

Public Employees Benefits Board Meeting

July 19, 2017

Public Employees Benefits Board

July 19, 2017

1:30 – 3:30

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

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TAB 1

AGENDA

Public Employees Benefits Board
July 19, 2017
1:30 p.m. – 3:30 p.m.

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

Call-in Number: 1-888-407-5039

Participant PIN Code: 95587891

1:30 p.m.*	Welcome and Introductions		Lou McDermott, Chair	
1:40 p.m.	Meeting Overview		Dave Iseminger, PEB	Information
1:45 p.m.	Approval of June 21, 2017 Minutes	TAB 3	Lou McDermott, Chair	Action
1:50 p.m.	July 12, 2017 Meeting Follow-up		Dave Iseminger, PEB Kim Wallace, Finance	Information
2:10 p.m.	2018 Non-Medicare Premium Resolutions	TAB 4	Kim Wallace, Finance	Information / Action
2:25 p.m.	2018 Medicare Plan Design Changes	TAB 5	Beth Heston, PEB	Information
2:35 p.m.	2018 Medicare Premiums Overview	TAB 6	Kim Wallace, Finance	Information
3:10 p.m.	Proposed 2018 PEB Board Meeting Schedule	TAB 7	Dave Iseminger, PEB	Information
3:15 p.m.	Public Comment			
3:30 p.m.	Adjourn			

***All Times Approximate**

The Public Employees Benefits Board will meet Wednesday, July 19, 2017, at the Washington State Health Care Authority, Sue Crystal Rooms A & B, 626 8th AVE SE, Olympia, WA. The Board will consider all matters on the agenda plus any items that may normally come before them.

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

Direct e-mail to: board@hca.wa.gov.

Materials posted at: <http://www.pebb.hca.wa.gov/board/> no later than close of business on July 17, 2017.

PEB Board Members

Name	Representing
Lou McDermott, Acting Director Health Care Authority 626 8 th Ave SE PO Box 42713 Olympia WA 98504-2713 V 360-725-0891 louis.mcdermott@hca.wa.gov	Chair
Greg Devereux, Executive Director Washington Federation of State Employees 1212 Jefferson Street, Suite 300 Olympia WA 98501 V 360-352-7603 greg@wfse.org	State Employees
Myra Johnson* 6234 South Wapato Lake Drive Tacoma WA 98408 V 253-583-5353 mljohnso@cloverpark.k12.wa.us	K-12 Employees
Gwen Rench 3420 E Huron Seattle WA 98122 V 206-324-2786 gwenrench@covad.net	State Retirees
Mary Lindquist 4212 Eastern AVE N Seattle WA 98103-7631 C 425-591-5698 maryklindquist@comcast.net	K-12 Retirees

PEB Board Members

Name

Representing

Tim Barclay
7634 NE 170th ST
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Benefits Management/Cost Containment

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*non-voting members

7/7/17



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

2017 Public Employees Benefits Board Meeting Schedule

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

January 17, 2017 (Board Retreat) 10:00 a.m. – 4:00 p.m.

March 16, 2017

April 12, 2017

May 18, 2017

June 21, 2017

July 12, 2017

July 19, 2017

July 27, 2017

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: August 11, 2016

TIME: 11:06 AM

WSR 16-17-045

TAB 2

PEB BOARD BY-LAWS

ARTICLE I

The Board and its Members

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

ARTICLE II

Board Officers and Duties

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

ARTICLE III
Board Committees

(RESERVED)

ARTICLE IV
Board Meetings

1. Application of Open Public Meetings Act—Meetings of the Board shall be at the call of the Chair and shall be held at such time, place, and manner to efficiently carry out the Board's duties. All Board meetings, except executive sessions *as permitted by law*, shall be conducted in accordance with the Open Public Meetings Act, Chapter 42.30 RCW.
2. Regular and Special Board Meetings—The Chair shall propose an annual schedule of regular Board meetings for adoption by the Board. The schedule of regular Board meetings, and any changes to the schedule, shall be filed with the State Code Reviser's Office in accordance with RCW 42.30.075. The Chair may cancel a regular Board meeting at his or her discretion, including the lack of sufficient agenda items. The Chair may call a special meeting of the Board at any time and proper notice must be given of a special meeting as provided by the Open Public Meetings Act, RCW 42.30.
3. No Conditions for Attendance—A member of the public is not required to register his or her name or provide other information as a condition of attendance at a Board meeting.
4. Public Access—Board meetings shall be held in a location that provides reasonable access to the public including the use of accessible facilities.
5. Meeting Minutes and Agendas—The agenda for an upcoming meeting shall be made available to the Board and the interested members of the public at least 10 days prior to the meeting date or as otherwise required by the Open Public Meetings Act. Agendas may be sent by electronic mail and shall also be posted on the HCA website. Minutes summarizing the significant action of the Board shall be taken by a member of the HCA staff during the Board meeting, and an audio recording (or other generally-accepted) electronic recording shall also be made. The audio recording shall be reduced to a verbatim transcript within 30 days of the meeting and shall be made available to the public. The audio tapes shall be retained for six (6) months. After six (6) months, the written record shall become the permanent record. Summary minutes shall be provided to the Board for review and adoption at the next board meeting.
6. Attendance—Board members shall inform the Chair with as much notice as possible if unable to attend a scheduled Board meeting. Board staff preparing the minutes shall record the attendance of Board Members at the meeting for the minutes.

ARTICLE V
Meeting Procedures

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

ARTICLE VI

Amendments to the By-Laws and Rules of Construction

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

TAB 3

Public Employees Benefits Board
Meeting Minutes

DRAFT

June 21, 2017
Health Care Authority, Sue Crystal Rooms A & B
Olympia, Washington
1:30 p.m. – 3:30 p.m.

Members Present:

Dorothy Teeter
Harry Bossi
Greg Devereux
Marilyn Guthrie
Tim Barclay
Gwen Rench
Myra Johnson

Members Absent:

Yvonne Tate
Mary Lindquist

PEB Board Counsel:

Katy Hatfield

Call to Order

Dorothy Teeter, Chair, called the meeting to order at 1:32 p.m.

Pursuant to RCW 42.30.110, the Board met this afternoon in Executive Session to consider proprietary or confidential non-published information related to development, acquisition, or implementation of state purchased health care services as provided in RCW 41.05.026, and for the purpose of discussing current litigation against the governing body with legal counsel when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency. The Executive Session began at 12:00 p.m. and concluded at 1:15 p.m. No action, as defined in RCW 42.30.020(3), was taken during Executive Session.

Sufficient members were present to allow a quorum. Board and audience self-introductions followed.

Agenda Overview

Lou McDermott, PEB Division Director, provided an overview of the agenda.

Approval of July 13, 2016 PEBB Meeting Minutes

It was moved and seconded to approve the July 13, 2016 PEB Board meeting minutes as written. Minutes approved by unanimous vote.

Approval of July 27, 2016 PEBB Meeting Minutes

It was moved and seconded to approve the July 27, 2016 PEB Board meeting minutes as written. Minutes approved by unanimous vote.

Approval of August 10, 2016 PEBB Meeting Minutes

It was moved and seconded to approve the August 10, 2016 PEB Board meeting minutes as written. Minutes approved by unanimous vote.

Dorothy Teeter: I want to take a minute to acknowledge Connie's work in preparing these minutes. When you see them all together, I am reminded of how important this is as a record of our meetings and what a careful job she does doing that, so thank you.

Legislative Update

Dave Iseminger, PEB Division Deputy Director, provided a legislative update. We are in our second special session and I will provide an update on 2.5 bills. The first one is House Bill 1234. This bill relates to the private health plan coverage of contraceptives. That was the only major bill reviewed by the PEB Division that passed and was signed by the Governor during the regular session. This bill changes the default of a fill of contraceptive prescriptions to an annual fill. Based on our historical utilization data in PEB, we do not expect a significant change in utilization. The largest impact is that it goes from a 90-day prescription fill to an annual fill, unless the member or the prescriber specifically requests a shorter duration. This bill goes into effect January 1, 2018.

The second bill is Senate Bill 5436 which relates to expanding access of health care services for Telemedicine. This was passed and signed by the Governor. It adds the individual's home as a site of care for receiving Telemedicine services. The effective date of this bill is January 1, 2018. This will apply to all of our medical plans. We will do a big push at the beginning of the plan year to let people know about this benefit change.

The .5 bill is House Bill 2114. This bill relates to protecting consumers from charges for out-of-network health services. It's the "Surprise Billing Bill." The concept has been discussed within the Legislature for a couple of years. It's one of the only bills during the special sessions that has had any movement. In the second special session, it was voted on by the House and referred to the Senate Health Care Committee. It's the only bill that has been particularly watched by the PEB Division that has had any activity in the last 60-ish days. I just wanted to make sure that the Board was apprised that there was still one policy-type bill that is ruminating within the Legislature along with the budget discussions.

When it comes to the budget, there isn't much to report that's different from April. There are no other official budgets released, so the status of the various budget proposals that are on the table are the same as in our April presentation.

Dorothy Teeter: Hopefully at our next meeting you can continue to update on this as well as the budget. Thanks very much.

PEB Policy Proposals

Barb Scott, PEB Policy & Rules Section Manager, shared information on four policy proposals that the Board will take action on at the next meeting. The first policy proposal doesn't change current interpretation of rule, or current administration of rule, or our historical practice in relationship to rule, but it would move the definition of the word "season" from where it exists in rule today, in WAC 182-12-114 subsection (2)(a), and it would place that definition in the definition section of our rules, in each chapter where it's appropriate. The existing rule language is on the slide below the proposed definition of season and the clarification is that the word "consecutive" is being added to address questions where we've received questions regarding off-season benefits.

Proposed Policy 1 – Season: "Season" means any recurring, annual period of work at a specific time of year that lasts three to eleven consecutive months.

Lou McDermott: Barb, I just wanted to validate that that is how we're currently answering the question, is that it's consecutive? That's current practice?

Barb Scott: Yes.

Myra Johnson: Why was it changed from cyclical to annual?

Barb Scott: The change from cyclical to annual was to help with the understanding that we don't relate it to a season of the year like only spring/summer, in the same way that we would for faculty. But instead, that a cyclical period of time is going to run with any number of cycles. That within the annual calendar year we could have a season that spans within summer and spring or within fall and winter. That it isn't within the four seasons of the year, and the folks who are administering eligibility in our agencies better understood that word. Dave also just reminded me that it aligns with the statutory definition of "seasonal employee" which uses the word annual.

The second policy proposal would address an issue we see with the length of time it takes for survivors of employees in the Higher Education Retirement Systems to receive payments from those annuity programs.

Proposed Policy 2 – Surviving dependent eligibility: The surviving dependent of an employee who receives a monthly retirement benefit no later than one hundred and twenty days from the date of death of the employee satisfies the requirement to immediately receive a monthly retirement benefit.

Dorothy Teeter: Is this a clarification or just an additional policy?

Barb Scott: This would allow for us to recognize that on systems that are sponsored by Department of Retirement Systems, pension benefits are awarded to survivors retroactive. But in the Higher Education Retirement Systems, it's a different kind of benefit. It's an annuity that is paid out and those annuities are paid out on a prospective basis. It allows for us to recognize that difference in that system; and that as long as a survivor is receiving the benefit as quickly as possible under the systems that are in place, that they've immediately received that benefit and that they satisfy the eligibility requirement.

Myra Johnson: If it takes 120 days to receive that, it will be treated as received immediately? Will they get pro-rated for those four months? Or no?

Barb Scott: The benefit payment is prospective. I couldn't tell you how they determine the annuity payment. What I can say is in the research that we did with those systems, the one that takes the longest amount of time to payout is under the TIAA-CREF system. That can take up to eight weeks at the maximum to pay it out. And payments are paid out prospective. The payments would be awarded for the back period of time; but on the annuity, it's forward paying so I don't know how they adjust the annuity payment. That would be a question I would have to ask through the system.

Lou McDermott: Myra, from our perspective, it's basically just the link between giving them PEBB benefits and them receiving that payment. All this does is recognize that some systems take longer for them to get their payment and we don't want to withhold our benefit from them. We give it to them right away knowing that this time is greater than the 30 days that DRS can do. It gives employees more time to work with their retirement system from their respective entity and gives them 120 days.

Barb Scott: The third policy proposal would add a definition for full-time appointed officials of the legislative and executive branches of state government to rule. This wouldn't change what we have been doing currently or historically as far as eligibility for these individuals. These officials are eligible for PEBB benefits as active employees and historically they've been eligible for continuing their coverage on the same basis as outgoing legislators who are eligible under the statute. This eligibility has been in place since the 1970s. A definition would provide a clearer description to be used by our staff in determining who's eligible under this provision.

Proposed Policy 3 – Retiree insurance coverage eligibility for statewide elected officials and appointed officials: The following employees are eligible to continue enrollment or defer enrollment in PEBB insurance coverage under the same terms as outgoing legislators when they voluntarily or involuntarily leave public office.

- (1) A statewide elected official of the executive branch;
- (2) An executive appointed directly by the Governor as the single head of an executive branch agency; or

- (3) An official appointed directly by a state legislative committee as the single head of a legislative branch agency or an official appointed as the Secretary of the Senate or as the Chief Clerk of the House of Representatives.

The fourth policy proposal supports a gift card incentive that was negotiated as part of the collective bargaining agreements and is being presented in anticipation of the Legislature ratifying the CBAs.

Proposed Policy 4 – SmartHealth: Effective January 1, 2018, all SmartHealth eligible subscribers will receive a separate PEBB wellness incentive after completing their SmartHealth well-being assessment on or before December 31 of the current plan year. This separate PEBB wellness incentive may be earned only once per plan year.

Harry Bossi: I don't really have a question. My understanding is that a clarification in this takes out the phase-in period for people when they enroll during a calendar year. Is that the effect of this?

Barb Scott: Currently, in order to earn the \$125 wellness incentive, there is a phased approach to that depending on when folks become eligible during the year. This particular incentive is separate from that wellness incentive in it is being awarded without that phased approach.

You will see these policy proposals again at the next meeting and we would ask you to take action on them at that time. We'll also be giving you an overall briefing of our rule making activity then.

Dorothy Teeter: Thanks, as always, for your really thorough work on these. A couple weeks ago I participated as we were making sure all of these were extremely clear to everyone and we got a little silly with some of the things that were getting fixed. I appreciate your attention to detail because, as Lou pointed out, you're the one that gets to actually help with interpreting this for people that have questions. So, thank you very much.

Barb Scott: Thank you.

Lou McDermott: Actually, I think Barb's made a mistake. There's a fifth resolution.

Dorothy Teeter: It's not on my agenda.

Lou McDermott: Oh, it's not? Well... all those kind things you said about Connie... (laughter)

Dorothy Teeter: I told you she wasn't cooperative.

Lou McDermott: Yes. This resolution does require a vote from the Board. It's Resolution #5.

Special Resolution #5 - Resolved, that the PEB Board recognizes and appreciates the four years of exemplary service provided by Dorothy Teeter in her leadership of providing benefits on behalf of the PEB Program members. Furthermore, the PEB Board and the Health Care Authority wish Ms. Teeter continued success and happiness in her future endeavors.

Greg Devereux: So moved.

Gwen Rensch: Second

Lou McDermott: Woah! I get to do this part. Is there a motion to adopt? (laughter)

Marilyn Guthrie: So moved.

Lou McDermott: Is there a second?

Greg Devereux: Second.

Lou McDermott: Any comments from the audience? Any discussion from the Board? For this particular resolution, we recommend that the non-voting members, Harry and Myra, get to vote on this one as well. All those in favor?

All Board Members: Aye.

Lou McDermott: Opposed? This will be interesting. Any opposed? (laughter)
Special Resolution #5 passes. (Applause)

It doesn't end there, Dorothy. We have a book that was put together and a lot of the photos here are of people who have presented before you over the last four years, and the Board Members, and they've all written special comments to you. You're not required to share those with the audience. But, there are comments, and I was thinking if we passed it around, the Board could sign their page.

And the last item Dorothy - you didn't notice you had a different gavel?

Dorothy Teeter: Well I actually did because I noticed this was a little bigger. Right?

Connie Bergener: You saw this in my office didn't you?

Dorothy Teeter: No, I didn't, I did not. I wasn't thinking about it because as Lou's going to be moving in to this role, it seemed - you know, bigger!

Lou McDermott: We had to get a bigger one, that's true! There was a great debate about the gavel and whether or not the gavel was going to be mounted on the plaque. But, cooler heads prevailed!

Connie Bergener: He won.

Dorothy Teeter: Awesome. It's totally perfect.

Lou McDermott: We got your gavel. That's the one you used for the past four years. And if you want to read the plaque to folks...

Dorothy Teeter: My goodness. Okay, it says:
Presented to me, I mean it doesn't really say me...

Lou McDermott: It doesn't because that would be weird.

Dorothy Teeter: It says my name.

Dorothy Teeter: "In recognition of your exceptional leadership, dedication, vision, support, and years of service as the Director of the Health Care Authority and Chair to the Public Employees Benefits Board from March 2013 to June 2017."

Thank you very much. This is totally cool. Along with this awesome, all of this, and I'm kind of shocked that I did not know a thing about this.

This is, as folks on my team and the PEB team know, this is one of the most favorite things I get to do as the Director of the Health Care Authority, cause the lens through which we do all our work here as a Board and as people in the program, it's what's the right thing to do for the folks that we serve; what's the best clinical service; what is the best care management; what are the best rates? It's what's that combination that we can get so that we can continue to stay in-sync with what's going on in the environment and what the innovations are in delivery models; but at the same time, making sure we keep a pretty steady pace for the folks that depend upon us to do really good solid work every year and not a lot of surprises.

I really, really appreciate all of your effort and the contributions that everybody on this Board makes, and also the folks that work in the PEBB Program, and for all of you that come, faithfully, to all these meetings. It's so much fun because I get to see all the folks that are actually our partners, primarily our partners that work with us each and every day to make sure these products that we provide, and the benefits are the best that we can possibly get. So, thank you very much. I'll miss all of you and I might just, you know, have to call in on the phone and make a few comments here and there.

Lou McDermott: Eavesdrop a little bit.

Dorothy Teeter: Eavesdrop, right? Thank you. So, I am going to pass this around. If you guys could sign your name on your page that would be awesome. It's a wonderful book, thank you.

Just a reminder, barring unforeseen circumstances such as the government potentially not having a budget, the next meeting of this group will be July 12 from 1:30 - 3:30 p.m. There will be a posting to the listserv if, for some reason, this meeting does get cancelled.

Meeting adjourned at 2:00 p.m.

TAB 4



2018 Non-Medicare Premium Resolutions

Kim Wallace
Deputy Section Manager
Medicaid Rates and PEB Finance
Financial Services Division
July 19, 2017

Purpose of Board Action

Vote on resolutions for Non-Medicare premiums presented on July 12, 2017.

Non-Medicare Premium Resolution 1

Resolved, that the PEB Board endorses the Kaiser Foundation Health Plan of the Northwest Non-Medicare employee and retiree premiums.

Non-Medicare Premium Resolution 2

Resolved, that the PEB Board endorses the Kaiser Permanente of Washington Non-Medicare employee and retiree premiums.

Non-Medicare Premium Resolution 3

Resolved, that the PEB Board endorses the Uniform Medical Plan Non-Medicare employee and retiree premiums.

Questions?

Kim Wallace

Deputy Section Manager, Medicaid Rates and PEB Finance

Kim.Wallace@hca.wa.gov

Tel: 360-725-9817

2018 Non-Medicare Premium Resolutions

- 1. Resolved,** that the PEB Board endorses the Kaiser Foundation Health Plan of the Northwest Non-Medicare employee and retiree premiums.
- 2. Resolved,** that the PEB Board endorses the Kaiser Permanente of Washington Non-Medicare employee and retiree premiums.
- 3. Resolved,** that the PEB Board endorses the Uniform Medical Plan Non-Medicare employee and retiree premiums.

State Active Employees Non-Medicare

Employee / Employer Premium Contributions

	2018 Employee Contribution (Single Subscriber)	2018 Employer Contribution (State Index Rate)	2018 Composite
Kaiser NW Classic	\$137	\$551	\$688
Kaiser NW CDHP	\$27	\$551	\$578
Kaiser WA Classic	\$162	\$551	\$713
Kaiser WA Value	\$78	\$551	\$629
Kaiser WA SoundChoice	\$51	\$551	\$602
Kaiser WA CDHP	\$25	\$551	\$576
UMP Classic	\$102	\$551	\$653
UMP Plus	\$45	\$551	\$596
UMP CDHP	\$25	\$551	\$576

- Consumer Directed Health Plans (CDHP) composites include Health Savings Account (HSA) deposits.
- Composites include \$1.23 Per Adult Unit Per Month (PAUPM) for the SmartHealth web portal.
- Composites include the state active reduction of \$2.00 PAUPM for the employer group surcharge.
- Rounded to the nearest dollar.

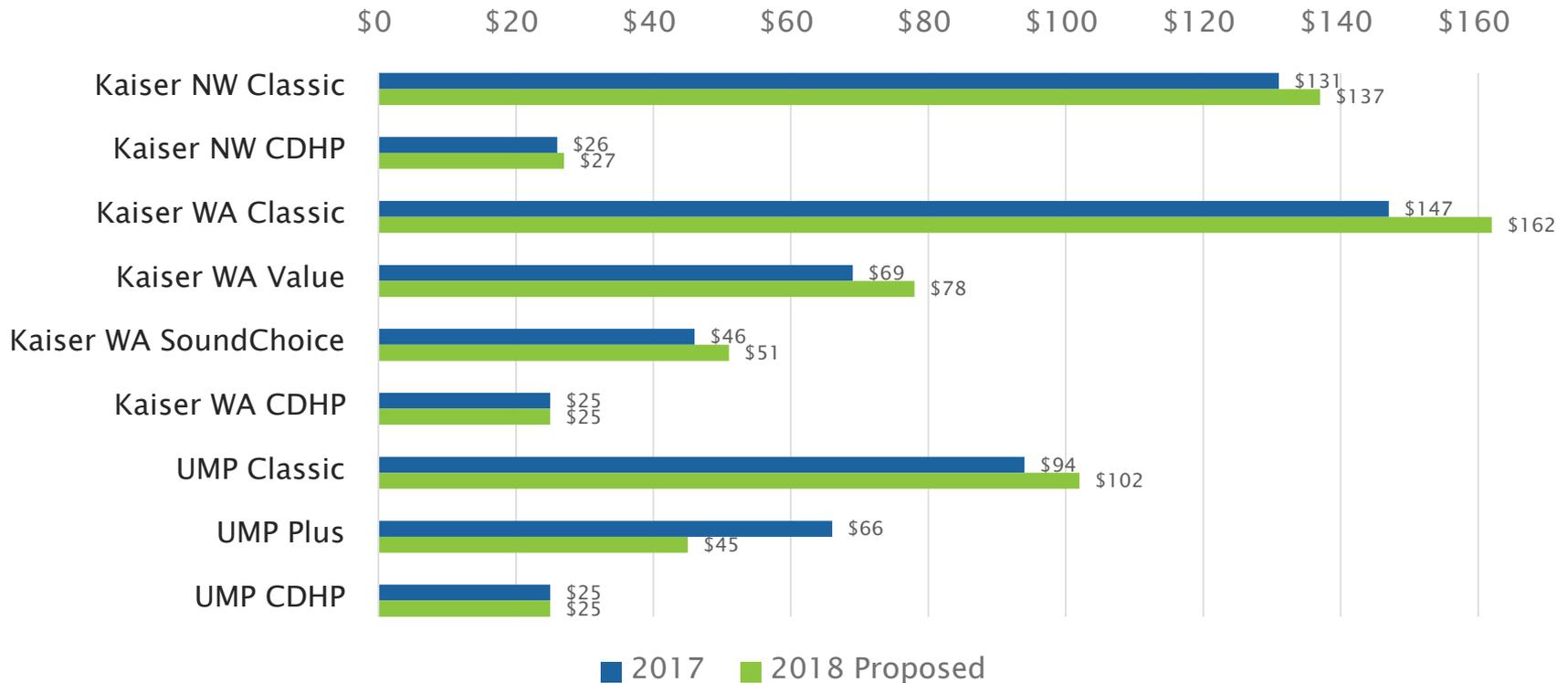
Employee Contribution by Tier

	Subscriber		Subscriber & Spouse		Subscriber & Children		Full Family		2017 to 2018 Change in Subscriber Rate	
	2017	2018	2017	2018	2017	2018	2017	2018	%	\$
Kaiser NW Classic	\$131	\$137	\$272	\$284	\$229	\$240	\$370	\$387	4.6%	\$6
Kaiser NW CDHP	\$26	\$27	\$62	\$64	\$46	\$47	\$82	\$84	3.8%	\$1
Kaiser WA Classic	\$147	\$162	\$304	\$334	\$257	\$284	\$414	\$456	10.2%	\$15
Kaiser WA Value	\$69	\$78	\$148	\$166	\$121	\$137	\$200	\$225	13.0%	\$9
Kaiser WA SoundChoice	\$46	\$51	\$102	\$112	\$81	\$89	\$137	\$150	10.9%	\$5
Kaiser WA CDHP	\$25	\$25	\$60	\$60	\$44	\$44	\$79	\$79	0.0%	\$0
UMP Classic	\$94	\$102	\$198	\$214	\$165	\$179	\$269	\$291	8.5%	\$8
UMP Plus	\$66	\$45	\$142	\$100	\$116	\$79	\$192	\$134	-31.8%	-\$21
UMP CDHP	\$25	\$25	\$60	\$60	\$44	\$44	\$79	\$79	0.0%	\$0
Subscribers may be subject to the following surcharges										
Tobacco Surcharge	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25		
Spousal Surcharge	N/A	N/A	\$50	\$50	N/A	N/A	\$50	\$50		

- Subscriber & Spouse and Full Family Include \$10 spouse charge.
- Rounded to the nearest dollar.

Employee Premium Contributions

2017 Actual vs 2018 Proposed



Retiree Subscribers Non-Medicare

Revised Non-Medicare Retiree Rates by Tier

	Subscriber		Subscriber & Spouse		Subscriber & Children		Full Family		2017 to 2018 Change in Subscriber Rate	
	2017	2018	2017	2018	2017	2018	2017	2018	%	\$
Kaiser NW Classic	\$661	\$693	\$1,317	\$1,380	\$1,153	\$1,208	\$1,810	\$1,896	4.8%	\$32
Kaiser NW CDHP	\$565	\$591	\$1,118	\$1,170	\$994	\$1,040	\$1,489	\$1,561	4.6%	\$26
Kaiser WA Classic	\$677	\$718	\$1,348	\$1,432	\$1,180	\$1,253	\$1,852	\$1,967	6.1%	\$41
Kaiser WA Value	\$599	\$634	\$1,193	\$1,262	\$1,044	\$1,105	\$1,638	\$1,733	5.9%	\$35
Kaiser WA SoundChoice	\$576	\$607	\$1,147	\$1,209	\$1,004	\$1,059	\$1,575	\$1,661	5.4%	\$31
Kaiser WA CDHP	\$563	\$589	\$1,115	\$1,167	\$992	\$1,037	\$1,486	\$1,557	4.6%	\$26
UMP Classic	\$624	\$658	\$1,243	\$1,311	\$1,088	\$1,147	\$1,707	\$1,800	5.5%	\$34
UMP Plus	\$595	\$601	\$1,186	\$1,196	\$1,039	\$1,047	\$1,629	\$1,643	0.9%	\$6
UMP CDHP	\$563	\$589	\$1,115	\$1,167	\$991	\$1,037	\$1,485	\$1,557	4.6%	\$26
Subscribers may be subject to the following surcharges										
Tobacco Surcharge	\$25	\$25	\$25	\$25	\$25	\$ 25	\$25	\$25		
Spousal Surcharge	N/A	N/A	\$ 50	\$50	N/A	N/A	\$50	\$50		

- Rates include the state active reduction of \$2.00 Per Adult Unit Per Member (PAUPM) for the employer group surcharge.
- Rounded to the nearest dollar.
- Revised 7/18/17

2018 MEDICAL PLAN BENEFITS SUMMARY

	KPWA (formerly Group Health) Classic	KPWA (formerly Group Health) Sound Choice	KPWA (formerly Group Health) Value	KPWA (formerly Group Health) CDHP*	Uniform Medical Plan Classic	Uniform Medical Plan Plus	Uniform Medical Plan CDHP	Kaiser Classic	Kaiser Northwest CDHP
Medical Deductible (individual/family, without Wellness)	\$175/\$525 [down from \$250/\$750]	\$250/\$750	\$250/\$750	\$1,400/\$2,800	\$250/\$750	\$125/\$375	\$1,400/\$2,800	\$300/\$900	\$1,400/\$2,800
Deductible for Rx (individual/family)	\$100/\$300 (waived for Value & Tier 1 drugs) [new]	\$100/\$300 (waived for Value & Tier 1 drugs) [new]	\$100/\$300 (waived for Value & Tier 1 drugs) [new]	Rx costs apply to medical deductible	\$100/\$300 (Tier 2 & 3 drugs only drugs)**	\$100/\$300 (Tier 2 & 3 drugs only drugs)**	None- all goes to Medical Deductible	None	Rx co-pays and and coinsurance apply to the medical out-of-pocket max
Max Out of Pocket (individual/family)	\$2,000/ \$4,000	\$2,000/\$4,000 [down from \$3,000/\$6,000]	\$3,000/\$6,000	\$5,100/\$10,200	\$2,000/\$4,000	\$2,000/\$4,000	\$4,200/\$8,400	\$2,000/\$4,000	\$5,100/\$10,200
Max Out of Pocket - Rx	\$2,000 per person [new]	\$2,000 per person [new]	\$2,000 per person [new]	None	\$2,000/person Coinsurance for all covered Rx applies	\$2,000/person Coinsurance for all covered Rx applies	Rx co-pays and and coinsurance apply to the medical OOP max	None	None- all goes to Medical Deductible
Primary Care Visit	\$15	15% coinsurance [was "first visit per calendar year free then 20%]	\$30	10%	15%	\$0	\$0	\$25	\$20
Specialty Care Visit	\$30	15% [down from 20%]	\$50	10%	15%	15%	15%	\$35	\$30
Mental Health	\$15	15% [down from 20%]	\$30	10%	15%	15%	10%	\$25	\$20
Inpatient Admission	\$150/day up to \$750 max per admission	\$200/day up to \$1,000 max per admission	\$250/day up to \$1,250 max per admission	10%	\$200/day up to \$600 max per admission + 15% professional fees	\$200/day up to \$600 max per admission + 15% professional fees	15%	15%	15%
Outpatient	\$150	15% [down from 20%]	\$200	10%	15%	15%	15%	15%	15%
Emergency Room Visit	\$250	\$75 + 15% [down from 20%]	\$300	10%	\$75 + 15%	\$75 + 15%	15%	15%	15%
Prescription Drugs	4 tiers •Value – \$5 •Tier 1 – \$20 •Tier 2 – \$40 •Tier 3 – 50% up to \$250	6 tiers •Value - \$5 copay •Tier 1 - \$15 copay •Tier 2 - \$60 copay •Tier 3 – 50% coinsurance •Tier 4 - \$150 copay •Tier 5 – 50% coins up to \$400	4 tiers •Value – \$5 •Tier 1 – \$20 •Tier 2 – \$40 •Tier 3 – 50% up to \$250		4 tiers •Value – 5% up to \$10 •Tier 1 – 10% up to \$25 •Tier 2 – 30% up to \$75 •Tier 3 – 50% up to \$150	4 tiers •Value – 5% up to \$10 •Tier 1 – 10% up to \$25 •Tier 2 – 30% up to \$75 •Tier 3 – 50% up to \$150		4 tiers •Tier 1 – \$15 •Tier 2 – \$40 •Tier 3 – \$75 •Tier 4 – 50% up to \$150	

Increase cost to employee

Decrease cost to employee

*Switch the network from Access PPO to Core HMO; add Consulting Nurse helpline for advice 24/7; add access to CareClinics at Bartell Drugs at select Seattle area locations; get diagnosis and treatment for routine issues with a Kaiser Permanente online visit.

**Must meet family medical or prescription drug deductible before plan pays benefits

TAB 5



2018 Medicare Plan Design Changes

Beth Heston
Procurement Manager
Public Employees Benefits Division
July 19, 2017



Plan Design Changes

Kaiser Permanente of Washington

(formerly Group Health)

Medicare Advantage Plan

(Align with Kaiser National Coverages)

- Additions at no copay or cost share:
 - Diabetes Prevention Program
 - Annual Physical Exam
 - Telehealth
 - 6th Prescription Drug Tier: \$0 Vaccine Tier



Questions?

Beth Heston, Procurement Manager

Public Employees Benefits Division

Beth.heston@hca.wa.gov

Tel: 360-725-0865

TAB 6



2018 Medicare Premiums

Kim Wallace
Deputy Section Manager
Medicaid Rates and PEB Finance
Financial Services Division
July 19, 2017

Medicare Retiree Premiums

	2018 Premium	Explicit Subsidy	Composite
Kaiser WA Medicare Advantage & Classic	\$175.40	\$150.00	\$325.40
Kaiser NW Senior Advantage	\$173.07	\$150.00	\$323.07
UMP Classic Medicare	\$333.64	\$150.00	\$483.64
Premera Medicare Supplement Plan F Retired	\$111.21	\$106.19	\$217.40
Premera Medicare Supplement Plan F Disabled	\$216.05	\$150.00	\$366.05

Medicare Retiree Premiums

Single Subscriber after Explicit Subsidy

	2017	2018	2017 to 2018 Change in Subscriber Rate	
			%	\$
Kaiser WA Medicare Advantage & Classic	\$176.17	\$175.40	-0.4%	(\$0.77)
Kaiser NW Senior Advantage	\$163.63	\$173.07	5.8%	\$9.44
UMP Classic Medicare	\$278.13	\$333.64	20.0%	\$55.51
Premera Medicare Supplement Plan F Retired	\$109.59	\$111.21	1.5%	\$1.62
Premera Medicare Supplement Plan F Disabled	\$211.27	\$216.05	2.3%	\$4.78

Questions?

Kim Wallace

Deputy Section Manager, Medicaid Rates and PEB Finance

Kim.Wallace@hca.wa.gov

Tel: 360-725-9817

TAB 7



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

2018 Public Employees Benefits Board Meeting Schedule

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

January 31, 2018 (Board Retreat) 9:00 a.m. – 4:00 p.m.

March 21, 2018

April 25, 2018

May 21, 2018

June 20, 2018

July 11, 2018

July 18, 2018

July 25, 2018

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

Updated 7/14/17