

# **Public Employees Benefits Board Meeting**

**June 12, 2025**

## Public Employees Benefits Board

June 12, 2025

9:00 a.m. – 1:00 p.m.

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

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

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**TAB 1**

**Public Employees Benefits Board**  
**June 12, 2025**  
**9:00 a.m. – 1:00 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**

*\*All times are approximate.*

9:00 a.m.*	<b>Welcome and Introductions</b>		Lou McDermott, Chair Pro-Tem	
9:05 a.m.*	<b>Meeting Overview</b>		David Iseminger, Director Employees & Retirees Benefits (ERB) Division	Information
9:10 a.m.*	<b>Approval of Meeting Minutes</b> <ul style="list-style-type: none"> <li>• April 10, 2025</li> <li>• May 15, 2025</li> </ul>	TAB 3	Lou McDermott, Chair Pro-Tem	Action
9:15 a.m.*	<b>Long-Term Disability (LTD) Benefit Resolution</b>	TAB 4	Kimberly Gazard, Senior Account Manager Employees & Retirees Benefits (ERB) Division	Action
9:30 a.m.*	<b>Senate Bill 5083 Overview</b>	TAB 5	Sara Whitley, ERB Finance Manager Finance Services & Health Care Purchasing Administration  Ryan Ramsdell, UMP Team Manager Employees & Retirees Benefits (ERB) Division	Information/ Discussion
9:55 a.m.*	<b>UMP Plus Update</b>	TAB 6	Lauren Johnston, Senior Account Manager Employees & Retirees Benefits (ERB) Division	Information/ Discussion
10:10 a.m.*	<b>SmartHealth Update</b>	TAB 7	John Partin, Section Manager Employees & Retirees Benefits (ERB) Division	Information/ Discussion

10:25 a.m.*	<b>General Public Comment</b>		<i>General public comments can also be given by emailing <a href="mailto:PEBBoard@hca.wa.gov">PEBBoard@hca.wa.gov</a>.</i>	
10:45 a.m.*	<b>Closing</b>			
10:50 a.m.*	<b>Transition to Executive Session</b>			
11:00 a.m.*	<b>Executive Session</b>			
1:00 p.m.*	<b>Adjourn</b>		Lou McDermott, Chair Pro-Tem	

**\*All times are approximate.**

The Public Employees Benefits Board will meet Thursday, June 12, 2025 at the Washington State Health Care Authority, Sue Crystal Rooms A & B, 626 8<sup>th</sup> 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 1:00 a.m. and conclude no later than 1:00 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](mailto:PEBBoard@hca.wa.gov).

Materials will be posted at <http://www.pebb.hca.wa.gov/board/> by close of business on Monday, June 9, 2025.

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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/86820178818?pwd=g37TphZzzSQYN6b3UEuYh4ajIRA3Uh.1>

## PEB Board Members

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

## PEB Board Members

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

\*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 8<sup>th</sup> 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 - Amended**  
**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**

MaryAnne Lindeblad, Chair  
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**

**MaryAnne Lindeblad, Chair**, 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.

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

May 15, 2025  
Health Care Authority  
Sue Crystal Rooms A & B  
Olympia, Washington  
9:00 a.m. – 1:30 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  
Tom MacRobert  
Elyette Weinstein  
John Comerford

**Members Present via Zoom**

Harry Bossi  
Sharon Laing  
Kurt Spiegel  
Michaela Doelman

**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 9:04 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**

Voting on the April 10, 2025 Board meeting minutes was postponed to the June 12, 2025 Board meeting.

### **April Meeting Follow Up**

**David Iseminger**, Director of the ERB Division gave a follow-up presentation to answer a question asked in the last meeting regarding any changes the federal administration may have made to the Medicare drug price negotiation program. The presentation included information on an Executive Order signed by the President in April that provided some insights. None of the points appear to affect the program in the near future.

### **Legislative and Budget Update**

**Cade Walker**, Policy, Rules, and Compliance Section Manager in the ERB Division and Tanya Deuel, ERB Finance Manager in the Finance Services and Health Care Purchasing Administration presented an overview of the 2025 legislative session and budget information. The legislative update presentation included bill analyses by the ERB Division, high priority bill status, agency requested legislation, and passed legislation tracked by the ERB Division. The budget update presentation included the budget timeline, 2025 supplemental budget information, 2025-27 biennial budget information, included items to help address the state budget deficit, the PEBB Program funding rates, and Medicare explicit subsidy information.

### **Policy and Rules Development**

**Stella Ng**, Policy and Rules Coordinator in the ERB Division brought back a resolution for voting regarding PEBB Program retiree insurance coverage.

- *PEBB 2025-02: PEBB Retiree Insurance Coverage When the Subscriber's Dependent Becomes Eligible.* Tom MacRobert moved, and Elyette Weinstein seconded a motion to approve the resolution. The resolution was passed with a unanimous vote.

### **Long-Term Disability (LTD) Update**

**Kimberly Gazard**, Senior Account Manager in the ERB Division introduced a resolution to increase the employer-paid long-term disability benefit which would take effect January 1, 2026 for new claims.

- *PEBB 2025-03: Amending PEBB Resolution 2021-13 – Employer-Paid Long-Term Disability (LTD).*

No action was taken on the resolution in this meeting. The resolution will be brought back to the June 12, 2025 Board meeting for voting.

### **UMP Benefit Design**

**Ryan Ramsdell**, UMP Team Manager in the ERB Division presented a change to a UMP resolution passed last year by the Board regarding diagnostic and supplemental breast exam coverage. The proposed change would remove existing policy language so that certain procedures can be covered in the UMP Consumer Directed Health Plan without the member needing to first meet their plan deductible. The resolution was both

introduced and voted on in this meeting to allow the PEBB Program to address related claims currently being held by Regence.

- *PEBB 2025-04: Amending Resolution PEBB 2024-23 – UMP Diagnostic & Supplemental Breast Exam Coverage.* Elyette Weinstein moved, and John Comerford seconded a motion to approve the resolution. The resolution was passed with a unanimous vote.

### **Benefits 24/7 Update**

**Jean Bui**, Deputy Director of the ERB Division gave an update on the Benefits 24/7 system. The presentation included a stabilization update, budget funding for IT positions, stakeholder feedback information, and program initiatives for the remainder of the 2025 plan year. Brett Mello was unable to join the meeting for the presentation.

### **General Public Comment**

The following members of the public provided comments:

- **Aruna Bhuta**
- **Alicia Berry**

Topics brought forth during public comments included a request for more Benefits 24/7 stabilization information, and a request to revise rules in the PEBB Program regarding state-registered domestic partnerships.

Their testimonies can be found in the audio recording for the May 15 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**

June 12, 2025

Starting time 9:00 a.m.

### **Preview of June 12, 2025 PEB Board Meeting**

**David Iseminger**, Director, Employees and Retirees Benefits (ERB) Division, provided an overview of potential agenda topics for the June 12, 2025 meeting.

### **Executive Session**

Pursuant to RCW 42.30.110(1)(L), the Board met in 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 began at 11:34 a.m. and concluded at 1:29 p.m.

The meeting adjourned at 1:30 p.m.

**TAB 4**

# Long-Term Disability (LTD) Benefit Resolution

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Kimberly Gazard  
Senior Account Manager  
Employees and Retirees Benefits Division  
June 12, 2025

# PEB Board Policy Resolution

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PEBB 2025-03	Increasing employer-paid LTD benefit amount to \$450 effective January 1, 2026
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# Resolution PEBB 2025-03

## Amending PEBB Resolution 2021-13

### Employer-Paid Long-Term Disability (LTD)

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**Resolved that,** 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”.

PEBB 2021-13 now reads:



# Resolution PEBB 2025-03 (*cont.*)

## Amending PEBB Resolution 2021-13

### Employer-Paid Long-Term Disability (LTD)

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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 \$450 (60% of \$750)

# Next Steps

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- ▶ Issue notification to PEBB employers on this resolution
- ▶ Issue notification to PEBB subscribers on this resolution
- ▶ Incorporate resolution into the PEBB Program communications

# Questions?

Kimberly Gazard, Senior Account Manager  
Employees and Retirees Benefits Division

[Kimberly.Gazard@hca.wa.gov](mailto:Kimberly.Gazard@hca.wa.gov)

# Appendix

# Original Resolution

## As Presented at the May 15, 2025 Board Meeting

# 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)

**TAB 5**

# Senate Bill 5083 Overview

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Sara Whitley  
ERB Finance Manager  
Finance Services & Health Care Purchasing  
Administration

Ryan Ramsdell  
UMP Team Manager  
ERB Division  
June 12, 2025



# Background

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- ▶ Growth in hospital service spend and recent contract negotiation activity by large health systems has led to **member disruption** and **premium impacts** for PEBB and SEBB Program members
- ▶ Reimbursement for primary care (PC) and behavioral health (BH) lags behind hospital reimbursement, despite the care management benefits of preventative care access
- ▶ Washington (Cascade Care Select), Oregon, and other states have found success in using **reference pricing** methodologies as a tool to contain costs

# Reference Pricing Overview

Plan allowed amount  
(provider contracted amount)

Medicare allowed amount

Plan allowed as a  
**% of Medicare allowed**

- ▶ Reference pricing allows for standardized reimbursement level for payment of services
- ▶ A reference price is generally tied to an already defined pricing level, such as the Medicare fee schedule
  - ▶ Medicare reimbursement is a commonly used and transparent pricing methodology
  - ▶ "What Medicare would have paid..."

*Example:*

**\$100**

**\$50**

**200%**

# Goals of the Legislation



## **Affordability**

Goal of creating sustainable cost growth for high-cost facility-based inpatient (IP) and outpatient (OP) services



## **Primary care (PC) and behavioral health (BH) investments**

Targeted increases to reimbursement to providers for PC and BH services, goal of improving access via investment



## **Provider network stability**

Reimbursement caps, and disincentives to move out of network, should limit member disruption via fewer termination notices and improvements in provider network stability

# What Does the Bill Do?

- ▶ Applies to all PEBB and SEBB health plans (fully insured and Uniform Medical Plan)
- ▶ Establishes maximums (caps) and minimums (floors) on carrier reimbursement, effective January 1, 2027

Caps **IP/OP acute care hospital** services at 200% of Medicare

Caps **IP/OP pediatric specialty hospital services** at a percent of Medicaid ratio-of-costs-to-charges (RCC)

**Primary care (PC) and behavioral health (BH) professional** services must be reimbursed at or above 150% of Medicare

Caps **out-of-network IP/OP** facility reimbursement at 185% of Medicare (no balance billing)

# What Does the Bill Do? (*cont.*)

## Hospital Services (IP/OP)

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Caps **IP/OP acute care hospital services** at 200% of Medicare

Caps **IP/OP pediatric specialty hospital services** at a percent of Medicaid ratio-of-costs-to-charges

- ▶ Carriers will be required to ensure reimbursement to hospitals for IP and OP services do not exceed caps established in legislation
- ▶ HCA will monitor compliance annually and engage with carriers via reporting

# What Does the Bill Do? (*cont.*)

## Primary Care, Behavioral Health, and OON

**Primary care (PC) and behavioral health (BH) professional** services must be reimbursed at or above 150% of Medicare

Caps **out-of-network (OON)** IP/OP facility reimbursement at 185% of Medicare (no balance billing)

- ▶ Carriers will be required to ensure reimbursement to providers for a defined set of primary care and behavioral health services is *at least* 150% of what Medicare would have reimbursed for those services
- ▶ Out-of-network facilities are required to receive the lesser of billed charges or 185% of Medicare for IP/OP services, members cannot be balance billed

# What Does the Bill Do? (*cont.*)

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- ▶ Applies exemptions to certain facilities and facility types, to include:
  - ▶ Critical access hospitals (CAH)
  - ▶ Sole community hospitals (SCH)
  - ▶ Other facilities identified in legislation (such as Island Hospital, Toppenish Hospital)
- ▶ Results in projected cost avoidance in plan expenditures, impacting member premiums and potentially member cost sharing (coinsurance)

# Modeled Impacts in UMP

Estimated UMP **Cost Avoidance**/Investment in projected periods (in millions)

	Projection Period	Acute care Hospital IP/OP	Children's Hospital IP/OP	Behavioral Health (BH)	Primary Care (PC)	Total projected net cost avoidance
PEBB	FY2027*	(\$26.8)	(\$3.2)	\$9.1	\$0.0	(\$20.9)
	FY2028	(\$54.8)	(\$5.8)	\$17.7	\$0.0	(\$42.9)
	FY2029	(\$57.4)	(\$4.6)	\$16.8	\$0.0	(\$45.2)
	FY2030	(\$60.2)	(\$3.2)	\$15.9	\$0.0	(\$47.5)
SEBB	FY2027*	(\$10.9)	(\$0.9)	\$4.6	\$0.0	(\$7.2)
	FY2028	(\$22.3)	(\$1.6)	\$9.1	\$0.0	(\$14.8)
	FY2029	(\$23.4)	(\$1.1)	\$8.7	\$0.0	(\$15.8)
	FY2030	(\$24.5)	(\$0.6)	\$8.3	\$0.0	(\$16.7)

\*Represents only 6 months of cost avoidance/investment.

- ▶ Projected decreases to non-Medicare premiums range from approximately 1 – 3%



# Next Steps

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- ▶ Implementation and rulemaking
  - ▶ HCA will engage in rulemaking, codifying new Washington Administrative Code (WAC)
  - ▶ Engagement with stakeholders around rulemaking
  - ▶ Engagement with carriers via methodology and approach to measuring compliance
- ▶ Reimbursement investments and caps effective January 1, 2027
- ▶ Two legislative reports
  - ▶ Analysis of initial impacts of legislation on network access, enrollee premiums, cost sharing, and state expenditures
    - Report #1: Due December 31, 2030
    - Report #2: Due December 31, 2034

# Questions?

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**TAB 6**

# UMP Plus Update

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Lauren Johnston  
UMP Senior Account Manager  
Employees and Retirees Benefits Division  
June 12, 2025

# Presentation Overview

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- ▶ History of UMP Plus
  - ▶ Enrollment
- ▶ Recent budget legislation
- ▶ What's next?

# History of UMP Plus

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- ▶ Request for application in 2014
  - ▶ Solicitation for one or more clinically integrated health care organizations and/or network of partners
  - ▶ Pay for value and quality through payment incentives
- ▶ Two networks began in the PEBB Program January 1, 2016
  - ▶ Puget Sound High Value Network
  - ▶ UW Medicine Accountable Care Network

# UMP Plus

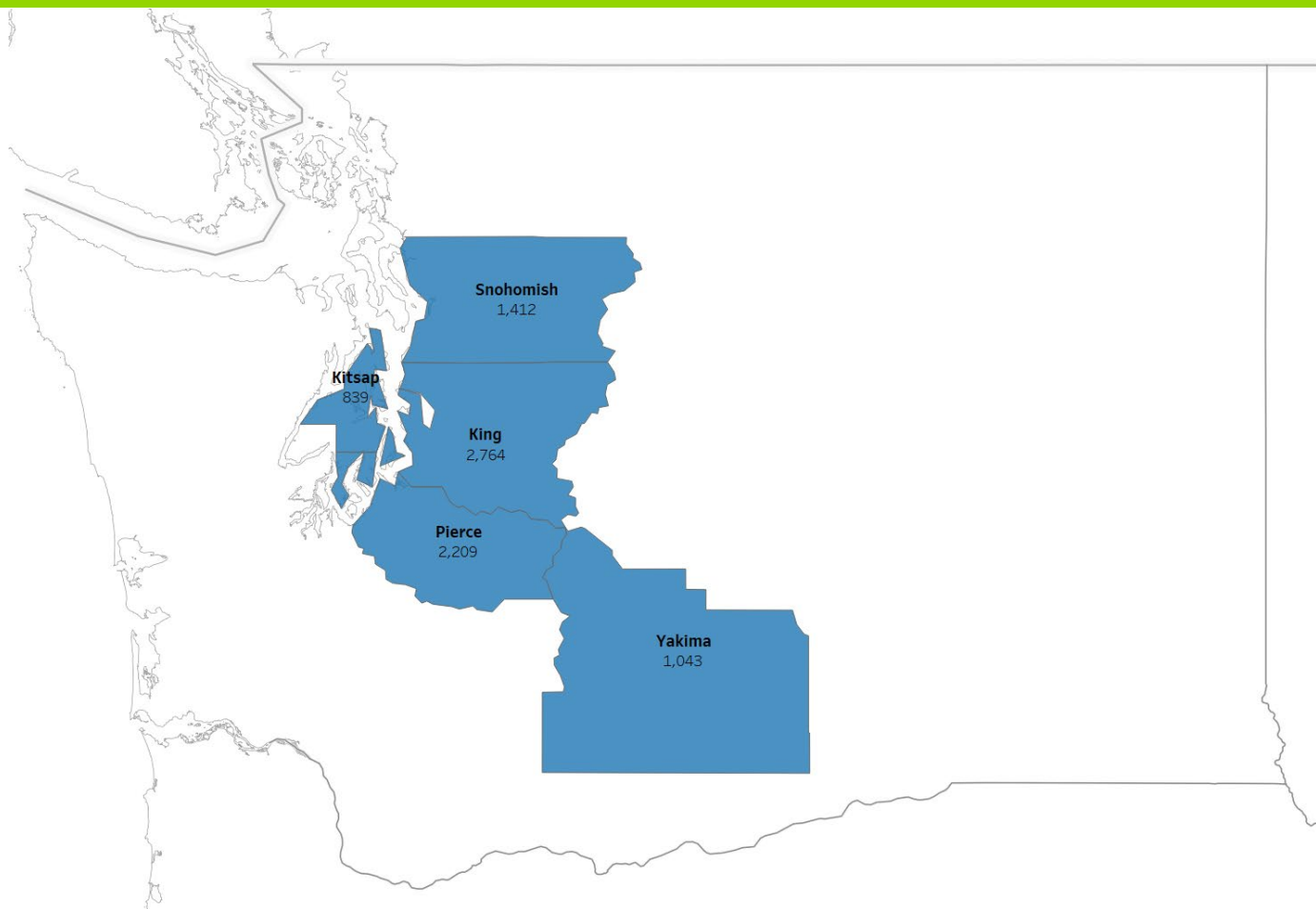
## UW Medicine Accountable Care Network (ACN) PEBB Program Enrollment



# UMP Plus

## Puget Sound High Value Network (PSHVN) PEBB Program Enrollment

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# Recent Budget Legislation

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- ▶ Engrossed Substitute Senate Bill (ESSB) 5167
  - ▶ *Section 909 (4): The funding rates in subsection (2) of this section are not sufficient to continue offering an accountable care plan as of plan year 2026.*
  - ▶ *Section 910 (1)(b): The funding rates in section 506(4) of this act are not sufficient to continue offering an accountable care plan as of plan year 2026.*

# What's Next?

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- ▶ The UMP Plus plans will go through the following process:
  - ▶ Ultimately, the plans will end December 31, 2025
  - ▶ Robust communications plan and outreach with subscribers before and during annual open enrollment
  - ▶ Subscribers will receive notifications for HCA, the UMP Plus networks, and Regence

# What's Next? (*cont.*)

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- ▶ No continuity of care issues
  - Approved prior authorization requests will be honored
- ▶ Updates to enrollment forms, enrollment guides, Benefits 24/7, etc.
- ▶ Close-out activities on contractual obligations with the networks
- ▶ What if subscribers don't elect a new plan for 2026?
  - ▶ HCA will default subscribers (and any enrolled dependents) into another UMP plan

# Questions?

Lauren Johnston, UMP Senior Account Manager  
Employee and Retirees Benefits Division

[Lauren.Johnston@hca.wa.gov](mailto:Lauren.Johnston@hca.wa.gov)

**TAB 7**

# SmartHealth Update

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John Partin  
Benefit Strategy and Design Section Manager  
Employees & Retirees Benefits Division  
June 12, 2025

# SmartHealth Background

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- ▶ SmartHealth is a component of the Washington Wellness Program
- ▶ SmartHealth began in 2015
- ▶ Goal was to expand and strengthen Washington Wellness Program offerings
- ▶ Offers online wellness portal and \$125 wellness incentive for engaging in wellness activities

# PEBB Program SmartHealth Participation

	Eligible	Registered	WBA**	Incentive
<b>2025</b>	155,789*	32,332*	28,788*	19,530*
<b>2024</b>	147,529	29,615	26,649	16,740
<b>2023</b>	157,133	65,996	58,139	42,426

\*2025 numbers are projections using year-to-date numbers as of 5/13/2025

\*\*Well-being Assessment



# SmartHealth Update

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- ▶ Senate Bill (SB) 5807 (in appendix)
  - ▶ Ends online portal and wellness incentives by January 1, 2028
  - ▶ Members can engage in activities and access portal through 2027
  - ▶ Members can earn incentives in 2025, 2026, and 2027
  - ▶ Last wellness incentives (earned in 2027) will occur in 2028
- ▶ Other components of the Washington Wellness Program, focused on proven strategies, are unaffected and will continue
  - ▶ Smoking cessation
  - ▶ Diabetes prevention
  - ▶ Diabetes management

# Next Steps

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- ▶ Bring back closure and communication plans in 2026
  - ▶ Capture lessons learned
  - ▶ Ensure files and records are retained appropriately
    - ▶ HCA
    - ▶ WebMD
    - ▶ Payor partners
  - ▶ Close HCA and WebMD contract
  - ▶ Celebrate a decade of successes with the team
- ▶ Board action in 2027

# Questions?

John Partin, Section Manager  
Employees and Retirees Benefits

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# Appendix



# Senate Bill 5807, Section 1

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- ▶ *The public employees' benefits board shall*
  - ▶ *(2)(c)(ii)(a) Wellness ((incentives)) initiatives that focus on proven strategies, such as smoking cessation, injury and accident prevention, reduction of alcohol misuse, appropriate weight reduction, exercise, automobile and motorcycle safety, blood cholesterol reduction, and nutrition education. (ii)(A) As of January 1, 2028, the public employees' benefits board shall no longer offer the smart health program, which includes the wellness incentive and the smart health online portal. (B) Employees who have met the eligibility requirements to receive a wellness incentive by December 31, 2027, will still receive the wellness incentive in plan year 2028. (C) Employees are not eligible to earn a wellness incentive as of January 1, 2028...*