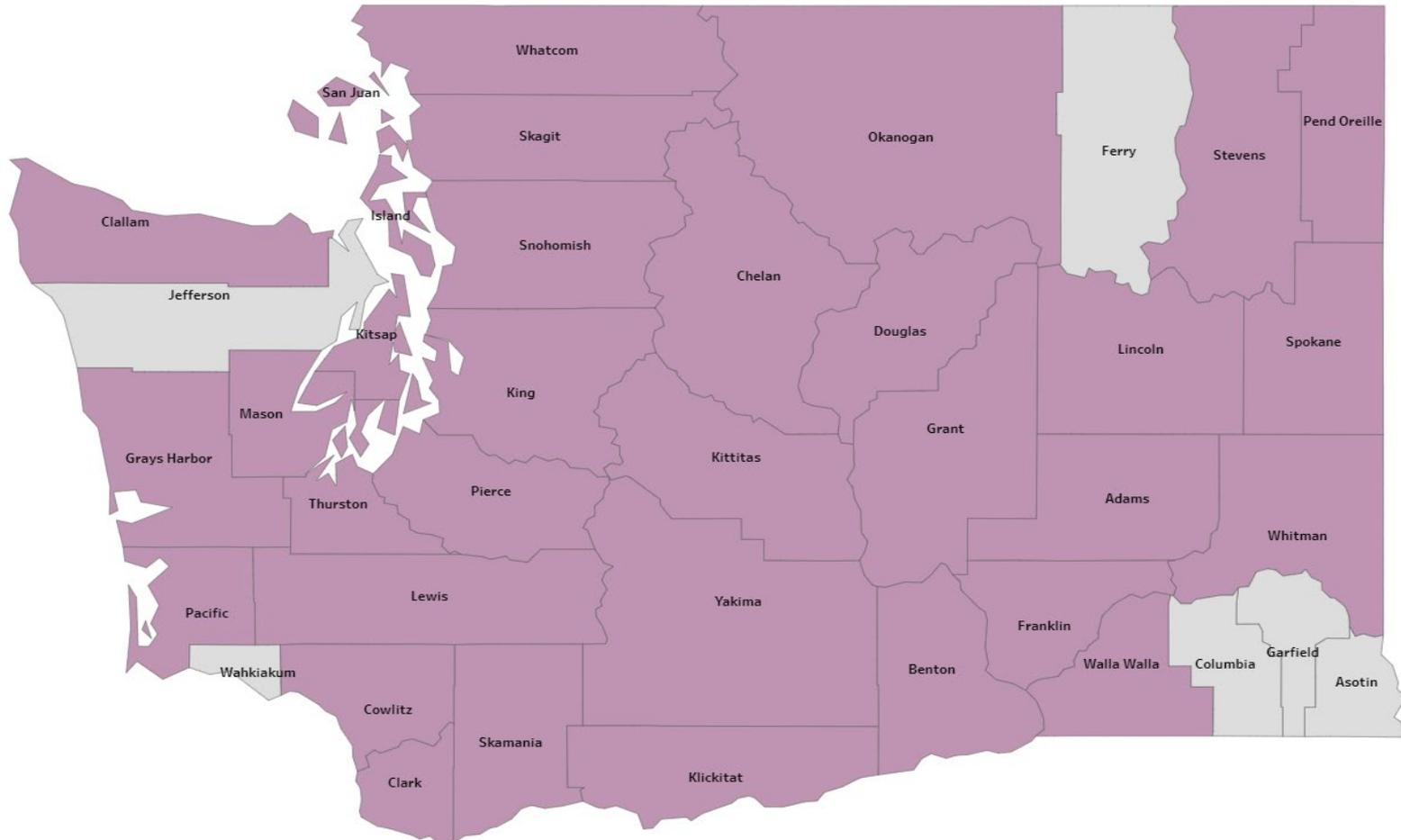
- ▶ Some eye-related conditions have always been handled under a subscriber's medical benefits:
 - ▶ Treatment of infection and injury to the eye
 - ▶ All eye surgery
 - ▶ Monitoring and treatment of diseases like
 - ▶ Glaucoma
 - ▶ Cataracts
 - ▶ Diabetic retinopathy
- ▶ These conditions will continue to be covered by PEBB medical plans

Vision Plan Service Areas

Davis Vision Service Area



EyeMed Vision Service Area



MetLife Vision Service Area



Policy Resolutions

PEB Board Policy Resolutions

PEBB 2024-12

Fully insured vision plans

PEBB 2024-13

Default enrollment if an employee did not enroll in a PEBB vision plan during the annual open enrollment in 2024

PEBB 2024-14

Non-Medicare retiree requirement

PEB Board Policy Resolutions (*cont.*)

PEBB 2024-15 Amending PEBB 2021-12
(PEBB 2020-04 Default
enrollment for an employee
who fails to make a timely
election)

PEBB 2024-16 Amending PEBB Policy
Resolution "Error Correction"
adopted on July 16, 2014

Resolution PEBB 2024-12

Fully Insured Vision Plans

Resolved that, the benefit design for the embedded refraction vision exam and hardware coverage for Employees and non-Medicare Retirees included in prior Board Policy decisions and resolutions is rescinded and replaced with the following:

Beginning January 1, 2025, the PEBB Program will offer standalone fully-insured vision plans by EyeMed Vision, Davis Vision, and MetLife Vision as presented at the March 21, 2024, Board meeting.

Resolution PEBB 2024-13 (Revised)

Default enrollment if an employee did not enroll in a PEBB vision plan during the annual open enrollment in 2024

All employees who are eligible for the employer contribution towards PEBB benefits as of December 31, 2024 and did not make an election during an enrollment period established by the Health Care Authority in 2024, will be auto-enrolled in a PEBB vision plan as designated by the director or designee with an effective date of January 1, 2025. Any dependents on the account that are enrolled in PEBB medical will be enrolled in the same PEBB vision plan as the subscriber.

Resolution PEBB 2024-13

Default enrollment if an employee did not enroll in a PEBB vision plan during the annual open enrollment in 2024

Resolved that, all employees who are eligible for the employer contribution towards PEBB benefits as of December 31, 2024 and did not make an election during an enrollment period established by the Health Care Authority in 2024, will be auto-enrolled in a PEBB vision plan as designated by the director or designee with an effective date of January 1, 2025. Any dependents on the account that are enrolled in PEBB medical will be enrolled in the same PEBB vision plan as the subscriber.

Resolution PEBB 2024-14 (Revised)

Non-Medicare Retiree Enrollment Requirement

A non-Medicare retiree must enroll in PEBB medical to be able to enroll in PEBB dental, in PEBB vision, or in both PEBB dental and PEBB vision.

Resolution PEBB 2024-14

Non-Medicare Retiree Enrollment Requirement

Resolved that, a non-Medicare retiree must enroll in PEBB medical to be able to enroll in PEBB dental, in PEBB vision, or in both PEBB dental and PEBB vision.

Resolution PEBB 2024-15

Amending PEBB 2021-12 (Amending Resolution PEBB 2020-04 Relating to Default Enrollments for an employee who fails to make a timely election)

Resolved that, Amending PEBB 2021-12 to read:

The default election for an eligible employee who fails to timely elect coverage will be as follows:

- Enrollment in employee-only medical coverage;
- Enrollment in employee-only dental coverage;
- Enrollment in employee-only vision coverage;
- Enrollment in basic life insurance;
- Enrollment in basic AD&D;
- Enrollment in employer-paid long-term disability insurance;
- and
- Enrollment in employee-paid long-term disability insurance at the 60% coverage level.

Resolution PEBB 2024-16

Amending PEBB Policy Resolution “Error Correction” adopted on July 16, 2014

Resolved that, if an employing agency fails to enroll an employee in benefits, medical, dental, and vision enrollment will be effective the first day of the month following the date the enrollment error is identified, unless the Health Care Authority determines additional recourse is warranted. If the enrollment error is identified on the first day of the month, enrollment is effective that day.

Next Steps

- ▶ Issue guidance to employing agencies on these resolutions
- ▶ Prepare communications for employees and non-Medicare retirees
- ▶ Incorporate resolutions into the PEBB Program rules

Questions?

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Select March 21, 2024 Board Materials



Background on Vision Benefits

- ▶ The PEBB Program's vision benefit has been a portion of employee-paid medical coverage since it was introduced to the employee portfolio
- ▶ In 2018, when staff did analysis for introducing the SEBB Program, we determined that most K-12 program portfolios – particularly the Washington Education Association (WEA) portfolio – had a mandatory standalone vision benefit
- ▶ For the SEBB Program, we procured three standalone vision carrier plans to offer a vision benefit
 - ▶ These three carriers provide statewide coverage and a choice of plans in as many counties as possible

Proposed Changes for the PEBB Program

- ▶ During the launch of the SEBB Program, HCA's procurements and contracts were crafted to allow the results to be leveraged for both the PEBB and SEBB Programs
- ▶ During the 2023 Legislative session, the state budget modeling assumed an **employer-paid** standalone vision benefit would be implemented for the PEBB Program in 2025
- ▶ Beginning in January 2025, we hop to offer the same vision benefits in both the PEBB and SEBB Programs

PEBB Vision Plans Lens Enhancements

Member Costs

Enhancement	Davis Vision	EyeMed Vision	MetLife Vision
Anti-reflective coating	\$35 to \$85	\$45 to \$85 (\$5)*	\$41 to \$85
Scratch-resistant	\$0	\$0 (\$5)*	\$17 to \$33
Polycarbonate	\$30	\$40	\$31 to \$35
Photochromic/transitions	\$65	\$75	\$47 to \$82
Polarized	\$75	80% of retail price	80% of retail price
Tinting	\$0	\$15	\$17 to \$44
UV treatment	\$12	\$15	\$0

*Amounts in parentheses indicate the highest amount the plan pays out-of-network.

Pediatric Vision Coverage

	Davis Vision	EyeMed Vision	MetLife Vision
Routine Eye Exam	\$0 (\$40)*	\$0 (\$90)*	\$0 (\$45)*
Frames	\$0 up to \$200, then 80% of balance (\$50)*; or \$0 at Visionworks or for any of the Davis Vision Frame Collection	\$0 up to \$150, then 80% of balance (\$75)*	\$0 up to \$150, then 80% of balance (\$70)*; or \$85 allowance at Costco, Walmart, or Sam's Club
Lenses	\$0 (single \$40; bifocal \$60; trifocal \$80; lenticular \$100)*	\$0 (single \$25; bifocal \$35; trifocal \$53; lenticular \$53)*	\$0 (single \$30; bifocal \$50; trifocal \$65; lenticular \$100)*
Progressive Lenses	\$50 to \$175	\$0 to \$175 (\$40)*	\$0 to \$175 (\$50)*

*Amounts in parentheses indicate the highest amount the plan pays out-of-network.

Pediatric Lens Enhancements

Enhancement	Davis Vision	EyeMed Vision	MetLife Vision
Anti-reflective coating (depends on level of coating)	\$35 to \$85	\$45 to \$85 (\$5)	\$41 to \$85
Scratch-resistant	\$0	\$0 (\$8)	\$0
Polycarbonate	\$0	\$0 (\$20)	\$0
Photochromic/transitions	\$0	\$75	\$47 to \$82
Polarized	\$75	\$0	\$0
Tinting	\$0	\$15	\$17 to \$44
UV treatment	\$0	\$15	\$0

**Amounts in parentheses indicate the highest amount the plan pays out-of-network.*

In-Network Retail Locations

- ▶ In addition to local providers' offices:
 - ▶ **Davis Vision by MetLife:** America's Best, Costco Optical, Sam's Club, Visionworks, and Walmart
 - ▶ **EyeMed Vision:** LensCrafters, Pearle Vision, and Target Optical, and many others
 - ▶ **MetLife Vision:** America's Best, Costco Optical, Pearle Vision, Sams Club, Visionworks, and Walmart

Proposed Resolutions

Proposed Resolution 2024-12

Fully Insured Vision Plans

The benefit design for the embedded refraction vision exam and hardware coverage for Employees and non-Medicare Retirees included in prior Board Policy decisions and resolutions is rescinded and replaced with the following:

Beginning January 1, 2025, the PEBB Program will offer standalone fully-insured vision plans by EyeMed Vision, Davis Vision, and MetLife Vision as presented at the March 21, 2024, Board meeting.

Proposed Resolution PEBB 2024-13

Default enrollment if an employee did not enroll in a PEBB vision plan during the annual open enrollment in 2024

All employees who are eligible for the employer contribution towards PEBB benefits as of December 31, 2024 and did not make an election during an enrollment period established by the Health Care Authority in 2024, will be auto-enrolled in a PEBB vision plan as designated by the director or designee effective date of January 1, 2025. Any dependents on the account that are enrolled in PEBB medical will be enrolled in the same PEBB vision plan as the subscriber.

Proposed Resolution PEBB 2024-14

Non-Medicare Retiree Enrollment Requirement

A non-Medicare retiree must enroll in medical to be able to enroll in dental, in vision, or in both dental and vision.

Proposed Resolution PEBB 2024-15

Amending PEBB 2021-12 (Amending Resolution PEBB 2020-04 Relating to Default Enrollments for an employee who fails to make a timely election)

Amending PEBB 2021-12 to read:

The default election for an eligible employee who fails to timely elect coverage will be as follows:

- Enrollment in employee-only medical coverage;
- Enrollment in employee-only dental coverage;
- Enrollment in employee-only vision coverage;
- Enrollment in basic life insurance;
- Enrollment in basic AD&D;
- Enrollment in employer-paid long-term disability insurance; and
- Enrollment in employee-paid long-term disability insurance at the 60% coverage level.

Proposed Resolution PEBB 2024-16

Amending PEBB Policy Resolution “Error Correction” adopted on July 16, 2014

If an employing agency fails to enroll an employee in benefits, medical, ~~and~~ dental, and vision enrollment will be effective the first day of the month following the date the enrollment error is identified, unless the Health Care Authority determines additional recourse is warranted. If the enrollment error is identified on the first day of the month, enrollment is effective that day.

TAB 7

Policy and Rules Development

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Employees & Retirees Benefits Division
April 11, 2024

PEB Board Policy Resolutions

Dual Enrollment Prohibitions (Implementing PEBB Vision)

PEBB 2024-01	Amending PEBB 2021-02
PEBB 2024-02	Amending PEBB 2021-03
PEBB 2024-03	Amending PEBB 2021-04
PEBB 2024-04	Amending PEBB 2021-05
PEBB 2024-05	Amending PEBB 2021-06

PEB Board Policy Resolutions (*cont.*)

Dual Enrollment Prohibitions (Implementing PEBB Vision)

PEBB 2024-06	Amending PEBB 2021-07
PEBB 2024-07	Amending PEBB 2021-08
PEBB 2024-08	Amending PEBB 2021-09
PEBB 2024-09	Amending PEBB 2021-25
PEBB 2024-10	Rescinding PEBB 2022-02

PEB Board Policy Resolutions (*cont.*)

PEBB 2024-11

Amending 2022-04
Deferring PEBB retiree
insurance coverage

RCW 41.05.065(4)

(4) Except if bargained for under chapter **41.80** RCW, the public employees' benefits board shall design benefits and determine the terms and conditions of employee and retired or disabled school employee participation and coverage, including establishment of eligibility criteria subject to the requirements of this chapter. Employer groups obtaining benefits through contractual agreement with the authority for employees defined in RCW **41.05.011**(6)(a) (i) through (vi) may contractually agree with the authority to benefits eligibility criteria which differs from that determined by the public employees' benefits board. The eligibility criteria established by the public employees' benefits board shall be no more restrictive than the following:...

RCW 41.05.080 (1) and (3)

(1) Under the qualifications, terms, conditions, and benefits set by the public employees' benefits board:

(a) Retired or disabled state employees, retired or disabled school employees, retired or disabled employees of county, municipal, or other political subdivisions, or retired or disabled employees of tribal governments covered by this chapter may continue their participation in insurance plans and contracts after retirement or disablement;

(b) Separated employees may continue their participation in insurance plans and contracts if participation is selected immediately upon separation from employment;

(c) Surviving spouses, surviving state registered domestic partners, and dependent children of emergency service personnel killed in the line of duty may participate in insurance plans and contracts.

(3) Rates charged to surviving spouses and surviving state registered domestic partners of emergency service personnel killed in the line of duty, retired or disabled employees, separated employees, spouses, or children who are eligible for parts A and B of medicare shall be calculated from a separate experience risk pool comprised only of individuals eligible for parts A and B of medicare; however, the premiums charged to medicare-eligible retirees and disabled employees shall be reduced by the amount of the subsidy provided under RCW 41.05.085.

Dual Enrollment Prohibition

PEBB Program Vision Bundle

Ten Resolutions

- ▶ Amending PEBB 2021-02, PEBB 2021-03, PEBB 2021-04, PEBB 2021-06, PEBB 2021-08, PEBB 2021-09, and PEBB 2021-25 to include “PEBB vision”
- ▶ Amending PEBB 2021-05 and PEBB 2021-07 to address how dual enrollment is resolved when an employee, or an employee’s dependent, is dual enrolled in medical, or in both programs without medical
- ▶ Rescinding PEBB 2022-02: Employees may waive enrollment in dental

Resolution PEBB 2024-01

Amending Resolution PEBB 2021-02

Employees may waive enrollment in medical

Resolved that, an employee who is eligible for the employer contribution toward PEBB benefits may waive their enrollment in a medical plan if they are enrolled in other employer-based group medical.

Exception: An employee may waive their enrollment in a PEBB medical plan to enroll in a SEBB medical plan only if they are enrolled in a SEBB dental plan and SEBB vision plan. In doing so, the employee also waives their enrollment in PEBB dental and PEBB vision.

Resolution PEBB 2024-02

Amending Resolution PEBB 2021-03 PEBB benefit enrollment requirements when SEBB benefits are waived

Resolved that, a school employee who waives SEBB medical, SEBB dental, and SEBB vision for PEBB medical must be enrolled in a PEBB dental plan and a PEBB vision plan. If necessary, they will be automatically enrolled in the associated subscriber's PEBB dental plan and PEBB vision plan.

Resolution PEBB 2024-03

Amending Resolution PEBB 2021-04 Resolving dual enrollment when an employee's only medical enrollment is in SEBB

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

Resolution PEBB 2024-04 (Revised)

Amending Resolution PEBB 2021-05 ~~Resolving dual enrollment when an employee's only medical enrollment is in SEBB~~ Resolving dual enrollment involving dual subscriber eligibility

If the employee is enrolled in PEBB medical as an employee and is also enrolled in SEBB medical as a school employee, and the employee has been enrolled in SEBB benefits longer than they've been enrolled in PEBB benefits, but no action is taken by the employee to resolve their dual enrollment, they will remain in their SEBB benefits and will be auto-disenrolled from their PEBB medical, PEBB dental, and PEBB vision plans. The employee's enrollments in PEBB Life, AD&D, and LTD will remain. If an employee is not enrolled in any medical but is enrolled in PEBB dental, PEBB vision, SEBB dental, and SEBB vision, the employee will be kept in SEBB benefits and auto-disenrolled from PEBB benefits.

Resolution PEBB 2024-04

Amending Resolution PEBB 2021-05 Resolving dual enrollment involving dual subscriber eligibility

Resolved that, if the employee is enrolled in PEBB medical as an employee and is also enrolled in SEBB medical as a school employee, and the employee has been enrolled in SEBB benefits longer than they've been enrolled in PEBB benefits, but no action is taken by the employee to resolve their dual enrollment, they will remain in their SEBB benefits and will be auto-disenrolled from their PEBB medical, PEBB dental, and PEBB vision plans. The employee's enrollments in PEBB Life, AD&D, and LTD will remain. If an employee is not enrolled in any medical but is enrolled in PEBB dental, PEBB vision, SEBB dental, and SEBB vision, the employee will be kept in SEBB benefits and auto-disenrolled from PEBB benefits.

Example

Resolution ~~SEBB~~ PEBB 2024-04 (Revised)

Example: Paolo has been a part time nurse at Timberline High School since 2020. His wife works for Boeing, so he waived his SEBB medical to enroll in medical under her plan. He is enrolled in SEBB dental and SEBB vision.

In 2025, he gets a part-time job at Western State Hospital and is eligible for PEBB benefits. He continues to work at Timberline High School. He waives PEBB medical but does not correctly waive PEBB dental and PEBB vision, so he is defaulted into PEBB dental and PEBB vision. Now he is dual-enrolled.

Example (*cont.*)

Resolution ~~SEBB~~ PEBB 2024-04 (Revised)

Paolo does not act in response to attempts from HCA asking him to affirmatively choose enrollment in either the PEBB or SEBB plan(s).

How does HCA resolve the school employee's dual enrollment? Paolo will be kept in SEBB dental and SEBB vision and will be auto-disenrolled from PEBB dental and PEBB vision.

Example (*cont.*)

Resolution PEBB 2024-04

Example: Paolo has been a part time nurse at Timberline High School since 2020. His wife works for Boeing, so he waived his SEBB medical to enroll in medical under her plan. He is enrolled in SEBB dental and SEBB vision.

In 2025, he gets a part-time job at Western State Hospital and is eligible for PEBB benefits. He continues to work at Timberline High School. He waives PEBB medical but does not correctly waive PEBB dental and PEBB vision, so he is defaulted into PEBB dental and PEBB vision. Now he is dual-enrolled.

Example (*cont.*)

Resolution PEBB 2024-04

Paolo does not act in response to attempts from HCA asking him to affirmatively choose enrollment in either the PEBB or SEBB plan(s).

How does HCA resolve the school employee's dual enrollment? Paolo will be kept in SEBB dental and SEBB vision and will be auto-disenrolled from PEBB dental and PEBB vision.

Resolution PEBB 2024-05

Amending Resolution PEBB 2021-06 Resolving dual enrollment involving a PEBB dependent with multiple medical enrollments

Resolved that, if an employee's dependent is enrolled in any PEBB benefits and the dependent is also a SEBB eligible school employee who is enrolled in SEBB medical as a school employee, and no action is taken by either the employee or the dependent to resolve the dependent's dual enrollment, the dependent will remain in SEBB benefits and will be auto-disenrolled from the employee's PEBB medical, dental, and/or vision plans in which they are enrolled.

Resolution PEBB 2024-06

Amending Resolution PEBB 2021-07 Resolving dual enrollment involving a member with multiple medical enrollments as a dependent

Resolved that, if an employee's dependent is enrolled in both PEBB medical and SEBB medical as a dependent and has been enrolled in SEBB benefits longer than they have been enrolled in PEBB benefits, but no action is taken to resolve the dual enrollment, the dependent will remain in SEBB benefits and will be auto-disenrolled from the employee's PEBB medical, dental, and/or vision plans if they are enrolled.

If an employee's dependent is not enrolled in any medical but is enrolled in both a PEBB and SEBB dental and/or vision plan as a dependent, the dependent will be kept in SEBB benefits and auto-disenrolled from PEBB benefits.

Exception: If there is a National Medical Support Order or a court order in place, enrollment will be in accordance with the order.

Resolution PEBB 2024-07 (Revised)

Amending Resolution PEBB 2021-08 PEBB benefit automatic enrollments when SEBB benefits are auto-disenrolled

If an employee's dependent, who is also a school employee, was auto-disenrolled from their SEBB dental and SEBB vision as a result of SEBB Board Resolution 2021-04, the employee's dependent will be automatically enrolled in the employee's PEBB dental plan and PEBB vision plan, if they are not already enrolled.

Resolution PEBB 2024-07

Amending Resolution PEBB 2021-08 PEBB benefit automatic enrollments when SEBB benefits are auto-disenrolled

Resolved that, if an employee's dependent, who is also a school employee, was auto-disenrolled from their SEBB dental and SEBB vision as a result of SEB Board Resolution 2021-04, the employee's dependent will be automatically enrolled in the employee's PEBB dental plan and PEBB vision plan, if they are not already enrolled.

Resolution PEBB 2024-08

Amending Resolution PEBB 2021-09 Enrollment Requirements When An Employee Loses Dependent Coverage In SEBB Benefits

Resolved that, if an employee who is eligible for the employer contribution towards PEBB benefits was enrolled as a dependent in SEBB benefits and is dropped by the SEBB subscriber, HCA will notify the employee of their removal from the SEBB subscriber's account and that they have experienced a special enrollment event. The employee will be required to return from waive status and elect PEBB medical, PEBB dental, and PEBB vision. If the employee's employing agency does not receive the employee's required forms indicating their medical, dental, and vision elections within sixty days of the employee losing SEBB benefits, they will be defaulted into employee-only PEBB medical, PEBB dental, and PEBB vision.

Resolution PEBB 2024-09

Amending Resolution PEBB 2021-25 PEBB Continuation Coverage Eligibility for Employees' Dependents

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

Resolution PEBB 2024-10

As introduced March, 21, 2024

Rescinding Resolution PEBB 2022-02

Employees may waive enrollment in dental

As adopted April 14, 2021

PEBB 2022-02 states: "An employee who is eligible for the employer contribution toward PEBB benefits and who waives enrollment in a PEBB medical plan when they are enrolled in TRICARE, Medicare, or other employer-based group medical, and are not enrolled in SEBB medical, may waive their PEBB dental only if they are enrolled in both a SEBB dental plan and SEBB vision plan as a SEBB eligible dependent."

Resolution PEBB 2024-10 (Revised)

Rescinding Resolution PEBB 2022-02
Employees may waive enrollment in dental

Resolved that, effective January 1, 2025, Resolution PEBB 2022-02, as adopted on April 14, 2021 is rescinded.

Resolution PEBB 2024-10

Rescinding Resolution PEBB 2022-02

Employees may waive enrollment in dental

Resolved that, effective January 1, 2025, Resolution PEBB 2022-02, as adopted on April 14, 2021 is rescinded.

Resolution PEBB 2024-11

Amending PEBB 2022-04 Deferring PEBB retiree insurance coverage when the subscriber becomes eligible for the employer contribution

Resolved that, PEBB retiree insurance coverage will be automatically deferred when the subscriber becomes eligible for the employer contribution towards PEBB or SEBB benefits. The subscriber will be exempt from the deferral form requirement.

Next Steps

- ▶ Issue guidance to employing agencies on these resolutions
- ▶ Prepare communications for our members
- ▶ Incorporate resolutions into the PEBB Program rules

Questions?

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Appendix



Original Resolutions as Presented at the March 21, 2024 Board Meeting

Proposed Resolution PEBB 2024-01

Amending Resolution PEBB 2021-02

Employees may waive enrollment in medical

An employee who is eligible for the employer contribution toward PEBB benefits may waive their enrollment in a medical plan if they are enrolled in other employer-based group medical.

Exception: An employee may waive their enrollment in a PEBB medical plan to enroll in a SEBB medical plan only if they are enrolled in a SEBB dental plan and SEBB vision plan. In doing so, the employee also waives their enrollment in PEBB dental and PEBB vision.

Proposed Resolution PEBB 2024-02

Amending Resolution PEBB 2021-03 PEBB benefit enrollment requirements when SEBB benefits are waived

A school employee who waives SEBB medical, SEBB dental, and SEBB vision for PEBB medical must be enrolled in a PEBB dental plan and a PEBB vision plan. If necessary, they will be automatically enrolled in the associated subscriber's PEBB dental plan and PEBB vision plan.

Proposed Resolution PEBB 2024-03

Amending Resolution PEBB 2021-04 Resolving dual enrollment when an employee's only medical enrollment is in SEBB

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

Proposed Resolution PEBB 2024-04

Amending Resolution PEBB 2021-05 Resolving dual enrollment when an employee's only medical enrollment is in SEBB

If the employee is enrolled in PEBB medical as an employee and is also enrolled in SEBB medical as a school employee, and the employee has been enrolled in SEBB benefits longer than they've been enrolled in PEBB benefits, but no action is taken by the employee to resolve their dual enrollment, they will remain in their SEBB benefits and will be auto-disenrolled from their PEBB medical ~~and~~, PEBB dental, and PEBB vision plans. The employee's enrollments in PEBB Life, AD&D, and LTD will remain. If an employee is not enrolled in any medical but is enrolled ~~only~~ in PEBB dental, PEBB vision, SEBB dental, and SEBB vision (~~with or without SEBB dental~~), the employee will be kept in SEBB benefits and auto-disenrolled from PEBB dental benefits.

Example

Proposed Resolution SEBB 2024-04

Example: Paolo has been a part time nurse at Timberline High School since 2020. His wife works for Boeing, so he waived his SEBB medical to enroll in medical under her plan. He is enrolled in SEBB dental and SEBB vision.

In 2025, he gets a part-time job at Western State Hospital and is eligible for PEBB benefits. He continues to work at Timberline High School. He waives PEBB medical but does not correctly waive PEBB dental and PEBB vision, so he is defaulted into PEBB dental and PEBB vision. Now he is dual-enrolled.

Example (*cont.*)

Proposed Resolution SEBB 2024-04

Paolo does not act in response to attempts from HCA asking him to affirmatively choose enrollment in either the PEBB or SEBB plan(s).

- ▶ How does HCA resolve the school employee's dual enrollment? Paolo will be kept in SEBB dental and SEBB vision and will be auto-disenrolled from PEBB dental and PEBB vision.

Proposed Resolution PEBB 2024-05

Amending Resolution PEBB 2021-06 Resolving dual enrollment involving a PEBB dependent with multiple medical enrollments

If an employee's dependent is enrolled in any PEBB benefits and the dependent is also a SEBB eligible school employee who is enrolled in SEBB medical as a school employee, and no action is taken by either the employee or the dependent to resolve the dependent's dual enrollment, the dependent will remain in SEBB benefits and will be auto-disenrolled from the employee's PEBB medical, dental, and/or dental vision plans in which they are enrolled.

Proposed Resolution PEBB 2024-06

Amending Resolution PEBB 2021-07 Resolving dual enrollment involving a member with multiple medical enrollments as a dependent

If an employee's dependent is enrolled in both PEBB medical and SEBB medical as a dependent and has been enrolled in SEBB benefits longer than they have been enrolled in PEBB benefits, but no action is taken to resolve the dual enrollment, the dependent will remain in SEBB benefits and will be auto-disenrolled from the employee's PEBB medical, dental, and/or dentalvision plans if they are enrolled.

If an employee's dependent is not enrolled in any medical but is enrolled only in both a PEBB and SEBB dental and/or and SEBB-vision (with or without SEBB dental) plan as a dependent, the dependent will be kept in SEBB benefits and auto-disenrolled from PEBB dentalbenefits.

Exception: If there is a National Medical Support Order or a court order in place, enrollment will be in accordance with the order.

Proposed Resolution PEBB 2024-07

Amending Resolution PEBB 2021-08 PEBB benefit automatic enrollments when SEBB benefits are auto-disenrolled

If an employee's dependent, who is also a school employee, ~~who~~ was auto-disenrolled from their SEBB dental and SEBB vision as a result of SEBB Board Resolution 2021-04, the employee's dependent will be automatically enrolled in the employee's PEBB dental plan and PEBB vision plan, if they are not already enrolled.

Proposed Resolution PEBB 2024-08

Amending Resolution PEBB 2021-09 Enrollment Requirements When An Employee Loses Dependent Coverage In SEBB Benefits

If an employee who is eligible for the employer contribution towards PEBB benefits was enrolled as a dependent in SEBB benefits and is dropped by the SEBB subscriber, HCA will notify the employee of their removal from the SEBB subscriber's account and that they have experienced a special enrollment event. The employee will be required to return from waive status and elect PEBB medical ~~and,~~ PEBB dental, and PEBB vision. If the employee's employing agency does not receive the ~~school~~ employee's required forms indicating their medical ~~and,~~ dental, and vision elections within sixty days of the employee losing SEBB benefits, they will be defaulted into employee-only PEBB medical, ~~and~~ PEBB dental, and PEBB vision.

Proposed Resolution PEBB 2024-09

Amending Resolution PEBB 2021-25 PEBB Continuation Coverage Eligibility for Employees' Dependents

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

Proposed Resolution PEBB 2024-10

Rescinding Resolution PEBB 2022-02

Employees may waive enrollment in dental

PEBB 2022-02 states: “An employee who is eligible for the employer contribution toward PEBB benefits and who waives enrollment in a PEBB medical plan when they are enrolled in TRICARE, Medicare, or other employer based group medical, and are not enrolled in SEBB medical, may waive their PEBB dental only if they are enrolled in both a SEBB dental plan and SEBB vision plan as a SEBB eligible dependent.”

Proposed Resolution PEBB 2024-11

Amending PEBB 2022-04 Deferring PEBB retiree insurance coverage when the subscriber becomes eligible for the employer contribution

PEBB retiree insurance coverage will be automatically deferred when the subscriber becomes eligible for the employer contribution towards PEBB or SEBB benefits. The subscriber will be exempt from the deferral form requirement.

Original Board Dual Enrollment Prohibition Resolution Examples presented on March 17, 2021

Proposed Resolution PEBB 2021-04

Resolving Dual Enrollment When An Employee's Only Medical Enrollment Is In SEBB

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

Proposed Resolution PEBB 2021-04

Example #1

Example: Bob is an employee who works at the Department of Ecology. His spouse Jane is a teacher at Olympia High School. Bob is currently enrolled in SEBB medical as a dependent on Jane's account. He is not enrolled in PEBB medical because he affirmatively waived, but he is enrolled in PEBB dental. Neither Bob (the employee) nor Jane (the school employee) takes any action in response to attempts from HCA asking them to choose which plan Bob stays in.

- How does HCA resolve the employee's dual enrollment?
Bob, the employee, will remain in SEBB as a dependent because that is where he is enrolled in medical. He will be auto-disenrolled from his PEBB dental plan.

Proposed Resolution PEBB 2021-06

Resolving Dual Enrollment Involving A PEBB Dependent With Multiple Medical Enrollments

If an employee's dependent is enrolled in any PEBB benefits and the dependent is also a SEBB eligible school employee who is enrolled in SEBB medical as a school employee, and no action is taken by either the employee or the dependent to resolve the dependent's dual enrollment, the dependent will remain in SEBB benefits and will be auto-disenrolled from the employee's PEBB medical and/or dental vision plans in which they are enrolled.

Proposed Resolution PEBB 2021-06

Example #1

Example: Julie is a bus driver for Salish Middle School. Her spouse Linda is an employee with the Washington State Department of Health.

Julie is currently enrolled in PEBB dental under Linda as a dependent and is also enrolled in SEBB medical as a school employee. Neither Julie nor Linda act in response to attempts from HCA asking them to affirmatively choose enrollment for Julie in either PEBB or SEBB.

Proposed Resolution PEBB 2021-06 (*cont.*)

Example #1

How does HCA resolve the employee's dependent's dual enrollment? Julie will remain in SEBB benefits because SEBB is where she is enrolled in medical as a school employee. She will be auto-disenrolled from her spouse Linda's PEBB dental plan.

Proposed Resolution PEBB 2021-06

Example #2

Example: Maria is a receptionist at Salish Middle School. Her spouse Charles is an employee with the Department of Commerce.

Maria is currently enrolled in PEBB medical under Charles as a dependent, and she is also enrolled in SEBB medical as a school employee. Neither Maria nor Charles act in response to attempts from HCA asking them to affirmatively choose enrollment for Maria in either PEBB or SEBB benefits.

Proposed Resolution PEBB 2021-06

(cont.)

Example #2

How does HCA resolve the employee's dual enrollment? Even though Maria is enrolled in medical in both programs, she will remain in SEBB because she is only enrolled in PEBB medical as a dependent, and she is enrolled in SEBB medical as a school employee. She will be auto-disenrolled from her spouse Charles's PEBB medical, as well as any PEBB dental plan in which she is enrolled.

Proposed Resolution PEBB 2021-08

PEBB Benefit Automatic Enrollments When SEBB Benefits Are Auto-Disenrolled

If an employee's dependent, who is also a school employee who was auto-disenrolled from their SEBB dental and SEBB vision as a result of SEBB Board Resolution 2021-04, the employee's dependent will be automatically enrolled in the employee's dental plan if they are not already enrolled.

Proposed Resolution PEBB 2021-08

Example #1

Example: Steve works for Tumwater High School and is a school employee. His spouse Bruce works for HCA.

Steve is currently enrolled in PEBB medical under Bruce as a dependent. He is also enrolled in SEBB dental and SEBB vision as a school employee. He is not enrolled in SEBB medical because he affirmatively waived SEBB medical when he became eligible for SEBB benefits.

Proposed Resolution PEBB 2021-08

(cont.)

Example #1

How does HCA resolve the dependent's dual enrollment when he is also enrolled in SEBB dental and SEBB vision as a school employee? Steve would remain in PEBB benefits because that is where he is enrolled in medical. He would be auto-disenrolled from SEBB dental and SEBB vision. If he wasn't already enrolled in PEBB dental, he will also be automatically enrolled in PEBB dental.

TAB 8

UMP Benefit Design

Ryan Ramsdell
UMP TPA Account Team Manager
Employees and Retirees Benefits Division
April 11, 2024

Objectives

- ▶ Benefit change updates:
 - ▶ Diagnostic and supplemental breast examinations
 - ▶ Diabetes Management Program
- ▶ Proposed PEB Board resolutions

UMP Diagnostic and Supplemental Breast Exam Coverage

▶ Benefit change

- ▶ Diagnostic and supplemental breast exams to be covered at no cost share to Uniform Medical Plan (UMP) members
- ▶ Federal law requirements apply to qualifying high deductible health plans

▶ Intent

- ▶ Align UMP coverage with Senate Bill 5396

▶ Senate Bill 5396 background

- ▶ Passed by the Washington State Legislature in 2023
- ▶ Impacted fully insured medical carriers
 - ▶ Beginning January 1, 2024, diagnostic and supplemental breast exam coverage at no cost share

Proposed Resolution PEBB 2024-23

UMP Diagnostic and Supplemental Breast Exam Coverage

Beginning January 1, 2025, diagnostic and supplemental breast exams are to be covered without member cost share to Uniform Medical Plan (UMP) members for in network services. UMP Consumer Directed Health Plan (CDHP) members need to meet their deductible before the plan will pay any portion of the claim.

UMP Diabetes Management Program

▶ Benefit change

- ▶ UMP to begin offering a diabetes management program to PEBB Program members
- ▶ UMP would offer Omada's virtual diabetes management program to all PEBB Program UMP members aged 18 and older who have a current diagnosis of Type 1 or Type 2 diabetes

▶ Intent

- ▶ Align with UMP diabetes management program offering to SEBB Program members and PEBB Program fully insured medical plan offerings

Proposed Resolution PEBB 2024-24

UMP Diabetes Management Program

Beginning January 1, 2025, the Uniform Medical Plan (UMP) will implement a diabetes management program.

Next Steps

- ▶ Incorporate any Board feedback regarding resolution proposals
- ▶ Submit feedback to HCAPEBSEBBoardPolicyFeedback@hca.wa.gov by April 22, 2024
- ▶ Bring recommended resolutions to the Board for action at the May 9, 2024 Board meeting

Questions?

Ryan Ramsdell, UMP TPA Account Team Manager
Employees and Retirees Benefits Division

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TAB 9

2024 Annual Rulemaking Briefing

Stella Ng
Policy and Rules Coordinator
Employees and Retirees Benefits Division
April 11, 2024

Rulemaking Timeline

May 2024	File proposed amendments (CR-102) and distribute new rules for public comments
June 2024	Conduct public hearing and adopt final rules (CR-103)
January 2025	Permanent rules effective

Focus of Rulemaking

- ▶ Implement PEB Board policy resolutions and legislation
- ▶ Administration and benefits administration
- ▶ Amendments within HCA authority

Implement Final Rules for 2023 Legislation

- ▶ **SB 5700:** Modernizing HCA related laws
- ▶ **SHB 1804:** PEBB employer group retirees
- ▶ **HB 1008:** PERS, SERS, and TRS Plan 2 member eligibility to PEBB retiree insurance coverage

Administration and Benefits Management

- ▶ Amend the premium payments and premium refunds rule to include exceptions when a subscriber is not required to make the first premium payment and premium surcharges to begin a new enrollment
- ▶ Clarify the spousal attestation process due to a change in the employer group medical plan

Administration and Benefits Management (*cont.*)

- ▶ Amend the premium payment plan rule to include a special enrollment event when there is a substantial decrease of providers in a PEBB health plan
- ▶ Clarify the effective date of supplemental life and supplemental accidental death and dismemberment (AD&D) insurance coverage when correcting enrollment errors

Amendments Within HCA's Authority

- ▶ Make global changes to include “Benefits Administrators”
- ▶ Remove language related to board members of school districts and Educational Service Districts in chapters 182-08 and 182-12 WAC

Questions?

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

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TAB 10

2025 UMP Medicare Plan D Option

Ellen Wolfhagen
Retiree Benefits Manager
ERB Division

Luke Dearden
Clinical Pharmacist
CQCT Division

Stella Ng
Policy & Rules Coordinator
ERB Division
April 11, 2024

Follow Up from March 21

- ▶ Opioid coverage in Part D
- ▶ Examples of drugs in each tier
- ▶ Average cost share for 90 day supply for high cost generics and preferred brands

Plan Design Summary

What Stays the Same

- ▶ Medical benefits are **not** changed
- ▶ Moda is the administrator
- ▶ Deductible - \$100 – doesn't apply to generics
- ▶ Maximum out-of-pocket \$2,000

What's Different

- ▶ Minor formulary changes
- ▶ Minor pharmacy network changes
- ▶ Changes in cost shares
 - ▶ Mostly **less**
 - ▶ Specific copays, not co-insurance (%)

Part D Examples by Tier

Type of Drug	Part D Cost Share Per 30 Days	Part D Examples
Preventive/High value generics	\$0	Statins
Preferred generics	\$0	Levothyroxine, Lisinopril, Amlodipine, Metoprolol, Gabapentin
High cost generics	\$10	Potassium chloride ER, Fluticasone/salmeterol inhaler, many antibiotics
Preferred brands	\$40	Eliquis, Ozempic, Jardiance, Entresto, Trelegy Ellipta
Non-preferred brands	\$75	Praluent
Preferred specialty	\$90	Stelara, Enbrel, Dupixent
Non-preferred specialty	\$100	Ingrezza, Simponi

UMP Medicare Average Cost Share Per 90 Days (2023)

Type of Drug	UMP Average Cost Share Per 90 Days	Part D Cost Share Per 90 Days
Preventive/High value generics	\$0 for preventive \$1.30 for high value generics	\$0
Preferred generics	\$4.50	\$0
High cost generics	\$48	\$20
Preferred brands	\$206	\$80

Opioid Follow-up

- ▶ The Part D option would employ strategies that facilitate appropriate opioid use
 - ▶ Quantity limits
 - ▶ Real-time notifications to the dispensing pharmacist
 - High dose opioids
 - Multiple prescribers
 - Drug-drug interactions
- ▶ Members who have not had an opioid prescription within the last 108 days are limited to a 7-day supply
 - ▶ Exceptions include cancer, palliative care, or residence in long-term care facility

PEB Board Policy Resolutions

PEB Board Policy Resolutions

- PEBB 2024-17 UMP Classic Medicare Part D Coverage
- PEBB 2024-18 Automatic Enrollment – UMP Classic Medicare – Annual Open Enrollment 2024
- PEBB 2024-19 UMP Classic Medicare Enrollment
- PEBB 2024-20 UMP Classic Medicare Plan Enrollment During Gap Month(s)

PEB Board Policy Resolutions (*cont.*)

- PEBB 2024-21 Amending PEBB 2022-03 Medicare Advantage Prescription Drug plan enrollment during gap month(s)
- PEBB 2024-22 When a subscriber is involuntarily terminated by a Medicare Part D plan

Resolution PEBB 2024-17

UMP Classic Medicare Part D Coverage

Resolved that, the UMP Classic Medicare prescription drug benefit will change from creditable drug coverage to Part D Medicare drug coverage effective January 1, 2025.

Resolution PEBB 2024-18

Automatic Enrollment – UMP Classic Medicare – Annual Open Enrollment 2024

Resolved that, all Medicare enrollees who are enrolled in UMP Classic Medicare with creditable drug coverage as of December 31, 2024, where the subscriber did not make an election during the PEBB annual open enrollment period held in 2024, will be auto-enrolled in the UMP Classic Medicare with Medicare Part D drug coverage with an effective date of January 1, 2025.

Resolution PEBB 2024-19 (Revised)

UMP Classic Medicare Enrollment

If a subscriber selects ~~to enroll in~~ the Uniform Medical Plan (UMP) Classic Medicare plan, any non-Medicare enrollees on the account will be enrolled in the UMP Classic.

Resolution PEBB 2024-19

UMP Classic Medicare Enrollment

Resolved that, if a subscriber selects the Uniform Medical Plan (UMP) Classic Medicare plan, any non-Medicare enrollees on the account will be enrolled in the UMP Classic.

Resolution PEBB 2024-20

UMP Classic Medicare Enrollment During Gap Month(s)

Resolved that, if a subscriber elects to enroll in the Uniform Medical Plan (UMP) Classic Medicare plan, and the required forms are received by the PEBB Program after the date the PEBB retiree insurance coverage is to begin, the subscriber and their enrolled dependents will be enrolled in transitional UMP coverage during the gap month(s) prior to when the UMP Classic Medicare plan begins.

Example

UMP Classic Medicare Plan Enrollment During Gap Month(s)

Example: Joan's retirement date is July 1, 2025. The PEBB Program receives her retiree election forms on August 17, 2025. For medical, Joan selected UMP Classic Medicare (Part D) plan. Because Joan's enrollment in PEBB retiree insurance coverage must be July 1, 2025 (consistent with her retirement date) and enrollment in the Medicare Part D plan must be prospective, there is a two-month gap in coverage.

Which plan is Joan enrolled in during the gap months?

Joan will be enrolled in the transitional UMP coverage for the months of July and August before UMP Classic Medicare (Part D) plan begins.

Resolution PEBB 2024-21 (Revised)

Amending PEBB 2022-03 Medicare Advantage Prescription Drug plan enrollment during gap month(s)

If a subscriber elects to enroll in a Medicare Advantage Prescription Drug (MA-PD) plan, and the required forms are received by the PEBB Program after the date the PEBB retiree insurance coverage is to begin, the subscriber and their enrolled dependents will be enrolled in ~~Uniform Medical Plan (UMP) Classic~~ transitional UMP coverage as designated by the director or designee during the gap month(s) prior to when the MA-PD coverage begins.

Resolution PEBB 2024-21

Amending PEBB 2022-03 Medicare Advantage Prescription Drug plan enrollment during gap month(s)

Resolved that, if a subscriber elects to enroll in a Medicare Advantage Prescription Drug (MA-PD) plan, and the required forms are received by the PEBB Program after the date the PEBB retiree insurance coverage is to begin, the subscriber and their enrolled dependents will be enrolled in transitional coverage as designated by the director or designee during the gap month(s) prior to when the MA-PD coverage begins.

Resolution PEBB 2024-22

When a subscriber is involuntarily terminated by a Medicare Part D plan

Resolved that, when a subscriber or their dependent must be disenrolled by a Medicare Part D plan as required by federal law, the subscriber and their enrolled dependents will be enrolled in a PEBB medical plan as designated by the director or designee. The new medical plan coverage will begin the first day of the month following the date the UMP Classic Medicare plan is terminated.

Next Steps

- ▶ Issue guidance to employing agencies on these resolutions
- ▶ Prepare communications for Medicare members
- ▶ Incorporate resolutions into the PEBB Program rules

Timeline

- ▶ PEB Board vote – April 11, 2024
- ▶ 2025 formulary finalization – August 2024
 - ▶ CMS defined timeline
- ▶ Moda customer service available to answer questions – Fall 2024
- ▶ Drug look up tool – Fall 2024
- ▶ Open enrollment – Fall 2024
- ▶ Go-live – January 1, 2025

Questions?

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Appendix: Select March 21, 2024 Board Meeting Slides

Financial Insights



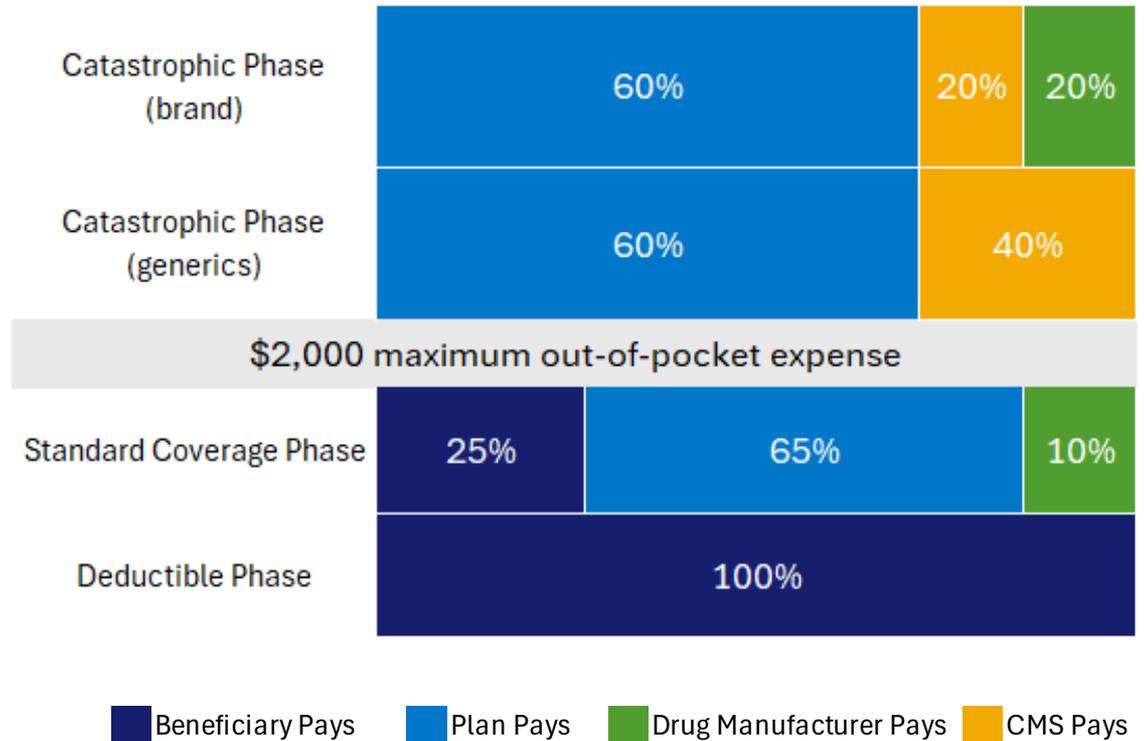
Refined Financial Insights

- ▶ Interim estimated UMP + Part D retiree premium savings remain in line with previous analysis in legislative report
 - ▶ Based on 2022 UMP claims experience but include several updated assumptions for rebates, enrollment, formulary and benefit design changes, and Moda administrative fees
 - ▶ Significant premium reductions still expected compared to projected 2025 premium for UMP “status quo”
- ▶ Final rates will be available on usual timeline (May/June)
- ▶ Annual rate renewal timeline dependent on:
 - ▶ Claims runout, medical and pharmacy trend updates, plan design changes, federal guidance for Medicare Advantage (MA) and Part D plans, etc.

IRA Eliminates Part D Coverage Gap for 2025

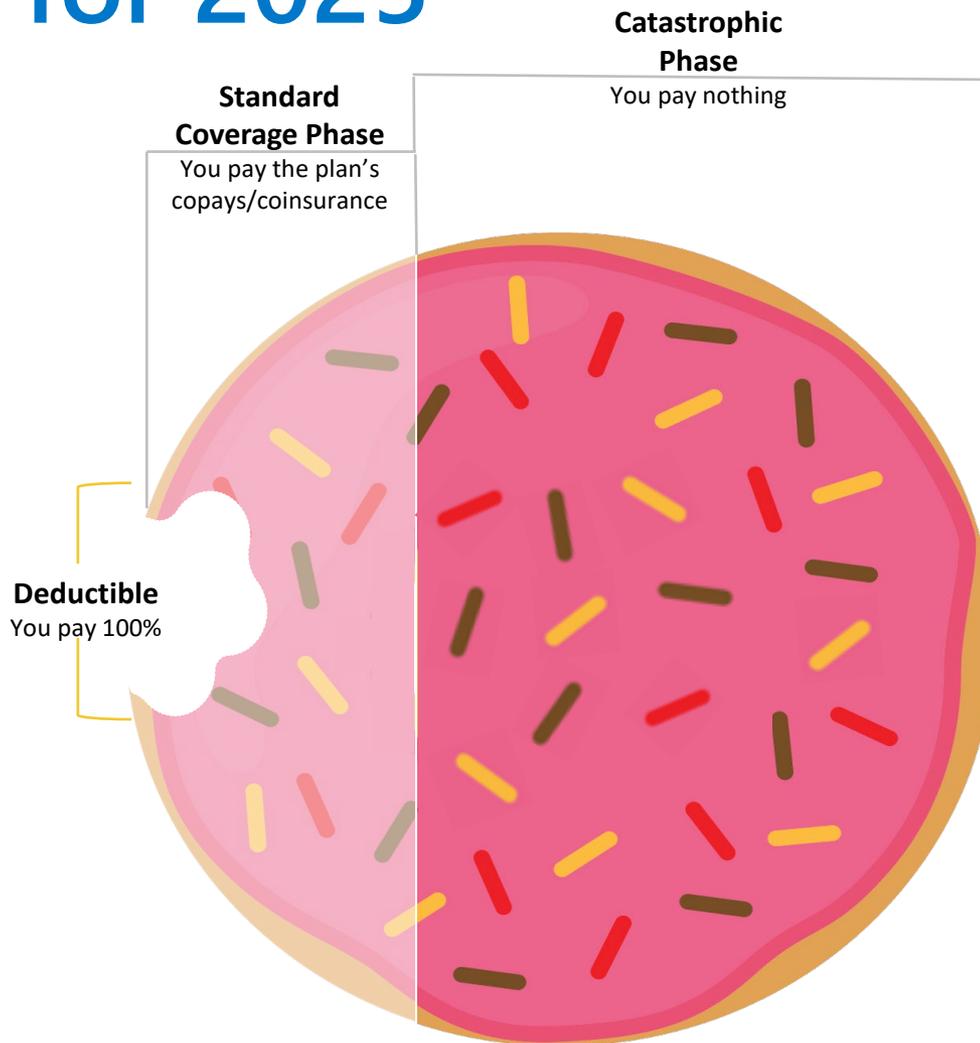
- ▶ In 2025, after meeting the deductible, enrollees pay 25% cost-share for Part D drugs under the standard benefit until they reach \$2,000 in out-of-pocket spending
- ▶ The standard defined benefit is the highest cost-sharing Part D plans can charge enrollees; under the UMP Part D benefit design, members would have significantly lower cost-share for covered drugs

2025 Part D Standard Benefit Design



IRA Eliminates Part D Coverage Gap for 2025

- ▶ The coverage gap phase is **eliminated** in 2025



Plan Design Details

Cost Share Structure Comparison

Type of Drug	UMP Current Cost Share (30 day supply)	Part D Cost Share (30 day supply)
Preventive/High value generics	\$0 for preventive 5% up to \$10	\$0
Preferred generics	10% up to \$25	\$0
High-cost generics	30% up to \$75	\$10
Preferred brands	30% up to \$75	\$40
Non-preferred brands	Not covered*	\$75
Preferred specialty	30% up to \$75	\$90
Non-preferred specialty	Not covered*	\$100

**Unless exception is met*

90-Day Supply Comparison

Type of Drug	UMP Current Cost Share (90 Day Supply)	Part D Cost Share (90 Day Supply)
Preventive/High value generics	\$0 for preventive 5% up to \$30	\$0
Preferred generics	10% up to \$75	\$0
High-cost generics	30% up to \$225	\$20
Preferred brands	30% up to \$225	\$80
Non-preferred brands	Not covered*	\$150
Preferred specialty	30-day supply only	30-day supply only
Non-preferred specialty	Not covered*	30-day supply only

**Unless exception is met*

Personalized Outreach

- ▶ Before January 1, 2025, impacted members will receive a letter to facilitate continuity of care
- ▶ This will include:
 - ▶ Medication that may not be covered under the part D option
 - ▶ Therapeutic alternatives that are covered
 - ▶ Steps to obtain a new prescription from their prescriber
 - ▶ Steps to request an exception, if necessary
- ▶ January 1, 2025 and after, all impacted members will automatically receive a 30-day supply of non-covered medications within the first 90 days of enrollment
 - ▶ At this time, the member will be notified again that they may need to switch to a therapeutic alternative

Step Therapy

- ▶ Step therapy is when a plan requires trial of different medication(s) prior to covering the requested medication
- ▶ All plans employ step therapy as a method to ensure the most cost-effective medications are tried first, including UMP
 - ▶ *The part D plan employs step therapy significantly less frequently than UMP*
- ▶ If a member demonstrates they have previously tried the step medication(s), or are unable to try them, they would be approved for the requested medication
- ▶ This same general process is used by UMP

Prior Authorization (PA)

- ▶ PA is used by all plans, including UMP
 - ▶ Ensures medications are being used effectively
 - ▶ Directs members to the most cost-effective medication
- ▶ PAs typically expire after 6 months to 1 year and require renewal for continued medication coverage
- ▶ *Nearly all drugs that require prior authorization under the Part D plan are either not covered by UMP or also require prior authorization by UMP*

Continuity of Care

- ▶ Moda Health will continue to be the pharmacy benefit administrator
- ▶ Drugs requiring PA or step therapy under the Part D option will require review even if previously approved through UMP
- ▶ Moda has access to historical UMP pharmacy claims data which may streamline coverage decisions
- ▶ Members will be automatically granted up to a 30-day supply within the first 90 days of enrollment

Compounded Drugs

- ▶ Medicare Part D covers certain compounded drugs
 - ▶ Components must meet the definition of a Part D drug
 - ▶ Bulk powders are not covered by Medicare Part D
- ▶ An estimated 116 members may be impacted
 - ▶ Generally, compounded medications have covered alternatives
 - ▶ Impacted members will receive personalized member outreach

Drug Copay Coupons

- ▶ Provided by drug manufacturer to reduce or eliminate a member's out-of-pocket costs
 - ▶ Health plan still pays for the remaining drug cost
 - ▶ Most coupons don't work unless the medication is already covered by the plan
- ▶ Federal anti-kickback statute makes it a crime for manufacturers to offer drug coupons to Medicare beneficiaries
 - ▶ Drug coupons cannot be used in Medicare Part D plans
- ▶ UMP retiree members currently benefiting from drug coupons would need to pay full cost share under the Part D option

Drug Copay Coupons (*cont.*)

- ▶ Undermines the plan's ability to direct members to the most cost-effective drug
- ▶ Can incentivize members to use expensive brand-name medications when less costly, equally effective options are available
- ▶ May contribute to higher premiums for all members
- ▶ Drug coupons may be withdrawn by the manufacturer at any time

Drug Coupon Example

- ▶ Tony is a UMP Medicare member who uses a specialty medication to control his immunological condition
- ▶ He currently uses a drug manufacturer coupon which eliminates his monthly cost share (\$0 per month)
 - ▶ The plan (UMP) pays the remainder of the drug cost
- ▶ Under the Part D option, Tony would be responsible for the full cost share amount (\$90 per month)
- ▶ Monthly premium savings are expected to outweigh impact of drug coupons

Initial Auto-Enrollment

- ▶ Medicare Part D has special rules
 - ▶ Requires the applicant's signature
- ▶ An EGWP allows an employer group to forego individual signatures and use "auto-enrollment" to initially transfer enrollees from an existing plan to a Part D plan
- ▶ Members will have appeal rights

UMP Classic Medicare Enrollment and Disenrollment Processes

- ▶ Members who want to return to (or join) UMP Classic Medicare from another plan will need to re-enroll during Open Enrollment
- ▶ To enroll in UMP Classic Medicare plan, our Medicare enrollees must enroll in both Medicare Part A and Part B
- ▶ Medicare Part D plan enrollment and disenrollment requests are prospective and based on signature date