

Public Employees Benefits Board Meeting

May 15, 2025

Public Employees Benefits Board
May 15, 2025
9:00 a.m. – 1:30 p.m.

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

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

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TAB 1

Public Employees Benefits Board
May 15, 2025
9:00 a.m. – 1:30 p.m.

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

TO JOIN ZOOM MEETING – SEE INFORMATION BELOW

9:00 a.m.*	Welcome and Introductions		Lou McDermott, Chair Pro-Tem	
9:05 a.m.	Meeting Overview		David Iseminger, Director Employees & Retirees Benefits (ERB) Division	Information
9:10 a.m.	Approval of Meeting Minutes • April 10, 2025	TAB 3	Lou McDermott, Chair Pro-Tem	Action
9:20 a.m.	April Meeting Follow Up	TAB 4	David Iseminger, Director Employees & Retirees Benefits (ERB) Division	Information/ Discussion
9:30 a.m.	Legislative and Budget Update	TAB 5	Cade Walker, Section Manager Employees & Retirees Benefits (ERB) Division Tanya Deuel, ERB Finance Manager Finance Services & Health Care Purchasing Administration Division	Information/ Discussion
10:15 a.m.	Policy & Rules Development	TAB 6	Stella Ng, Policy & Rules Coordinator Employees & Retirees Benefits (ERB) Division	Action
10:35 a.m.	Break			
10:45 a.m.	Long Term Disability (LTD) Update	TAB 7	Kimberly Gazard, Senior Account Manager Employees & Retirees Benefits (ERB) Division	Information/ Discussion
11:10 a.m.	UMP Benefit Design	TAB 8	Ryan Ramsdell, UMP Team Manager Employees & Retirees Benefits (ERB) Division	Action

11:25 a.m. 20 mins	Benefits 24/7 Update	TAB 9	Brett Mello, Chief Information Officer Enterprise Technology Services (ETS) Division Jean Bui, Deputy Director Employees & Retirees Benefits (ERB) Division	Information/ Discussion
11:45 a.m.	General Public Comment			
12:15 p.m.	Transition to Executive Session			
12:20 p.m.	Executive Session			
1:25 p.m.	Closing			
1:30 p.m.	Adjourn		Lou McDermott, Chair Pro-Tem	

*All Times Approximate

The Public Employees Benefits Board will meet Thursday, May 15, 2025 at the Washington State Health Care Authority, Sue Crystal Rooms A & B, 626 8th Avenue SE, Olympia, WA. Attendance for this meeting can be in person or via Zoom. Masks are optional.

The Board will consider all matters on the agenda plus any items that may normally come before them.

Pursuant to RCW 42.30.110(1)(L), the Board will meet in 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 12:20 p.m. and conclude no later than 1:30 p.m.*

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

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

Materials will be posted at <http://www.pebb.hca.wa.gov/board/> by close of business on Monday, May 12, 2025.

Join Zoom Webinar Meeting

Meeting attendees will only be able to activate their audio and/or video during the public comment period at the end of the meeting. At public comment, participants will need to raise their virtual hand and only after being recognized by HCA staff will the participant see the ability to turn on their audio/video options.

<https://us02web.zoom.us/j/84511430896?pwd=ENazGkykwnkCb7b7PkUy5leXhjJM8t.1>

PEB Board Members

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

PEB Board Members

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

*non-voting members

1/16/25



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

PEB BOARD MEETING SCHEDULE

2025 Public Employees Benefits (PEB) Board Meeting Schedule

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

January 30, 2025 (Board Retreat) - starting at 9:00 a.m.*

March 13, 2025 - starting at 9:00 a.m.

April 10, 2025 - starting at 9:00 a.m.

May 15, 2025 - starting at 9:00 a.m.

June 12, 2025 - starting at 9:00 a.m.

June 26, 2025 – starting at 9:00 a.m.

July 10, 2025 - starting at 9:00 a.m.

July 17, 2025 - starting at 9:00 a.m.

July 24 2025 - starting at 9:00 a.m.

July 31, 2025 - starting at 9:00 a.m.

*Meeting times are tentative

If you are a person with a disability and need a special accommodation, please contact the Employees and Retirees Benefits (ERB) Board Operations Manager at 360-725-9484.

06/14/2024

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: July 01, 2024

TIME: 11:11 AM

WSR 24-14-099

TAB 2

PEB BOARD BY-LAWS

ARTICLE I

The Board and its Members

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

ARTICLE II

Board Officers and Duties

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

ARTICLE III
Board Committees

(RESERVED)

ARTICLE IV
Board Meetings

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

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

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

ARTICLE V
Meeting Procedures

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

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

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

Last Revised March 9, 2023

TAB 3

Draft
Public Employees Benefits Board
Meeting Minutes

April 10, 2025
Health Care Authority
Sue Crystal Rooms A & B
Olympia, Washington
9:00 a.m. – 12:30 p.m.

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

Members Present in Olympia

Lou McDermott, Chair Pro-Tem
Harry Bossi
Michaela Doelman
John Comerford
Elyette Weinstein
Tom MacRobert

Members Present via Zoom

Sharon Laing
Kurt Spiegel

Members Absent

None

PEB Board Counsel

Michael Tunick, AAG (in person)

Call to Order

Lou McDermott, Chair Pro-Tem, called the meeting to order at 9:01 a.m. Sufficient members were present to allow a quorum. Board members and the public were able to attend either in person or virtually via Zoom.

Meeting Overview

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

Approval of Meeting Minutes

Elyette Weinstein moved, and John Comerford seconded a motion to approve the March 13, 2025 meeting minutes. Minutes were approved by unanimous vote. Sharon Laing was absent for voting.

March Meeting Follow Up

David Iseminger, Director of the Employees and Retirees Benefits (ERB) Division gave a follow up presentation regarding some requested information regarding the Medicare Drug Price Negotiation Program. The information included details on whether the program pertains to standalone Medicare Part D plans or only Medicare Advantage Part D plans.

Legislative Update and Budget Update

Cade Walker, Benefit Strategy and Design Section Manager in the Employees and Retirees Benefits (ERB) Division and Tanya Deuel, ERB Finance Manager in the Finance Services and Health Care Purchasing Administration presented the latest updates from the legislative session and state budget work. The legislative update presentation included bill analyses by the ERB Division, high priority bill status, agency requested legislation, and current legislation tracked by the ERB Division. The budget update presentation included the budget timeline, 2025 supplemental budget information, 2025-27 biennial budget information, as well as additional budget items that were similar in the House and Senate proposed budgets. The budget update also included proposals for addressing the state budget deficit that were similar between the House and Senate proposed budgets, and the proposed PEBB Program funding rates and Medicare explicit subsidy amount for each proposed budget.

Policy & Rules Development

Stella Ng, Policy and Rules Coordinator in the Employees and Retirees Benefits (ERB) Division introduced a resolution regarding PEBB Program retiree coverage.

- *PEBB 2025-02: PEBB retiree insurance coverage when the subscriber's dependent becomes eligible.*

Voting on the resolution is scheduled for the May 15, 2025 Board meeting.

2025 Annual Rulemaking Briefing

Stella Ng, Policy and Rules Coordinator in the Employees and Retirees Benefits Division The overview included a rulemaking timeline, and the year's focus on rulemaking categorized into three sections: administration and benefits management, regulatory alignment, and amendments within HCA's authority.

Benefits 24/7 Update

Brett Mello, Chief Information Officer in the Enterprise Technology Services (ETS) Division gave an update on the Benefits 24/7 system. The update included a stabilization update continued progress and ERB IT staffing, as well as next steps for Benefits 24/7 stabilization efforts.

PEBB Program Annual Renewal Process

Beth Heston, PEBB Program Procurement Manager in the Employees and Retirees Benefits Division provided an overview of the annual plan renewal process for the PEBB Program. The overview included details of the annual renewal process containing

information regarding evaluating the PEBB Program portfolio, the ERB request for renewal workplans and drafting, negotiations with the carriers on their proposals, and presenting benefit changes to the PEB Board for authorization.

General Public Comment

The following members of the public provided comments:

- **Fred Yancey**
- **Lisa Cook**

Topics brought forth during public comments included considerations regarding the annual plan renewal process and spousal surcharges for households that have eligibility in both the PEBB and SEBB Programs.

Their testimonies can be found in the audio recording for the April 10, 2025 PEB Board meeting at:

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

Next Meeting

May 15, 2025

Starting time 9:00 a.m.

Preview of May 15, 2025 PEB Board Meeting

David Iseminger, Director, Employees and Retirees Benefits (ERB) Division, provided an overview of potential agenda topics for the May 15, 2025 meeting.

The meeting adjourned at 11:42 a.m.

TAB 4

April Meeting Follow Up

David Iseminger
ERB Director
Employees and Retirees Benefits Division
May 15, 2025

Question from Last Meeting

Has the current federal administration made any changes to the Medicare drug price negotiation program?

Presidential Executive Order

Signed April 15, 2025

- ▶ Executive Order was signed by President Trump on April 15 that includes the following:

Section 3. Improving upon the Inflation Reduction Act.

(a) Within 60 days of the date of this order, the Secretary of Health and Human Services (Secretary), consistent with sections 1191 to 1198 of the Social Security Act (42 U.S.C. 1320f-1320f-7) and other applicable law, shall propose and seek comment on guidance for the Medicare Drug Price Negotiation Program for initial price applicability year 2028 and manufacturer effectuation of maximum fair price under such program in 2026, 2027, and 2028...

...(c) The Secretary shall work with the Congress to modify the Medicare Drug Price Negotiation Program to align the treatment of small molecule prescription drugs with that of biological products, ending the distortion that undermines relative investment in small molecule prescription drugs, coupled with other reforms to prevent any increase in overall costs to Medicare and its beneficiaries.

Presidential Executive Order (*cont.*)

Signed April 15, 2025

- ▶ These points do not appear to affect the program in the near future
 - ▶ Point (c) in particular appears to require congressional action
- ▶ The Pharmacy team will continue to monitor any additional references

Questions?

David Iseminger, ERB Director
Employees and Retirees Benefits (ERB) Division

David.Iseminger@hca.wa.gov

TAB 5

Legislative Update

Cade Walker
Policy, Rules, & Compliance Section Manager
Employees and Retirees Benefits Division
May 15, 2025

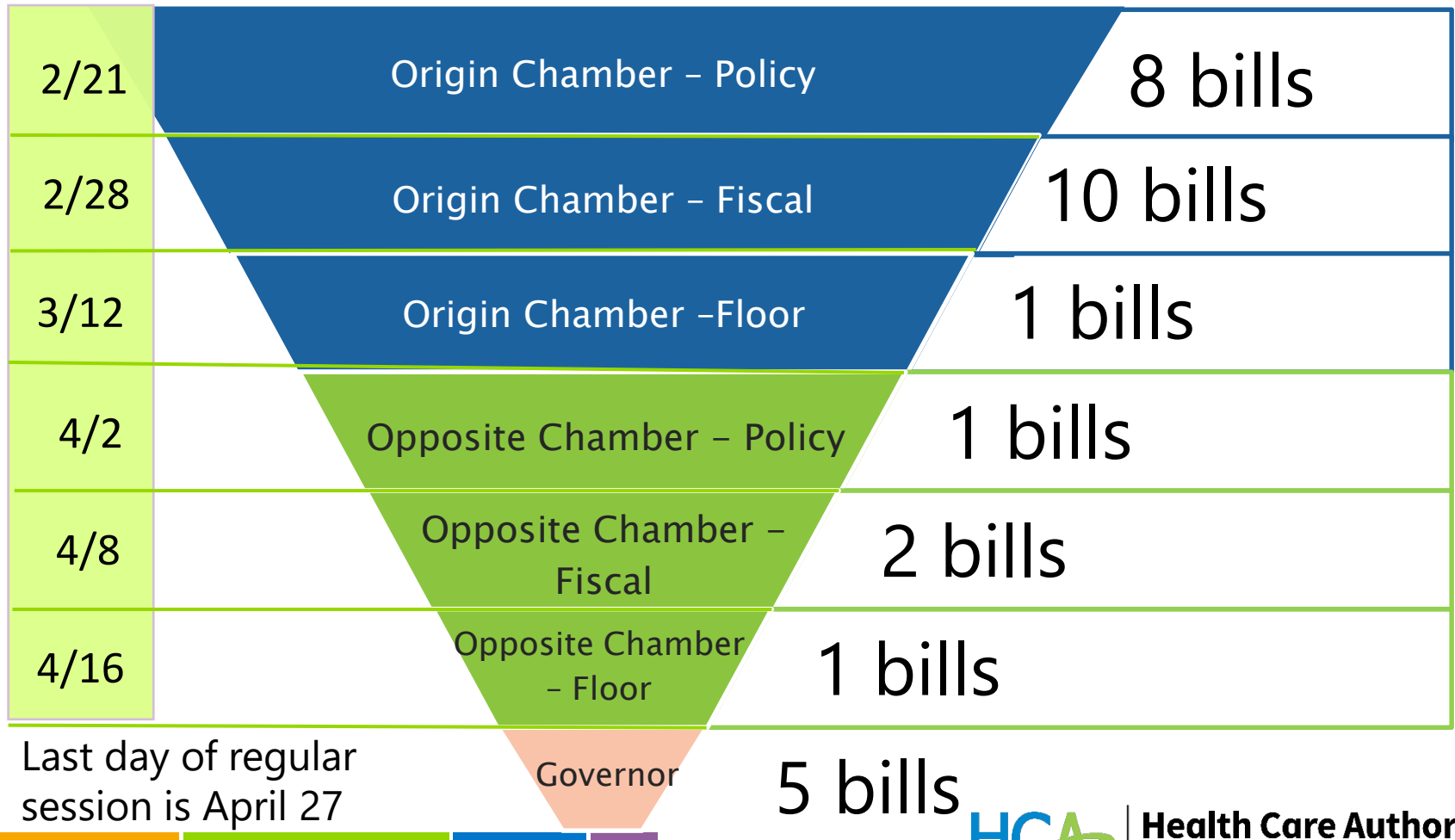
Bill Analyses by ERB Division

	ERB Lead	ERB Support	
High Priority	45	39	84
Low Priority	43	86	129
	88	125	213

Fiscal Notes	41	51	
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As of 4/28/25

ERB Lead High Priority Bill Status



Agency Requested Legislation

- ▶ Senate Bill (SB) 5083 – Ensuring access to primary care, behavioral health, and affordable hospital services
- ▶ SB 5478 – Benefits to be offered by the PEB Board

Passed Legislation

- ▶ House Bill (HB) 1114* – Respiratory care compact
- ▶ HB 1186 – Hospital and health care entities medication dispensing
- ▶ HB 1432 – Improving access to appropriate mental health and substance use disorder services
- ▶ HB 1669* – Coverage for prosthetic limbs and custom orthotic braces
- ▶ HB 1971* – Increasing access to hormone therapy

**Signed by the Governor*

Passed Legislation (*cont.*)

- ▶ SB 5351 – Ensuring patient choice and access to care by prohibiting unfair and deceptive dental insurance practices
- ▶ SB 5498* – Contraceptive coverage
- ▶ SB 5525 – Concerning employment loss due to businesses closing or mass layoffs
- ▶ SB 5579 – Health plan carrier, facilities, and provider public statement prohibition
- ▶ SB 5807 – Concerning wellness incentives for public and school employee health benefit plans

**Signed by the Governor*

Questions?

Cade Walker

Policy, Rules, and Compliance Section Manager

Employees and Retirees Benefits Division

Cade.Walker@hca.wa.gov



Health Care Authority
Public Employees Benefits Board

Appendix

Unsuccessful Bills

- ▶ HB 1069/SB 5044 – Allowing collective bargaining over contributions for certain supplemental retirement benefits
- ▶ HB 1076 – Health technology assessment programs
- ▶ HB 1330/SB 5086 – PEBB & SEBB consolidation
- ▶ SB 5793 - Employer contributions and incentives for public and school employee health benefit plan
- ▶ HB 1124/SB 5112 – Prescribing psychologists
- ▶ HB 1430 – APRN & PA reimbursement
- ▶ HB 1520/SB 5513 – Expanding pharmacists' scope of practice

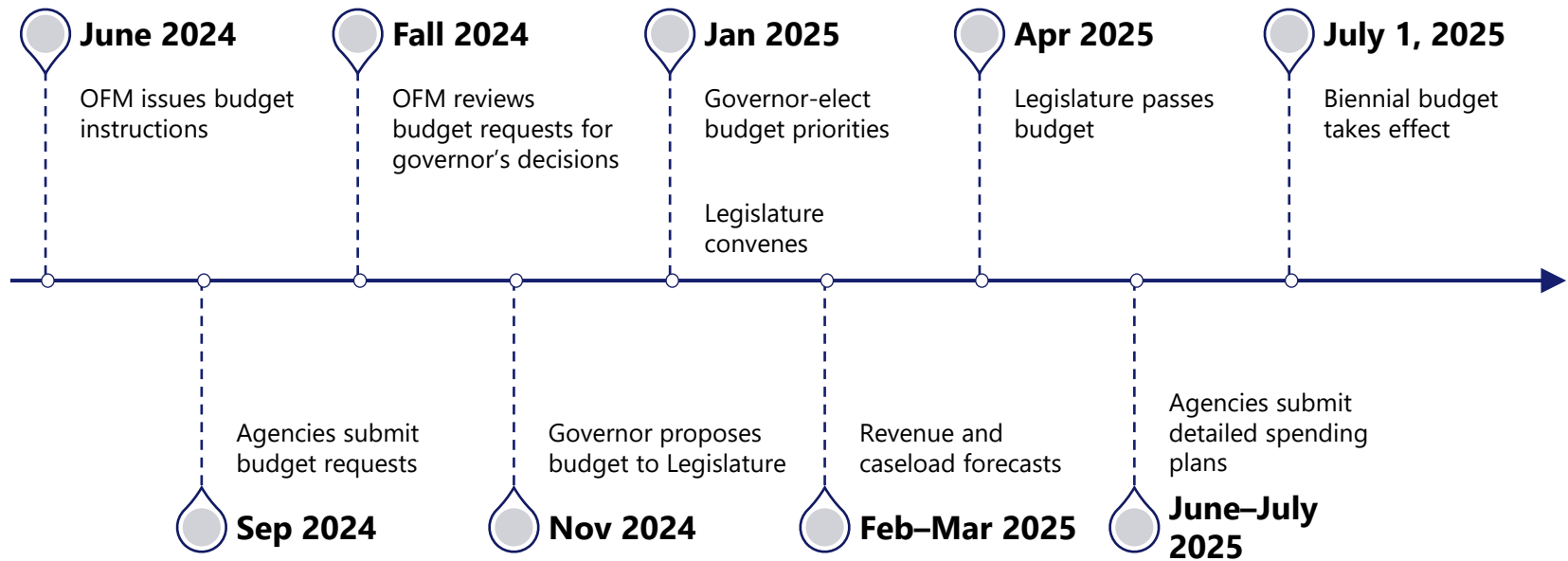
Unsuccessful Bills (*cont.*)

- ▶ HB 1062 – Biomarker testing
- ▶ HB 1090/HB 1129/SB 5121 – Fertility-related services
- ▶ SB 5075 – Cost sharing for prenatal and postnatal care
- ▶ SB 5019 – Prepackaged medication distribution

Budget Update

Tanya Deuel
Finance Section Manager
Finance Services and Health Care Purchasing Administration
May 15, 2025

Timeline



2025 Supplemental Budget

Fiscal Year 2025 Supplemental Budget

Final Conference Budget

Decision Package	FTE	Dollars
Third Party Administrator (TPA) Spending Authority Increased spending authority to align with the increased self-insured medical enrollment and Part D transition	NA	\$1.5M
Contract Increases Funding to support increases to the actuarial services contract for PEBB Program	NA	\$352K

2025-27 Biennial Budget

2025-27 Biennial Budget

Final Conference Budget

Decision Package	FTE	Dollars
Third Party Administrator (TPA) Spending Authority Increased spending authority to align with the increased self-insured enrollment and Part D transition	NA	\$17.3M
Contract Increases Funding to support increases to the actuarial services contract for PEBB Program	NA	\$700K
Benefits 24/7 Resources FTEs to support and stabilize the member enrollment system	5.5	\$2.5M

2025-27 Biennial Budget (*cont.*)

Final Conference Budget

Decision Package	FTE	Dollars
Doulas Funding to provide coverage for doula services in UMP	NA	\$400K
Dental Benefit Enhancements Funding for enhancing UDP benefits to remove the deductible for children under the age of 15 and increasing TMJ coverage	NA	\$360K
Agency Request Legislation Administrative funding for support related to Senate Bill 5083	0.5	\$187K

Additional Budget Items

Final Conference Budget

- ▶ Combined PEBB and SEBB Program sections, for accounting purposes in state systems
- ▶ Enhance employer paid long term disability (LTD) benefit within existing resources from \$240 to \$450 per month.
 - ▶ Likely to be a rate reduction for employee paid benefits

Addressing the Budget Deficit

Final Conference Budget

- ▶ Long term disability (LTD) reserves
 - ▶ Withdrawing employer paid reserves that are above required amounts
- ▶ Closing the UMP Plus plans on December 31, 2025
 - ▶ Current contract expires December 31, 2026
- ▶ Administrative budget reduction
 - ▶ Six percent (6%) administrative budget reduction (account 418)
- ▶ Reduction of premium stabilization reserves (PSR)
 - ▶ Reducing PSR from seven percent (7%) to five percent (5%)

Addressing the Budget Deficit (*cont.*)

Final Conference Budget

- ▶ Elimination of the SmartHealth portal and incentive
 - ▶ The funding rates include the reduction for Senate Bill 5807 that eliminates SmartHealth effective January of 2028
 - ▶ The last distribution of employee incentives will be in January 2028

2025-27 PEBB Program Funding Rates

Conference Budget	
FY 2026	FY 2027
\$1,333	\$1,350

- ▶ Per eligible employee per month
- ▶ Includes funding for:
 - Decision Packages
 - Collective Bargaining Changes
 - Agency Request Legislation
 - Budget Reduction Proposals

Medicare Explicit Subsidy

Final Conference Budget

- ▶ \$183 Medicare Explicit Subsidy (maximum per Medicare retiree per month)
 - ▶ Maintained from Calendar Year 2025

Questions?

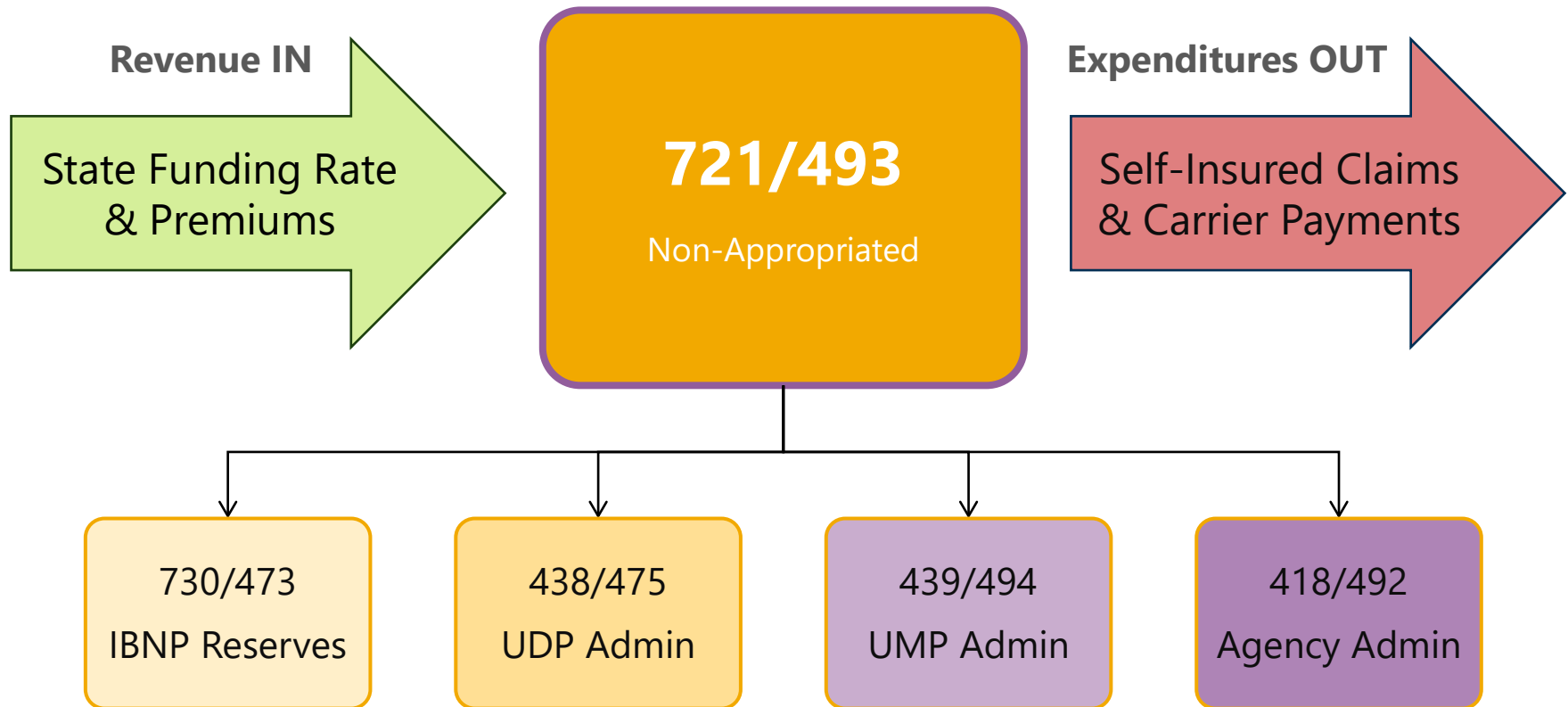
Tanya Deuel, Finance Manager
Financial Services and Health Care Purchasing
Administration

Tanya.Deuel@hca.wa.gov

Appendix



PEBB and SEBB Program Funding Stream



TAB 6

Policy & Rules Development

Stella Ng
Policy and Rules Coordinator
Employees and Retirees Benefits Division
May 15, 2025

RCW 41.05.065(4)

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

RCW 41.05.080 (1) and (3)

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

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

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

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

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

PEBB Policy Resolution

PEBB 2025-02

PEBB retiree insurance coverage when the subscriber's dependent becomes eligible

Resolution PEBB 2025-02

PEBB Retiree Insurance Coverage When the Subscriber's Dependent Becomes Eligible

Resolved that, when a subscriber's dependent becomes eligible for the employer contribution toward PEBB or SEBB benefits, the subscriber's dependent will be auto disenrolled from PEBB retiree insurance coverage.

Next Steps

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

Questions?

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

Stella.Ng@hca.wa.gov

Appendix



Health Care Authority
Public Employees Benefits Board

Original Resolution as Presented at the April 10, 2025 Board Meeting

Proposed Resolution PEBB 2025-02

PEBB Retiree Insurance Coverage When the Subscriber's Dependent Becomes Eligible

When a subscriber's dependent becomes eligible for the employer contribution toward PEBB or SEBB benefits, the subscriber's dependent will be auto disenrolled from PEBB retiree insurance coverage.

Proposed Resolution PEBB 2025-02

PEBB Retiree Insurance Coverage When the Subscriber's Dependent Becomes Eligible

Example

Example: Dan is a retiree and is enrolled in a PEBB Medicare plan. His spouse, Susan, is a substitute teacher and enrolled in Dan's PEBB Medicare plan as his dependent. She meets 630 work hours in December 2025 and becomes eligible for the employer contribution toward SEBB benefits. She cannot waive SEBB medical to stay enrolled in PEBB retiree insurance coverage.

When will Susan's PEBB Medicare plan end?

Susan will be auto disenrolled from the PEBB Medicare plan on December 31, 2025. She will be enrolled in a SEBB medical plan effective January 1, 2026.

Proposed Resolution PEBB 2025-02 (*cont.*)

PEBB Retiree Insurance Coverage When the Subscriber's Dependent Becomes Eligible

Example

Why can't Susan stay enrolled in a PEBB Medicare plan and waive SEBB medical?

Federal rules prevent employers from not offering group health plan coverage to an actively working Medicare beneficiary who otherwise meets eligibility requirements. Susan cannot waive SEBB medical and stayed enrolled in the PEBB Medicare plan because her SEBB medical plan will be the primary payer for medical services.

If Susan has SEBB benefits, can Dan defer PEBB retiree insurance coverage and enroll in her SEBB health plans as a dependent?

Yes, Dan can defer PEBB retiree insurance coverage. HCA will let Dan know about his options so he can enroll in Susan's SEBB medical, dental, and vision coverage. When Susan's employment ends, Dan can enroll in PEBB retiree insurance coverage and add Susan as a dependent.

TAB 7

Long-Term Disability (LTD) Update

Kimberly Gazard
Senior Account Manager
Employees and Retirees Benefits Division
May 15, 2025

Increasing Employer-Paid LTD Benefit

- ▶ The \$240 PEBB Program Employer-Paid long-term disability (LTD) monthly benefit has not changed since 2003
- ▶ 52% of PEBB Program subscribers are enrolled in the employee-paid LTD benefit
 - ▶ 48% of PEBB subscribers currently have a maximum monthly LTD benefit of only \$240/month when they experience a disability that prevents them from working

Increasing Employer-Paid LTD Benefit (*cont.*)

- ▶ There is actuarial confidence the PEBB Program can run the employer-paid LTD plan at a new benefit level of **\$450** without increasing the employer-paid LTD rate (while still maintaining the required one year's worth of premiums in the reserves)
- ▶ The 2025-27 operating budget includes authority for increasing the PEBB Program employer-paid LTD benefit from \$240 to \$450
 - ▶ Employee-paid LTD rates will also decrease by about 6% as a result of increasing the employer-paid LTD benefit
- ▶ The increased benefit of \$450/month will be effective for new LTD claims incurred on or after January 1, 2026

Resolution PEBB 2021-13

Employer-Paid Long-Term Disability (LTD)

As adopted April 14, 2021

Resolved that, effective January 1, 2022, the benefit design of the employer-paid (or basic) long-term disability benefit included in prior Board policy decisions and resolutions is rescinded and replaced with the following employer-paid LTD benefit design:

- The following Benefit Waiting Period (the longer of):
 - 90 days;
 - The entire period of sick leave (excluding shared leave) for which the employee is eligible;
 - The Fractionated Period of Paid Time Off (PTO) for which the employee is eligible, if your employer has a PTO plan, as those terms are defined in the policy;
 - The entire period of other non-vacation salaried continuation leave for which the employee is eligible; or
 - The end of Washington Paid Family and Medical Leave for which the employee is receiving benefits
- No Choice Sick Leave
- Choice Pension
- Maximum Monthly Benefit \$240 (60% of \$400)

Amending PEBB Resolution 2021-13

Employer-Paid Long Term Disability (LTD)

PEBB 2021-13 changes at the beginning of line one to add "Effective January 1, 2026,"; on line 17, after "Maximum Monthly Benefit \$", strike "240", and insert "450"; and on line 17, after "60% of \$", strike "400", and insert "750".

The resolution now reads:

Proposed Resolution PEBB 2025-03

Amending PEBB Resolution 2021-13

Employer-Paid Long-Term Disability (LTD)

Effective January 1, 2026, the benefit design of the employer-paid (or basic) long-term disability benefit included in prior Board policy decisions and resolutions is rescinded and replaced with the following employer-paid LTD benefit design:

- ▶ The following Benefit Waiting Period (the longer of):
 - ▶ 90 days;
 - ▶ The entire period of sick leave (excluding shared leave) for which the employee is eligible;
 - ▶ The Fractionated Period of Paid Time Off (PTO) for which the employee is eligible, if your employer has a PTO plan, as those terms are defined in the policy;
 - ▶ The entire period of other non-vacation salaried continuation leave for which the employee is eligible; or
 - ▶ The end of Washington Paid Family and Medical Leave for which the employee is receiving benefits
- ▶ No Choice Sick Leave
- ▶ Choice Pension
- ▶ Maximum Monthly Benefit ~~\$240~~ 450 (60% of ~~\$400~~ 750)

Proposed Employee-Paid LTD Rates

(Per \$1,000 of Coverage)

Effective January 1, 2026

Type of Employee	60-Percent Plan	50-Percent Plan
Higher-education employees retirement plans	0.0050***	0.0030**
TRS, PERS, and other retirement plan employees	0.0039***	0.0024*

*Indicates the rate reduced by 0.0001

**Indicates the rate reduced by 0.0002

***Indicates the rate reduced by 0.0003



Health Care Authority
Public Employees Benefits Board

Monthly Employee-Paid Premium Example

- ▶ Lisa is a professor at the University of Washington making \$5,000 in monthly earnings and elected additional coverage at the 60% level
 - ▶ In 2025, her monthly premium is \$26.50
 - ▶ In 2026, her monthly premium will be \$25.00
- ▶ Glen is an employee at the Department of Social and Health Services (DSHS) making \$4,000 in monthly earnings and elected additional coverage at the 50% level
 - ▶ In 2025, his monthly premium is \$10.00
 - ▶ In 2026, his monthly premium will be \$9.60

Next Steps

- ▶ Submit PEBB LTD policy resolution feedback to HCAPEBSEBBoardPolicyFeedback@hca.wa.gov by May 23, 2025
- ▶ Bring recommended proposed LTD policy resolution to the Board for action at the June 12, 2025 PEB Board meeting
- ▶ PEBB Program employer-paid LTD \$450 benefit amount becomes effective for new claims incurred on or after January 1, 2026

Questions?

Kimberly Gazard, Senior Account Manager
Employees and Retirees Benefits Division

Kimberly.Gazard@hca.wa.gov



Health Care Authority
Public Employees Benefits Board

TAB 8

UMP Benefit Design

Ryan Ramsdell
UMP Team Manager
Employees and Retirees Benefits Division
May 15, 2025

Background

- ▶ Per an IRS notice in late 2024, the Washington State Office of the Insurance Commissioner (OIC) issued new guidance regarding cost sharing for supplemental and diagnostic breast examinations
- ▶ Effective January 1, 2025, health savings account (HSA) plans subject to Substitute Senate Bill 5396 must cover diagnostic and supplemental breast examinations without cost sharing
 - ▶ This impacted fully-insured plans

Background (*cont.*)

- ▶ The Board resolved in 2024 that the Uniform Medical Plan (UMP) would align coverage regarding this benefit beginning in 2025
- ▶ As a result of the new IRS guidance, PEBB Program UMP Consumer Directed Health Plans (CDHP) and SEBB Program UMP High Deductible plans are no longer required to have a deductible for these services

Resolution PEBB 2024-23

UMP Diagnostic & Supplemental Breast Exam Coverage

As adopted May 9, 2024

Beginning January 1, 2025, diagnostic and supplemental breast exams to be covered at no cost share to Uniform Medical Plan (UMP) members. UMP CDHP members need to meet their deductible before the plan will pay any portion of the claim.

Proposed Resolution PEBB 2025-04

Amending Resolution PEBB 2024-23

UMP Diagnostic & Supplemental Breast Exam Coverage

Beginning January 1, 2025, diagnostic and supplemental breast exams are to be covered at no cost share to Uniform Medical Plan (UMP) members. ~~UMP CDHP members need to meet their deductible before the plan will pay any portion of the claim.~~

Resolution PEBB 2025-04

Amending Resolution PEBB 2024-23

UMP Diagnostic & Supplemental Breast Exam Coverage

Resolved that, beginning January 1, 2025, diagnostic and supplemental breast exams are to be covered without member cost share to Uniform Medical Plan (UMP) members.

Next Steps

- ▶ Updates to HCA member-facing materials as appropriate
- ▶ Regence internal system updates

Questions?

Ryan Ramsdell, UMP Team Manager
Employees and Retirees Benefits (ERB) Division

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TAB 9

Benefits 24/7 Update

Brett Mello
Chief Information Officer
Enterprise Technology Services

Jean Bui
Deputy Director
ERB Division
May 15, 2025

Stabilization Update

- ▶ Three additional two-week sprints to achieve stabilization
- ▶ High priority tickets: 49
 - ▶ Down from 82 March 5
- ▶ Sync record backlog: 1,775 (Goal: <1,500)
 - ▶ Down from 4731 March 5
- ▶ Error files: 648 (Original goal: <1,000)
 - ▶ Down from 1,493 March 5
- ▶ Pay1 high priority tickets: 199 (Goal: <100)
 - ▶ Down from 477 March 5

Budget Funding for IT Positions

- ▶ Six newly budgeted roles
 - ▶ Manager (ERB IT Lead) - Pending Recruitment
 - ▶ Software Test Engineer – Hired
 - ▶ Two Business Analysts - Holding for budget confirmation
 - ▶ Two Development/Operations positions - Holding for budget confirmation

Stakeholder Feedback

- ▶ Benefits administrator groups
- ▶ Labor organizations
- ▶ Office of Financial Management and state agencies
- ▶ Internal HCA

Program Initiatives

- ▶ To support system stabilization, only required program changes in Benefits 24/7
 - ▶ Legislative
 - ▶ Mandates
- ▶ Compared to projects in 2024 for plan year 2025 (Vision and Part D)

Questions?

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