Public Employees Benefits Board
May 12, 2022
9:00 a.m. – 1:15 p.m.

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

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TAB 1
Public Employees Benefits Board
May 12, 2022
9:00 a.m. – 1:15 p.m.

Aligning with Governor’s Proclamation 20-28, all Board Members and public attendees will only be able to attend virtually

TO JOIN ZOOM MEETING – SEE INFORMATION BELOW

<table>
<thead>
<tr>
<th>Time</th>
<th>Event Description</th>
<th>Presenter(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>9:00 a.m.*</td>
<td>Welcome and Introductions</td>
<td>Sue Birch, Chair</td>
</tr>
<tr>
<td>9:05 a.m.</td>
<td>Meeting Overview</td>
<td>Dave Iseminger, Director Employees &amp; Retirees Benefits (ERB) Division</td>
</tr>
<tr>
<td>9:10 a.m.</td>
<td>Follow up from April 14, 2022 Meeting</td>
<td>Dave Iseminger, Director ERB Division</td>
</tr>
<tr>
<td>9:15 a.m.</td>
<td>2024 Uniform Dental Plan (UDP) Benefit Design Options</td>
<td>TAB 3 Ellen Wolfhagen, Senior Account Manager, ERB Division</td>
</tr>
<tr>
<td>10:00 a.m.</td>
<td>Vision Benefit Discussion</td>
<td>TAB 4 Beth Heston, Senior Account Manager ERB Division</td>
</tr>
<tr>
<td>10:30 a.m.</td>
<td>Break</td>
<td></td>
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<tr>
<td>10:35 a.m.</td>
<td>Tax-Advantaged Accounts Procurement Overview</td>
<td>TAB 5 Kelsie Pele, MPH Senior Account Manager ERB Division</td>
</tr>
<tr>
<td>10:50 a.m.</td>
<td>SmartHealth Update</td>
<td>TAB 6 Kristen Stoimenoff, Manager Washington Wellness Program</td>
</tr>
<tr>
<td>11:10 a.m.</td>
<td>Public Comment</td>
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<tr>
<td>11:25 a.m.</td>
<td>Closing</td>
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<tr>
<td>11:30 a.m.</td>
<td>Transition to Executive Session</td>
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<tr>
<td>11:40 a.m.</td>
<td>Executive Session</td>
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<tr>
<td>1:10 p.m.</td>
<td>Closing</td>
<td>Sue Birch, Chair</td>
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<tr>
<td>1:15 p.m.</td>
<td>Adjourn</td>
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*All Times Approximate

The Public Employees Benefits Board will meet Thursday, May 12, 2022. Due to COVID-19 and out of an abundance of caution, all Board Members and attendees will attend this meeting virtually.

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 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 11:40 a.m. and conclude no later than 1:10 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: board@hca.wa.gov.


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Join Zoom Meeting

https://us02web.zoom.us/j/83551251877?pwd=QmJoZGdlT1R3bktCd3ZXUFFwaVdkZz09

Meeting ID: 835 5125 1877
Passcode: 554504
One tap mobile
+12532158782,,83551251877#,,,,,*554504# US (Tacoma)
+16699006833,,83551251877#,,,,,*554504# US (San Jose)

Dial by your location
+1 253 215 8782 US (Tacoma)
+1 669 900 6833 US (San Jose)
+1 346 248 7799 US (Houston)
+1 929 205 6099 US (New York)
+1 301 715 8592 US (Washington DC)
+1 312 626 6799 US (Chicago)

Meeting ID: 835 5125 1877
Passcode: 554504
Find your local number: https://us02web.zoom.us/u/kdRDkrFoRY
# PEB Board Members

<table>
<thead>
<tr>
<th>Name</th>
<th>Representing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sue Birch, Director</td>
<td>Chair</td>
</tr>
<tr>
<td>Health Care Authority</td>
<td></td>
</tr>
<tr>
<td>626 8th Ave SE</td>
<td></td>
</tr>
<tr>
<td>PO Box 42713</td>
<td></td>
</tr>
<tr>
<td>Olympia WA 98504-2713</td>
<td></td>
</tr>
<tr>
<td>V 360-725-2104</td>
<td></td>
</tr>
<tr>
<td><a href="mailto:sue.birch@hca.wa.gov">sue.birch@hca.wa.gov</a></td>
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<table>
<thead>
<tr>
<th>Leanne Kunze, Executive Director</th>
<th>State Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Washington Federation of State Employees</td>
<td></td>
</tr>
<tr>
<td>1212 Jefferson Street, Suite 300</td>
<td></td>
</tr>
<tr>
<td>Olympia WA 98501</td>
<td></td>
</tr>
<tr>
<td>V 360-352-7603</td>
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<tr>
<td><a href="mailto:PEBBoard@hca.wa.gov">PEBBoard@hca.wa.gov</a></td>
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<table>
<thead>
<tr>
<th>Elyette Weinstein</th>
<th>State Retirees</th>
</tr>
</thead>
<tbody>
<tr>
<td>5000 Orvas CT SE</td>
<td></td>
</tr>
<tr>
<td>Olympia WA 98501-4765</td>
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<tr>
<td>V 360-705-8388</td>
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<table>
<thead>
<tr>
<th>Tom MacRobert</th>
<th>K-12 Retirees</th>
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<tbody>
<tr>
<td>4527 Waldrick RD SE</td>
<td></td>
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<tr>
<td>Olympia WA 98501</td>
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<tr>
<td>V 360-264-4450</td>
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<thead>
<tr>
<th>Scott Nicholson, Deputy Assistant Director</th>
<th>Benefits Management/Cost Containment</th>
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<tbody>
<tr>
<td>State Human Resources</td>
<td></td>
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<tr>
<td>Office of Financial Management</td>
<td></td>
</tr>
<tr>
<td>PO Box 43113</td>
<td></td>
</tr>
<tr>
<td>Olympia WA 98504-3113</td>
<td></td>
</tr>
<tr>
<td><a href="mailto:scott.nicholson@ofm.wa.gov">scott.nicholson@ofm.wa.gov</a></td>
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PEB Board Members

<table>
<thead>
<tr>
<th>Name</th>
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<tbody>
<tr>
<td>Vacant</td>
<td>Benefits Management/Cost Containment</td>
</tr>
<tr>
<td>John Comerford*</td>
<td>Benefits Management/Cost Containment</td>
</tr>
<tr>
<td>121 Vine ST Unit 1205</td>
<td></td>
</tr>
<tr>
<td>Seattle, WA</td>
<td></td>
</tr>
<tr>
<td>V 206-625-3200</td>
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<tr>
<td><a href="mailto:PEBBoard@hca.wa.gov">PEBBoard@hca.wa.gov</a></td>
<td></td>
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<tr>
<td>Harry Bossi</td>
<td>Benefits Management/Cost Containment</td>
</tr>
<tr>
<td>19619 23rd DR SE</td>
<td></td>
</tr>
<tr>
<td>Bothell WA 98012</td>
<td></td>
</tr>
<tr>
<td>V 360-689-9275</td>
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<td><a href="mailto:PEBBoard@hca.wa.gov">PEBBoard@hca.wa.gov</a></td>
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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

5/6/22
PEB BOARD MEETING SCHEDULE

2022 Public Employees Benefits (PEB) 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.

January 26, 2022 (Board Retreat) 9:00 a.m. – 4:00 p.m.

March 10, 2022 - 9:00 a.m. – 2:00 p.m.

April 14, 2022 - 9:00 a.m. – 2:00 p.m.

May 12, 2022 - 9:00 a.m. – 2:00 p.m.

June 9, 2022 - 9:00 a.m. – 2:00 p.m.

June 30, 2022 – 9:00 a.m. – 2:00 p.m.

July 14, 2022 - 9:00 a.m. – 2:00 p.m.

July 20, 2022 - 9:00 a.m. – 2:00 p.m.

July 27, 2022 - 9:00 a.m. – 2:00 p.m.

If you are a person with a disability and need a special accommodation, please contact Connie Bergener at 360-725-0856
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. 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 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 July 15, 2020
TAB 3
2024 Uniform Dental Plan (UDP) Benefit Design Options

Ellen Wolfhagen
Senior Account Manager
Employees and Retirees Benefits Division
May 12, 2022
Objectives

• Follow-up from April meeting
• Present specific proposals of benefit design enhancements for the Uniform Dental Plan (UDP)
• Provide relative financial impacts to help guide prioritization discussion
Follow-Up Questions from April
UDP Provider Networks - Coverage

Preferred Providers

• Class I – 100%
• Class II – 80%
• Class III – 50%

Premier Providers

• Class I – 80%
• Class II – 70%
• Class III – 40%
Benefit Proposal Reminders

• Annual plan maximum adjustment
• Composite posterior fillings
• Incentive plan design promoting preventive services
• No deductible for children’s benefits
• TMJ lifetime benefit limit adjustment
# Market Comparison – Crown Coverage

<table>
<thead>
<tr>
<th>Current UDP</th>
<th>Delta Book of Business</th>
<th>WEA Plan Pre–SEBB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crowns – Class III</td>
<td>Crowns – Class III</td>
<td>Crowns – Class II</td>
</tr>
<tr>
<td>50%</td>
<td>50%</td>
<td>70% – 100% (depending on dental visit in previous year)</td>
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</table>
Crown Coverage Benefit Insights

<table>
<thead>
<tr>
<th>Potential Increase</th>
<th>PSPM* Cost Impact</th>
<th>Comparison to Other Benefit PSPM* Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase to 60% Preferred</td>
<td>+ &gt;$2.25</td>
<td>More than any individual of the 5 options</td>
</tr>
<tr>
<td>Increase to 70% Preferred</td>
<td>+ &gt;$4.00</td>
<td>Low end of cost for all other 5 options combined</td>
</tr>
<tr>
<td>Increase to 80% Preferred</td>
<td>+ &gt;$5.50</td>
<td>High end of cost for all other 5 options combined</td>
</tr>
</tbody>
</table>

*PSPM = Per Subscriber Per Month
Prioritization Discussion
Initial Premium Insights on Incentive, Composite Fillings, & Annual Plan Maximum

• The premium impacts of *each* of these three benefit change proposals, for *each* of the PEBB & SEBB Programs, is estimated as:
  – Between $1.25 and $2.25 PSPM

• For the State and SEBB Organizations from a budget funding rate perspective, any of these changes individually would impact the funding rate
Initial Premium Insights on TMJ & Child Deductible Proposals

• The combined premium impacts of these two benefit change proposals are estimated as:
  – under $0.50 PSPM for the SEBB Program
  – under $0.25 PSPM for the PEBB Program

• For the State and SEBB Organizations from a budget funding rate perspective, these two changes combined are unlikely to impact the funding rate
Funding For All Five Benefit Proposals

• Total combined cost estimated at ~$5-$7 PSPM* for each program
  – Estimated combined costs to the State to implement in both the PEBB & SEBB Programs would be $15M-$21M

• Additional PSPM increases for crowns, as noted on Slide 7

*PSPM = Per Subscriber Per Month
Funding for All Five Benefit Proposals (cont.)

- Reminders
  - Estimates based on 2021 pandemic period utilization
  - Actual premium increases may vary
  - As a self-insured plan, ultimately the State has claims liability
## Prioritization: Using Population Impacts

<table>
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<tr>
<th>Proposed Benefit Change</th>
<th>2021 PEBB Population Impacts</th>
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<tbody>
<tr>
<td>Exclude Preventive visits from Annual Plan Maximum</td>
<td>246,638 (79%)</td>
</tr>
<tr>
<td>Cover Composite fillings same as Amalgam</td>
<td>103,026 (33%)</td>
</tr>
<tr>
<td>Incentive Plan for Class II changes based on prior year Class I utilization</td>
<td>90,538 (29%)</td>
</tr>
<tr>
<td>Eliminate Children’s Deductible (up to age 15)</td>
<td>39,810 (13%)</td>
</tr>
<tr>
<td>TMJ Annual and Lifetime Increase</td>
<td>819 (0.3%)</td>
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</table>
Prioritization: Using Estimated Premium Impacts (lowest impact to highest impact)

<table>
<thead>
<tr>
<th>In PEBB Program</th>
<th>In SEBB Program</th>
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<tbody>
<tr>
<td>TMJ Annual and Lifetime Increase</td>
<td>TMJ Annual and Lifetime Increase</td>
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<tr>
<td>Eliminate Children’s Deductible (up to age 15)</td>
<td>Eliminate Children’s Deductible (up to age 15)</td>
</tr>
<tr>
<td>Cover Composite fillings same as Amalgam</td>
<td>Incentive Plan for Class II changes based on prior year Class I utilization</td>
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<tr>
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<td>Cover Composite fillings same as Amalgam</td>
</tr>
<tr>
<td>Exclude Preventive visits from Annual Plan Maximum</td>
<td>Exclude Preventive visits from Annual Plan Maximum</td>
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Feedback from May SEB Board Meeting

• General agreement that priority should be
  – Incentive plan
  – Increase in crown coverage
• Caveats expressed about low likelihood of receiving full funding
• Equity reminder that adult dentistry in Medicaid is subject to fluctuating funding
Feedback from April PEB Board Meeting

• Preventive services should be emphasized
• Significant skepticism of the incentive plan design
  – For employees, no real incentive because premiums employer-paid and preventive covered at 100%
  – Concern about “penalizing” for not getting preventive services (variety of reasons people make decisions)
  – Numbers based on pandemic year and could reflect continued fears about exposure
PEB Board Meeting Feedback (cont.)

• General support for the child-focused aspects of proposals
  – Concern about segmentation of population
  – Limited impact but everybody has to pay
• Composites used for (posterior) baby teeth
  – Crowns need “medically necessary” determination
• Have to compare projections with actual utilization to determine true impact (could be more or less)
Discussion

• Is the focus on population impacts the correct lens?
• What, if anything, should be dropped?
• What, if anything, should be ranked higher and why?
Next Steps

• Board consensus on recommendations
• HCA will gather other stakeholder input
• HCA will prepare decision package for submission this fall
Questions?

Ellen Wolfhagen, Senior Account Manager
Employees and Retirees Benefits Division

Ellen.Wolfhagen@hca.wa.gov
Appendix
Current PEBB Program Membership

- Total Members: 311,416
- Active Members: 225,659
- Retirees: 85,757
- Children up to age 15: 42,407
# 2021 PEBB Utilization (Members)

<table>
<thead>
<tr>
<th>Population</th>
<th>Class I Preventive</th>
<th>Class II Fillings</th>
<th>Class III Crowns, etc.</th>
<th>TMJ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active</td>
<td>165,323</td>
<td>67,778</td>
<td>29,306</td>
<td>616</td>
</tr>
<tr>
<td>0–15</td>
<td>34,874</td>
<td>8,672</td>
<td>136</td>
<td>26</td>
</tr>
<tr>
<td>15 +</td>
<td>130,449</td>
<td>59,106</td>
<td>29,306</td>
<td>590</td>
</tr>
<tr>
<td>Retirees</td>
<td>72,601</td>
<td>18,579</td>
<td>17,628</td>
<td>203</td>
</tr>
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TAB 4
Vision Benefit Discussion

Beth Heston
Senior Account Manager
Employees and Retirees Benefits Division
May 12, 2022
Objectives

- Share the results of our 2022 Vision Benefit Member Survey
- Discuss current vision benefits in the PEBB & SEBB Programs
- Have a benefit change discussion
- Explain how the decision package process affects possible benefit changes
ERB Vision Benefit Survey

Web-based Survey conducted
January 26, 2022, through February 11, 2022
Vision Benefit Survey Goals

• Get opinions of members regarding desired benefit changes
  – Prioritizing the popular enhancements
  – Learning about member out-of-pocket expenses

• Concrete, measurable information about vision benefit use
  – Which portions of the benefit are most important
Survey Creation and Promotion

• Created online survey tool
  – How are you eligible for benefits?
  – Which parts of the benefit do you currently use?
  – How satisfied are you with your benefits?
  – What’s most important portion of your benefit?
  – What benefit enhancements would be most important to you?
  – How much do you spend yearly on vision?

• Created a communications plan to solicit participants

• Analyzed results carefully to quantify the answers
Survey Results

Of which ERB Program are you a member?

TOTAL PARTICIPANTS = 22,645

- PEBB: 13,433
- SEBB: 9,212

TOTAL PARTICIPANTS = 22,645
Survey Results (cont.)

Which vision hardware do you use?

<table>
<thead>
<tr>
<th>Hardware Used*</th>
<th></th>
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<tbody>
<tr>
<td>Eyeglasses</td>
<td>20,286</td>
</tr>
<tr>
<td>Contact Lenses</td>
<td>7,592</td>
</tr>
<tr>
<td>Prescription Sunglasses</td>
<td>6,474</td>
</tr>
<tr>
<td>Nonprescription &quot;Readers&quot;</td>
<td></td>
</tr>
<tr>
<td>Sports Goggles</td>
<td></td>
</tr>
</tbody>
</table>

* 964 of total indicated no hardware used
Survey Results (cont.)

How satisfied are you with your current vision plan?

1 = Very Unsatisfied  
10 = Very Satisfied

1 2 3 4 5 6 7 8 9 10

PEBB  SEBB
Survey Results (cont.)

Rank the following enhancements in order of preference

Most Important Lens Enhancements

- Progressive Lenses: 32%
- Non-Glare Lenses: 24%
- Polycarbonate Lenses: 20%
- Blue Light Filtering Lenses: 11%
- Transition Lenses: 8%
- Tinted Lenses: 5%
Survey Results (cont.)

How much do you spend out of pocket on Vision each year?

Out-of-Pocket Amount

- $601 or more
- $451-$600
- $301-$450
- $151-$300
- $0-$150

(SEBB) (PEBB)
Current PEBB and SEBB Programs

• Embedded Versus Standalone
  – PEBB Vision is offered through the PEBB medical plans, while SEBB Vision is offered through standalone plans from vision carriers

• Benefit Administration
  – PEBB Vision is paid through employee premiums (15%) as well as employer contributions (85%), while SEBB Vision is 100% employer paid
Current PEBB and SEBB Programs (cont.)

• Network Differences
  – PEBB Vision uses the medical plan network, while SEBB Vision uses networks established by the vision carriers

• Benefit Allowances Align
  – Annual eye exams
  – Frames and lenses or contact lenses covered every two years (resets on even years for SEBB)
  – $150 in-network allowance for hardware
Possible Changes to ERB Vision Benefit

• Choose to embed both programs’ benefits in the medical plans

• Choose to offer both programs’ benefits through standalone vision plans
  – Consider creating a self-insured Uniform Vision Plan to offer alongside other standalone vision plans
Board Timeline

• May
  – Introduction of vision points of discussion
• June
  – Data on utilization and potential costs
• July
  – Consensus discussion
Remaining Benefit Design Cycle

• Summer/Fall 2022
  – HCA introduction of budget decision package

• December 2022
  – Budget proposals finalized by Governor

• Spring 2023
  – Biennial budget for FYs 2023-2025 finalized

• Benefit change introduction
  – January 1, 2025
Other Possible Benefit Changes

• Are there changes not suggested here you would like to see?

• Are there topics you would like me to research further for future presentations?
Questions?

Beth Heston, Senior Account Manager
Employees and Retirees Benefits Division
Beth.Heston@hca.wa.gov
APPENDIX
# PEBB Vision Benefit

<table>
<thead>
<tr>
<th></th>
<th>Kaiser Northwest</th>
<th>Kaiser Washington</th>
<th>Uniform Medical Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Routine Annual Eye Exam</td>
<td>$20–$25 copay</td>
<td>$15–$50 copay</td>
<td>$0 coinsurance</td>
</tr>
<tr>
<td>Lenses and Frames OR</td>
<td>Member pays any amount over $150 every 2 calendar years</td>
<td>Member pays any amount over $150 every 2 calendar years</td>
<td>$0 up to the allowed amount for one pair of standard lenses and frames once every two calendar years.</td>
</tr>
<tr>
<td>Contacts</td>
<td>Member pays any amount over $150 every 2 calendar years</td>
<td>Member pays any amount over $150 every 2 calendar years (includes $30 contact fitting fee)</td>
<td>Plan pays up to $150 for elective contact lenses. Member pays $30 fitting fee.</td>
</tr>
<tr>
<td>Medically Necessary Contacts</td>
<td>$30–$35 copay</td>
<td>$15–$30 copay (10% coinsurance for CDHP)</td>
<td>$0 up to the allowed amount. Member pays $30 fitting fee for contact lenses.</td>
</tr>
<tr>
<td>Lens Enhancements</td>
<td>Covered with $150 allowance</td>
<td>Covered with $150 allowance</td>
<td>Covered with $150 allowance</td>
</tr>
<tr>
<td>Lasik Surgery</td>
<td>Member pays 100%</td>
<td>N/A</td>
<td>Member pays 100%</td>
</tr>
</tbody>
</table>
# SEBB Vision Benefit

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<td>Member pays 100%</td>
</tr>
</tbody>
</table>
## SEBB Vision Benefit (cont.)

<table>
<thead>
<tr>
<th></th>
<th>Davis Vision</th>
<th>EyeMed</th>
<th>MetLife Vision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medically Necessary Contacts</td>
<td>$0 copay ($225 max for out of network)</td>
<td>$0 copay ($300 max for out of network)</td>
<td>$0 copay ($210 max for out of network)</td>
</tr>
<tr>
<td>Lens Enhancements</td>
<td>Discounts available by specific enhancement for anti-glare, scratch resistance, polycarbonate lenses, transition lenses, polarization, tinting, UV treatments</td>
<td>Discounts available by specific enhancement for anti-glare, scratch resistance, polycarbonate lenses, transition lenses, polarization, tinting, UV treatments</td>
<td>Discounts available by specific enhancement for anti-glare, scratch resistance, polycarbonate lenses, transition lenses, polarization, tinting, UV treatments</td>
</tr>
<tr>
<td>Lasik Surgery</td>
<td>40% to 50% OFF the national average price</td>
<td>15% off retail price; or, 5% off a promotional offer</td>
<td>15% off retail price; or 5% off a promotional offer</td>
</tr>
</tbody>
</table>
Tax-Advantaged Accounts
Procurement Overview

Kelsie Pele, MPH
Senior Account Manager
Portfolio Management & Monitoring Section
Employees & Retirees Benefits Division
May 12, 2022
Overview

• Benefit recap
• Recent refinements
• Significant scope of work changes
• Procurement details
Benefit Recap

Salary Reduction: Public employees can select “before tax” benefits funded through their voluntary payroll deductions

- **Medical Flexible Spending Arrangement (FSA)**
  - Employees pay for eligible out-of-pocket medical expenses
  - $120 minimum/$2,750 maximum for 2022, with annual IRS COLAs

- **Limited Purpose FSA**
  - Can only be used for eligible dental and vision expenses; benefit intended for PEBB Program members enrolled in a high-deductible plan

- **Dependent Care Assistance Program (DCAP)**
  - Employees pay for eligible child and elder care expenses
  - $120 minimum/$5,000 maximum per year payroll deductions (no COLAs)
Recent Refinements

• COVID-19 leniencies
  – 2020: Limited Open Enrollment in the month of July
  – 2021: Allowed participants to prospectively adjust or end their elections in both DCAP and FSA in March, July, & September

• FSA design changes effective 2022
  – Lowered minimum elections by 50%
  – Transitioned from a grace period to carryover design
  – Added Limited Purpose FSA
Significant Scope of Work Changes

• SEBB Onboarding
  – Added the school employees to the existing Navia contract

• Collective Bargaining Agreement $250 Benefit
  – Effective January 1, 2020, approximately 14,000 employees in the PEBB Program received a $250 Medical FSA contribution
Additional Agency Program Support

Compact of Free Association (COFA) Islander Program

The COFA Islander population originates from the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau, but currently resides in Washington State.

– Health Benefit Account (HBA)
  o Initially accessed debit cards for 1,600 Pacific Islanders who were not eligible for Apple Health
  o Congress has restored Medicaid to COFA Islanders, but still needs to keep service for those ineligible for Medicaid
  o PEBB does not finance or subsidize this program
Procurement

• 2020 Procurement
  – Significant changes and demands on the contract due to an expanded scope of work
  – Participation increased 150%

• Results
  – The procurement was cancelled after no agreement was reached with the Apparent Successful Bidder (ASB) during contract negotiations
  – Renegotiated current Navia rate, resulting in over $300,000 savings in 2022 & 2023
2020 Procurement Lessons Learned

• Set minimums for the number of accounts bidders manage both in their book of business and largest client

• Clarified how we present future implementation of the administration of the Health Savings Accounts (HSA)

• Divided the bid evaluation into two phases:
  – Security/Technical Review
  – Written & Cost Proposal
2022 Procurement

Services included in Request for Proposal (RFP)

– Medical FSA
– Limited Purpose FSA
– Collective Bargaining Agreement Benefit
– Dependent Care Assistance Program
– Health Benefits Account (for COFA Islander Programs)
– Future HSA business
2022 Procurement Timeline

Schedule (tentative):

– Currently drafting the RFP
– Issue RFP in late-May
– Contract negotiations and implementation
– New contract anticipated to go into effect January 1, 2024
Questions?

More Information:
http://pebb.naviabenefits.com/

Kelsie Pele, MPH
Senior Account Manager
Employees and Retirees Benefits Division
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SmartHealth Update

Kristen Stoimenoff, Manager
Washington Wellness Program
Employees & Retirees Benefits Division
May 12, 2022

Jenny Switzer, Senior Account Manager
Portfolio Management & Monitoring Section
Employees and Retirees Benefits
Limeade ONE Launch

• April 12, 2022
• Enhanced security features, including multi-factor authentication
• Access to the latest mobile and web user experience
• Easy access to information about available resources and benefits
• Continued access to a variety of activities to support health and well-being
Extensive E-Communications to Members, Wellness Coordinators, and Benefits Administrators:

✓ Email to all registered SmartHealth users from Limeade

✓ “Toolkit” for Wellness Coordinators & Benefits Administrators

✓ GovDelivery email from HCA

✓ Forwardable message for employees

✓ HCA social media posts

✓ Post-launch email
Upcoming Promotion

Minnesota Lynx vs. Seattle Storm
(August 3, 2022)
Wellness Procurement
Background

• Executive Order 13-06 on improving the health and productivity of state employees was signed by the Governor on October 30, 2013
• HCA initiated a competitive procurement to procure a virtual wellness vendor to support state employees
• Limeade was selected as the successful bidder and HCA entered into a contract with them that could last up to ten years
• As the end of this contract is nearing, HCA has begun the procurement process
Program Wellness Procurement Goals

• The state wellness program must be a holistic program that seeks to improve employee health and well-being

• Must encourage participants to complete self-reported health assessments and activities to improve various dimensions of health and to set actionable goals

• Activities and resources within the wellness portal must be targeted to ensure information is impactful to appropriate audiences

• The portal must meet the highest level of security and accessibility standards
RFI Timeline

• HCA initiated a Request for Information (RFI) in early March to help us understand wellness offerings in the market
• Industry research on virtual wellness offerings along with our current program were used to help develop RFI requirements and vendor questions
• Review of RFI respondent materials took place in late March
• HCA met with a selection of vendors that submitted materials to hear more about their program offerings
Preliminary Procurement Insights

• HCA is developing a Request for Proposal (RFP) for release and response later this year
• After respondent materials and presentations are scored against programmatic and technical requirements, an apparently successful bidder will be announced
• Final launch under the new contract is anticipated to be January 1, 2024
Questions?

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