

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

August 10, 2016  
Health Care Authority  
Pear Room 107  
Olympia, Washington  
9:00 a.m. – 10:00 a.m.

**Members Present:**

Dorothy Teeter  
Greg Devereux  
Gwen Rench  
Tim Barclay

**Members on the Phone:**

Harry Bossi  
Marilyn Guthrie  
Myra Johnson  
Yvonne Tate  
Mary Lindquist

**PEB Board Counsel:**

Katy Hatfield

**Call to Order**

**Dorothy Teeter, Chair**, called the meeting to order at 9:00 a.m. 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 June 22, 2016 PEBB Meeting Minutes**

It was moved and seconded to approve the June 22, 2016 PEB Board meeting minutes as written.

**Tim Barclay:** Abstain. Was not in attendance.

**Greg Devereux:** Aye

**Gwen Rench:** Aye

**Mary Lindquist:** Aye

**Marilyn Guthrie:** Aye

**Yvonne Tate:** Aye

**Dorothy Teeter:** Aye

## **Response to Public Comments from July 27, 2016 Meeting**

**Ryan Pistori**, Assistant Chief Pharmacy Officer, responded to the public testimony of Sara Eve Sarliker. Ms. Sarliker spoke about a discrepancy between the Medicaid Policy and PEBB policy regarding insulin prescriptions. After researching her concerns, I am able to clarify that both the Medicaid and PEBB policies cover insulin pens without first requiring vials and syringes. The PEBB Program member has been provided with this information.

## **2017 PEBB Procurement Resolutions 1-3**

**Lou McDermott** reviewed the proposed procurement resolutions.

Resolution 1 has to do with our Centers of Excellence Program which, for this year, will be hips and knees through our Virginia Mason contract.

Resolution 2 has to do with the PEBB Medicare Contribution, the \$150 or the 50%, not to exceed 50% of the premium.

Resolution 3 is a little complex. We are still waiting to hear from a judge regarding our Hepatitis C coverage criteria. Resolution 3 is basically the entire fee schedule calculated both ways, one with our current Hepatitis C prior authorization criteria and one with the possibility that the judge will no longer allow us to use the fibrosis score as part of the authorizing criteria. That creates a differential in the rates because it would allow more people to use the medication if the judge were to rule that we could no longer use that criteria. That medication is very expensive; and therefore, has an impact on the rates. It's a long resolution and takes a time frame into consideration. Because of the things we need to do to operationalize the rates, such as informing our members and printing materials, September 6 is as long as we can wait for the judge to order us to make that coverage change. If it occurs after September 6, we'll be using the fee schedule which does not include the expanded criteria because we run out of time.

**Greg Devereux:** I understand the complicated nature of Resolution 3. I didn't realize, at the last meeting, that all of the rates would be rolled into one in those two resolutions. I thought, as we have in the past, we'd be voting on individual rates. I do understand because of the complicated nature why you're doing it that way. So, unfortunately, I will be voting against those resolutions. Not because I don't support them, but I don't like the decrease in the value of the Group Health plan. The only way to vote against that is to vote against the overall resolutions. I just wanted that to be clear. Thank you.

**Lou McDermott:** Thanks, Greg.

**Gwen Rensch:** I'll be voting yes on the resolution about the Medicare retirees; but the issue has been raised, and I understand we might be able to discuss this at the retreat, that it doesn't actually address the rates for the retirees and whether there's a legality involved in it not specifying, or referencing, the exact rates that are being voted on. So, thank you.

**Dorothy Teeter:** We will proceed to voting on these resolutions. I will do a roll call vote since there are Board Members on the phone.

Three resolutions were presented for a vote before the Board. All resolutions were approved.

### **Plan Design Resolution 1**

Resolved, that the PEBB Program will offer a new Uniform Medical Plan Centers of Excellence program (COE) starting in Plan Year 2017.

Moved. Seconded. Approved.

Voting to Approve: 7

Voting No: 0

### **PEBB Medicare Contribution Resolution 2**

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

Moved. Seconded. Approved.

Voting to Approve: 7

Voting No: 0

### **Employee Premiums Resolution 3**

Resolved, that the PEB Board endorses (1) Schedule A for the Uniform Medical Plan, Group Health, and Kaiser Permanente employee premiums if no judicial order is entered against the state on or before September 6, 2016 preventing the Uniform Medical Plan from using fibrosis scores as part of preauthorization criteria to cover Hepatitis C drugs, and

(2) Schedule B for the Uniform Medical Plan, Group Health, and Kaiser Permanente employee premiums if a judicial order is entered against the state on or before September 6, 2016 preventing the Uniform Medical Plan from using a fibrosis score as part of preauthorization criteria to cover Hepatitis C drugs.

**Gwen Rench:** There is concern about the great level of increase for the non-Medicare retirees and the discrepancy even between the Group Health and Kaiser Advantage Plans on the Medicare Retiree part.

**Dorothy Teeter:** Thank you Gwen. I will proceed with a roll call vote.

Moved. Seconded. Approved.

Voting to Approve: 5

Voting No: 2

**Tim Barclay:** Yes  
**Greg Devereux:** No  
**Gwen Rench:** No  
**Mary Lindquist:** Yes  
**Marilyn Guthrie:** Yes  
**Yvonne Tate:** Yes  
**Dorothy Teeter:** yes

**Dorothy Teeter:** This has been a complicated set of resolutions because of the Hepatitis C Schedule. I appreciate people's perseverance with us on this issue.

**Proposed 2017 PEBB Meeting Schedule**

**Lou McDermott:** The 2017 PEB Board Meeting schedule is included in today's information, starting with the Board's Retreat on January 17, 2017. If we need to add additional meetings, as we did this year, we will let you know and make those adjustments as necessary. The majority of the meetings are on Wednesdays, but there are some on Thursday. I ask that you take a close look at your calendars for these days.

**Dorothy Teeter:** We've talked about the next meeting being our Board Retreat in January. I would like to personally thank everyone on this Board, the staff, and those that come faithfully to every single meeting. I appreciate your high level contributions and commitment to this really important program. I wish you all a wonderful rest of the summer.

Meeting Adjourned.