

Public Employees Benefits Board

June 26, 2013

Public Employees Benefits Board Meeting

June 26, 2013

1:00 p.m. – 3:00 p.m.

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

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AGENDA

Public Employees Benefits Board

June 26, 2013

1:00 p.m. – 3:00 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

1:00 p.m.	Welcome and Introductions		Dorothy Teeter	
1:10 p.m.	Approval May 22, 2013 Minutes	TAB 3	Dorothy Teeter	Action
1:20 p.m.	Budget Update	TAB 4	Janice Baumgardt	Information
1:30 p.m.	Annual Rule Making & Policy Resolution Vote	TAB 5	Mary Fliss Barbara Scott	Action
2:00 p.m.	Legislative Update	TAB 6	Lou McDermott	Information
2:15 p.m.	Public Comment		Dorothy Teeter	
3:00 p.m.	Adjourn			

The Public Employees Benefits Board will meet Wednesday, June 26, 2013, 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.

Prior to the meeting, pursuant to RCW 42.30.110(I), the Board will meet in Executive Session to "consider proprietary or confidential non published information related to the development, acquisition, or implementation of state purchased health care services as provided in RCW 41.05.026." The Executive Session will begin at 11:30 a.m. on June 26, 2013, and be concluded no later 1:00 p.m.

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

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

Direct email to: board@hca.wa.gov

Materials posted at: <http://www.pebb.hca.wa.gov/board/>

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
Vacant*	K-12
Gwen Rench 3420 E Huron Seattle WA 98122 V 206-324-2786 gwenrench@covad.net	State Retirees
Lee Ann Prielipp 29322 6 th Ave SW Federal Way WA 98023 V 253-839-9753 leeannwa@comcast.net	K-12 Retirees
Susan Lucas, Assistant Commissioner Chief Financial Officer Budget, Performance, and Research Division Employment Security Department PO BOX 46000 Olympia, WA 98504-6000 V 360-902-9423 slucas@esd.wa.gov	Benefits Management/Cost Containment

PEB Board Members

Name

Representing

Yvonne Tate
Human Resources
City of Bellevue
PO Box 90012
Bellevue WA 98009-9012
V 425-452-4066
ytate@bellevuewa.gov

Benefits Management/Cost Containment

Marilyn Guthrie
2101 Fourth AVE, Suite 600
Seattle WA 98121
V 206-913-4757
mguthrie@qliance.com

Benefits Management/Cost Containment

Harry Bossi*
3707 Santis Loop SE
Lacey WA 98503
V 360-689-9275
hbossi@comcast.net

Benefits Management/Cost Containment

Legal Counsel

Melissa Burke-Cain, Assistant Attorney General
7141 Cleanwater Dr SW
PO Box 40109
Olympia WA 98504-0109
V 360-664-4966
melissab@atg.wa.gov

*non-voting members



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

2013 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 1:00 p.m., unless otherwise noted below.

January 9, 2013 (Board Retreat) 9:00 a.m. – 3:00 p.m.

March 20, 2013

April 17, 2013

May 22, 2013

June 26, 2013

July 10, 2013

July 17, 2013

July 24, 2013

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

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: September 06, 2012

TIME: 11:43 AM

WSR 12-19-010

2014 PROCUREMENT KEY MILESTONE DATES

- April 25: Request for Renewals Issued
- May 22: Board Meeting: Overview of Rule Making Policies
- May 24: Proposals Due
- June 26: Executive Session/Board Meeting
- Procurement Snapshot
 - Eligibility and Policy Briefs
- July 10: Board Meeting: Recommended Resolutions
- Plan Design
 - Employee Premiums
 - Medicare Explicit Subsidy
- July 17 or 24: Board Meeting: Resolution Vote

5/9/13

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 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.

Public Employees Benefits Board
Meeting Minutes

D*R*A*F*T

May 22, 2013
Health Care Authority, Sue Crystal Rooms A & B
Olympia, Washington
1:00 p.m.

Members Present:

Dorothy Teeter
Greg Devereux
Lee Ann Prielipp
Gwen Rench
Yvonne Tate
Marilyn Guthrie
Susan Lucas
Melissa Burke-Cain

Members Absent:

Harry Bossi

Call to Order

Dorothy Teeter, Chair called the meeting to order at 1:00 p.m. Sufficient members were present to allow a quorum. Board and audience self-introductions followed.

Approval of July 25, 2012 PEBB Meeting Minutes

It was moved and seconded to approve the July 25, 2012 PEB Board meeting minutes as written. Minutes approved by unanimous vote.

Budget Update

Annette Meyer, HCA Finance, gave a summary of the Governor's, Senate's, and House's budgets. There was nothing new to report since they are still in extended session. The Governor's and House's budgets were very similar. The Senate's version bifurcates the Medicare Retiree Subsidy based on number of years of service and income. It also introduces a monthly smoker surcharge. We won't know the impact to PEBB until the final budget is approved.

Gwen Rench heard that the Medicare Retiree Subsidy was going away.

Annette indicated that was not the case. There is a threshold, however, that HCA recommends not going below because we get a subsidy from the federal government, the Retiree Drug Subsidy. To maintain that subsidy, we must maintain a certain threshold for our Medicare Retiree Subsidy. The federal money received comes into the state of Washington,

not the PEBB fund. If the subsidy did go away, the legislature would have to find additional money to make up that hole in the General Fund state budget.

Annette announced that she is leaving the Health Care Authority for a position as Chief Financial Officer at the Department of Enterprise Services. She introduced Janice Baumgardt, who will be taking her place on budget related activities.

Lou McDermott, PEB Division Director, acknowledged all the work Annette has done on behalf of HCA and PEBB.

2013 Open Enrollment Summary & ACA Implementation Updates

Mary Fliss, PEB Division Deputy Director, provided an open enrollment summary for 2013 and the Affordable Care Act (ACA). There were several open enrollment initiatives due to the ACA. The first initiative resulted in the creation of the Summary of Benefits and Coverage. It provides a more standardized comparison tool of medical plan benefits. It was a collaborative effort between the PEBB Program and the medical carriers.

PEB staff also worked on improving the annual benefit fairs. The goal was to schedule benefit fairs earlier in the year and select quality locations based on ease of parking and available seating. Staff also updated the Medicare video for open enrollment. The PEBB email subscription service was promoted in our printed materials, on the web, and via LISTSERV messages. There are currently 21,000 subscribers signed up for our email subscription service.

For the second consecutive year, our members were surveyed on their experiences with open enrollment communications. Improvements were made in the area of ensuring our members had enough information, were able to find information, and when found, it was useful. PEBB web site improvements are in development based on feedback.

The PEB Division also collaborates with the agencies to provide them open enrollment messages that can be passed along to their employees. Over twenty messages were offered between mid-October and mid-November.

Enrollment changes between 2012-2013 continue to show, that overall, UMP holds the majority of membership with 65% of total subscribers. The migration continues from the Group Health Classic Plan and the Group Health Value Plan. The CDHP/HSA subscriber population continues to be small, about 4.7% of overall membership, but it is increasing. It increased by 31% for 2013, with each plan growing at about the same rate.

The Affordable Care Act (ACA) implementation continues. Employers are required to provide their full-time employees with benefits. Play or pay a penalty. Since January, we have reviewed about 500 pages of regulations and submitted four pages of comments to the Treasury Department. We expect to see more regulations in the future. We are required to report the benefit status of employees who meet the federal definition of FTE to the IRS. We have partnered with state agencies, higher education, and DES to determine how we will capture this information.

Employer fees will be incorporated into plan rates. In 2012, assessment for the Outcomes Research Institute, or PCORI, is set at \$1 times the average number of covered lives. In 2013 it will be \$2 and will be based on national healthcare spending for 2014 through 2017. The

reinsurance pool fee is set at \$63 per member per year in 2014, \$42 in 2015, \$26 in 2016. The best estimate at this time is that UMP's 2014 associated costs will be about \$17 million. The Board members had questions about the reinsurance pool. Mary Fliss will provide more information at a later date on the reinsurance pool and how it relates to regular insurance. It would be helpful to have a working definition. Mary will provide more detail.

Annual Rule Making

Mary Fliss and Barbara Scott reviewed five policy proposals that the Board will vote on at the June 26 Board meeting. The proposed resolutions are:

1. Retiree Deferral – In addition to the current policy, PEBB is proposing that a non-Medicare retiree may defer PEBB retiree coverage at or after retirement if continuously enrolled in coverage offered through a Health Benefit Exchange established under the Affordable Care Act. A non-Medicare retiree who defers enrollment while enrolled in the exchange coverage would have a one-time opportunity to return to PEBB coverage by submitting the appropriate forms and evidence of continuous enrollment in the Exchange to the PEBB Program.

This policy provides pre-Medicare retirees with more choices without having them lose their PEBB retiree coverage. Some will be eligible for subsidized premiums through the Exchange and premiums may be less than the premiums they currently have in PEBB. By providing this one-time opportunity to return from deferral, we limit the risk of adverse selection for those who return. This proposal is operationally consistent with deferral rules currently in place for PEBB retirees with federal retiree coverage.

2. Agency Error Correction – If an employing agency fails to provide eligibility to an employee, retro medical and dental enrollment will not exceed three months.

Possible errors could be failure to give notice, failure to enroll a newly eligible employee, failure to enroll an employee who regains eligibility to the employer contribution. The recourse provided will be in accordance with each situation. The current retroactive correction policy conflicts with our rule prohibiting dual enrollment as we comply with federal law. It's also operationally very difficult to administer retroactive enrollment in claims processing for long ago errors.

Current rules sometimes result in unintended or negative consequences to employees, especially for those long ago errors. Vendor contracts require life insurance and long-term disability elections to be effective at the initial point of eligibility. Therefore, the effective dates in those cases remain the same. With this resolution, we comply with the PEBB statute which describes normal enrollment situations because we are providing the appropriate recourse of the situation. We will describe the process for that in policy documents and bring a policy proposal related to associated agency penalties to a future Board meeting.

Greg Devereux wants to be sure this policy resolution does not adversely impact the employee, due to no fault of their own. Greg would like more information to understand the different situations and to make sure the intent is met.

Mary assured the Board members that the policy is not changing PEBB members' receipt of coverage. If the policy resolution is approved, PEB staff will start to draft

language around it to clean up what is currently in rule today which requires the agencies to put in place the default plans in certain cases. All Board input is welcome.

Dorothy Teeter reiterated that we want to be very clear on the intent of this resolution and to represent those different situations in a way that an employee is not penalized in a way not intended.

3. Higher Education Disability Retirements – The recommendation is to allow employees who are awarded a retroactive disability retirement under a higher education retirement plan to enroll retroactive to the date of retirement or prospective enrollment if there is a gap between the retirement date and the coverage enrollment date.

This policy would allow employees participating in a higher education retirement plan to receive the same opportunities as employees participating in a DRS administered plan.

Lee Ann Prielipp wanted to clarify that this is necessary because higher education is not covered by DRS.

Mary Fliss confirmed because they are two separate retirement plans.

4. Blind Vendor Licensees – An individual licensee or vendor who ends participation in the Business Enterprise Program maintained by the Department of Services for the Blind is not eligible to participate in PEBB retiree insurance. An individual licensee or vendor may continue enrollment in PEBB medical on a self-pay basis under COBRA.

In 2002, the legislature directed the PEB Board to offer health insurance to blind licensees actively operating a facility and participating in the Department of Services for the Blind's Business Enterprise Program. The coverage consists just of medical and does not include dental, life, or long-term disability. The legislature did not include these vendors in the RCW that describes other non-employees eligible to participate in PEBB retiree insurance and receive an explicit subsidy. For clarity, the program recommends that the Board adopt a policy consistent with the programs interpretation of the statute.

5. Stepchildren – A stepchild's relationship to a subscriber and eligibility as a PEBB dependent ends on the same date the subscriber's legal relationship with the spouse or domestic partner ends through divorce, annulment, disillusionment, termination, or death. A stepchild is eligible for COBRA or PEBB continuation of coverage.

This proposal aligns with our current operational standards and the standards being used by the IRS in implementing the Affordable Care Act.

Mary Fliss noted that if PEBB legislation is passed during this special session, there is a possibility of additional policy proposals. The analysis for dental only coverage for Tricare eligible retirees will be conducted over the next procurement cycle. The analysis will be done prior to the 2015 plan year, but it is not clear if there will be an offering for 2015.

Next Steps: Vote on proposed resolutions at the June 26 Board meeting. In September, publish the proposed amendments and new rules in the Washington State Register, and

conduct a public hearing. Final rules will be adopted in October with an effective date of January 1, 2014.

UMP Prescription Drug Benefit Change

Donna Sullivan, Special Assistant, Prescription Drug Program – HCA is recommending removing the ancillary charge on prescriptions. This charge is no longer necessary.

The ancillary charge was implemented in 2006 to discourage members from purchasing brand name medications that had generic equivalents. At the time, there was a disparate pharmacy benefit where members could go to mail order and get expensive brand name drugs that have cheaper generic alternatives. It only applies to Tier 3 drugs that have a generic alternative. Essentially, the Uniform Medical Plan pays the pharmacy what it would have paid for the generic drug if it was dispensed and the member pays the difference between the cost and the generic.

It's no longer necessary because in 2012 UMP aligned its pharmacy member out-of-pocket costs between mail and retail, so now it's exactly the same. There is no incentive to go to the mail order pharmacy or the retail pharmacy to get a particular medication.

With the ancillary charge removed, starting in 2014 the recommendation is that all Tier 3 drugs, regardless of whether there is a generic available, have a 50% coinsurance. Currently members are paying close to 70% of the cost of the drug when they get a drug that has an ancillary charge.

2014 Health Management

Scott Pritchard, PEB – Health management programs for 2014 were discussed. The strategy is to engage members in activities and programs to keep healthy members healthy. Another component is to reduce health risks for those who are already at risk, and finally to assist those with a chronic condition to effectively manage that condition.

There are three researched proposals being considered for 2014. They are the Diabetes Prevention Program (DPP), the Diabetes Control Program (DCP), and Weight Management. These programs address all three strategies.

The Diabetes Prevention Program (DPP) reduces risks for those who are at risk. It identifies a significant number of people who are at risk and don't know it. UMP and Group Health members are eligible. Kaiser has their own internal program. Non-Medicare adults, subscribers, and dependents are the primary population due to the engagement method. There will be communication between the program and the preferred care provider.

The Diabetes Control Program (DCP) is for UMP members only. Group Health and Kaiser have internal programs. It is for non-Medicare adult subscribers and dependents. The intervention or method to improve condition management is a quarterly consult with specifically trained pharmacists. There will be communication between the program and the preferred care provider.

Weight Management requires more research. This fits into both keeping healthy people healthy and reducing risks for those at risk. HCA is looking into a self-pay contract with Weight Watchers to include a contract that would handle liability issues. Weight Watchers at work is a

good option, but we are also looking at online options and other approaches as well. There needs to be something for everyone.

HCA is putting more effort into our Washington Wellness Program. The focus is PEB's partnership with the agencies and the higher education institutions with 50 or more employees. We will focus on four areas: physical activity, food selection, living tobacco free, and promoting appropriate use of preventive care. We will work closely with our Washington Wellness partners.

Legislative Update

Lou McDermott, Director, Public Employees Benefits Division – There are two bills still active that would significantly impact PEBB.

Bill 5811 is a wellness bill. It states that "All state employee health care benefit plans must be offered in conjunction with an employee wellness program." They are indicating that the program must have financial incentives to promote employee achievement of identified wellness targets and goals. An eight-person committee would be appointed by the Governor consisting of three members from labor, one member representing non-represented state employees, and four members representing state agencies or higher education institutions. The committee would meet with the Health Care Authority a minimum of four times a year and we would inform them of the wellness program, taking their suggestions. The Board would still have purview over voting on that program. This would be an advisory committee. There are various dollars associated with different methods of implementing wellness. Those are all unclear to us where they would stand today.

Greg Devereux: Taking off his PEBB hat, Greg believes this to be a bad policy bill. It completely undermines the collective bargaining process in this state and it changes the scope of bargaining. They could no longer bargain over health care benefits.

Lou McDermott: Bill 5905 would significantly modify our eligibility with regards to part-time employees. We would be mirroring our eligibility with the Affordable Care Act. I think the gist of this bill is that right now if you work 80 hours a month for a minimum six-month period, you are considered eligible for benefits. Under the ACA, that criteria would change to 130 hours a month. If business practices don't change and agencies continue to utilize people the way they do today, that would have a significant impact on a lot of members who currently receive benefits who would no longer be eligible for benefits. They would be encouraged to go to the Exchange for their benefits. Also in the bill there is a stipulation where the Health Care Authority would attempt to reimburse, or provide a stipend for those part-timers who fall into that gap between 80 and 130, and who will no longer be eligible. We would attempt to give them a \$2 an hour stipend up to \$260 per month, depending on how much they worked. They would use that money to help supplement the cost of them going to the Exchange. We are keeping a close eye on this bill.

Dorothy Teeter: The next Board meeting is June 26 at the Health Care Authority. We will start in Executive Session at 11:30 a.m. with the public meeting starting at 1:00 p.m.

The meeting adjourned at 2:45 p.m.

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 others. A thick, dark red swoosh underline starts under the 'A' in "Authority", loops over the top of the word, and ends under the 'y'.

Annual Rule Making

June 26, 2013

Mary Fliss
Deputy Director
PEB Division

Barb Scott
Policy and Rules Manager
PEB Division

Purpose of Briefing

- Information: Provide high-level information related to the scope of annual rule making
- Board Action: Vote on policy resolutions presented on May 22, 2013

Scope of the Rule Making

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

Implement Legislation

- The application process used by school districts choosing to purchase PEBB insurance coverage needs to be changed.
- The process needs to work if a school district is required to purchase through PEBB. This could occur if a district fails to comply with OIC data reporting requirements during two reporting periods.

Administration and Benefits Management

- Allow employees to waive medical coverage when enrolled in medical coverage through any Health Benefit Exchange established under the Affordable Care Act.

Provide Clarity

- Define the term “federal retiree plan”
- Clarify that a change to a collective bargaining agreement for faculty at community and technical colleges may have an affect on PEBB eligibility.
- Define the term “child” to better align to RCW 26.26.101 which includes the many different ways a parent-child relationship can be established.

Technical Corrections

- Comply with federal regulation
- Employer group evaluation process
- Maximum number of months long-term disability may be self-paid is 24 months

Policy Resolution #1

Retiree Deferral

Resolved, that a non-Medicare retiree may defer PEBB retiree coverage at or after retirement if continuously enrolled in coverage offered through any Health Benefit Exchange established under the Affordable Care Act.

Non-Medicare retirees who defer enrollment while enrolled in Exchange coverage will have a one-time opportunity to enroll in a PEBB health plan.

Policy Resolution #2

Agency Error Correction

Resolved, that if an employing agency fails to enroll an employee in benefits, retroactive medical and dental enrollment will not exceed three months. Recourse will be provided in accordance with each situation.

Policy Resolution #3

Higher Education Disability Retirements

Resolved, that employees awarded a retroactive disability retirement under a Higher Education Retirement Plan by the appropriate authority may enroll retroactive to the date of retirement or prospective from the date on the award notice sent to the employee.

Policy Resolution #4

Stepchildren

Resolved, that a stepchild's relationship to a subscriber (and eligibility as a PEBB dependent) ends on the same date the subscriber's legal relationship with the spouse or domestic partner ends through divorce, annulment, dissolution, termination, or death.

Policy Resolution #5

Blind Vendor Licensees

Resolved, that an individual licensee or vendor who ends participation in the Business Enterprises Program maintained by the Department of Services for the Blind is not eligible to participate in PEBB retiree insurance.

The licensee or vendor may continue medical on a self-pay basis under COBRA.

Next Steps

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

Questions?

Mary Fliss, Deputy Division Director
PEB Division

Mary.Fliss@HCA.WA.GOV

Tel: 360-725-0822

Barb Scott, Policy and Rules Manager
PEB Division

Barbara.Scott@HCA.WA.GOV

Tel: 360-725-0830

PUBLIC EMPLOYEES BENEFITS BOARD

June 26, 2013 Meeting

Resolution on policies that will take effect January 1, 2014

Resolution #1 - Retiree Deferral

Resolved, that a non-Medicare retiree may defer PEBB retiree coverage at or after retirement if continuously enrolled in coverage offered through any Health Benefit Exchange established under the Affordable Care Act. Non-Medicare retirees who defer enrollment while enrolled in Exchange coverage will have a one-time opportunity to enroll in a PEBB health plan.

Resolution #2 - Agency Error Correction

Resolved, that if an employing agency fails to enroll an employee in benefits, retroactive medical and dental enrollment will not exceed three months. Recourse will be provided in accordance with each situation.

Resolution #3 - Higher Education Disability Retirements

Resolved, that employees awarded a retroactive disability retirement under a Higher Education Retirement Plan by the appropriate authority may enroll retroactive to the date of retirement or prospective from the date on the award notice sent to the employee.

Resolution #4 – Stepchildren

Resolved, that a stepchild's relationship to a subscriber (and eligibility as a PEBB dependent) ends on the same date the subscriber's legal relationship with the spouse or domestic partner ends through divorce, annulment, dissolution, termination, or death.

Resolution #5 - Blind Vendor Licensees

Resolved, that an individual licensee or vendor who ends participation in the Business Enterprises Program maintained by the Department of Services for the Blind is not eligible to participate in PEBB retiree insurance. The licensee or vendor may continue medical on a self-pay basis under COBRA.