

Public Employees Benefits Board Meeting

June 26, 2025

Public Employees Benefits Board

June 26, 2025

9:00 a.m. – 12:15 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
June 26, 2025
9:00 a.m. – 12:15 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.* | 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 • June 12, 2025 | TAB 3 | Lou McDermott, Chair Pro-Tem | Action |
| 9:15 a.m. | Transition to Executive Session | | | |
| 9:20 a.m. | Executive Session | | | |
| 9:35 a.m.* | UMP Benefit Design | TAB 4 | Ryan Ramsdell, UMP Team Manager Employees & Retirees Benefits (ERB) Division | Information/ Discussion |
| 9:50 a.m.* | Plan Year 2026 Proposed Medicare Benefit Design Changes | TAB 5 | Laura Ryan, Retiree Benefits Manager Employees & Retirees Benefits (ERB) Division | Information/ Discussion |
| 10:10 a.m.* | Plan Year 2026 Medicare Premiums | TAB 6 | Molly Christie, Fiscal Analyst Finance Services & Health Care Purchasing Administration | Information/ Discussion |
| 10:50 a.m.* | Break | | | |

| | | | | |
|-------------|--|-------|--|----------------------------|
| 11:00 a.m.* | Dental Benefit Design | TAB 7 | Laura Toepfer, Account Manager Employees & Retirees Benefits (ERB) Division | Information/ Discussion |
| 11:15 a.m.* | PEBB Program Collective Bargaining Flexible Spending Arrangement (FSA) Update | TAB 8 | Kelsie Pele, Senior Account Manager Employees & Retirees Benefits (ERB) Division | Information/ Discussion |
| 11:35 a.m.* | Benefits 24/7 Update | TAB 9 | Brett Mello, Chief Information Officer Enterprise Technology Services (ETS) Division Alisa Richards, Section Manager Employees & Retirees Benefits (ERB) Division | Information/ Discussion |
| 11:50 a.m.* | General Public Comment | | <i>Please note that agenda timing is approximate and can vary as much as 30 minutes by the end of the meeting. General public comments can also be given by emailing PEBBoard@hca.wa.gov.</i> | |
| 12:10 p.m.* | Closing | | | |
| 12:15 p.m.* | Adjourn | | Lou McDermott, Chair Pro-Tem | |

***All times are approximate.**

The Public Employees Benefits Board will meet Thursday, June 26, 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 9:15 a.m. and conclude no later than 9:35 a.m.*

No “final action,” as defined in RCW 42.30.020(3), will be taken at 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: PEBBoard@hca.wa.gov.

Materials will be posted at <http://www.pebb.hca.wa.gov/board/> by close of business on Monday, June 23, 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/86958242165?pwd=dla1X3i4ElHtdJYmNxaT2PkwOLgWtX.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

June 12, 2025
Health Care Authority
Sue Crystal Rooms A & B
Olympia, Washington
9:00 a.m. – 1:00 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
John Comerford
Harry Bossi
Michaela Doelman
Kurt Spiegel
Tom MacRobert
Elyette Weinstein

Members Present via Zoom

None

Members Absent

Sharon Laing

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 of the Employees and Retirees Benefits (ERB) Division provided an overview of the agenda.

Approval of Meeting Minutes

Tom MacRobert moved, and Elyette Weinstein seconded a motion to approve the April 10, 2025 meeting minutes. Minutes were approved by unanimous vote. Sharon Laing was absent for voting.

Elyette Weinstein moved, and Tom MacRobert seconded a motion to approve the May 15, 2025 meeting minutes. Minutes were approved by unanimous vote. Sharon Laing was absent for voting.

Long-Term Disability (LTD) Benefit Resolution

Kimberly Gazard, Senior Account Manager in the ERB Division presented a resolution for voting 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)*. Kurt Spiegel moved, and Elyette Weinstein seconded a motion to approve the resolution. The resolution passed with a unanimous vote. Sharon Laing was absent for voting.

Senate Bill 5083 Overview

Sara Whitley, ERB Finance Manager in the Finance Services and Health Care Purchasing Administration and Ryan Ramsdell, UMP Team Manager in the ERB Division came together to present information regarding Senate Bill 5083 that passed in this year's legislative session. The presentation included background information, a reference pricing overview, goals of the legislation, information on what the bill does, modeled impacts in UMP, and next steps.

UMP Plus Update

Lauren Johnston, Senior Account Manager in the ERB Division presented information regarding the PEBB Program's UMP Plus plans' closure at the end of the year. The presentation included the history of UMP Plus, PEBB Program enrollment, recent legislation impacting the UMP Plus plans, and next steps for the remainder of 2025.

SmartHealth Update

John Partin, Benefit Strategy and Design Section Manager in the ERB Division gave an update on the SmartHealth program. The update included SmartHealth background and engagement, an update on the program, and next steps.

General Public Comment

No members of the public provided comments.

Their testimonies can be found in the audio recording for the June 12 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 26, 2025

Starting time 9:00 a.m.

Preview of June 26, 2025 PEB Board Meeting

David Iseminger, Director, Employees and Retirees Benefits (ERB) Division, provided an overview of potential agenda topics for the June 26, 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 10:34 a.m. and concluded at 12:41 p.m.

The meeting adjourned at 12:42 p.m.

TAB 4

UMP Benefit Design

Ryan Ramsdell
UMP Team Manager
Employees and Retirees Benefits Division
June 26, 2025

Presentation Overview

- ▶ IRS Consumer-Directed Health Plan (CDHP) update
- ▶ UMP hearing instruments

IRS Consumer-Directed Health Plan (CDHP) Update

IRS Consumer-Directed Health Plan (CDHP) Update

- ▶ IRS sets the inflation adjusted amounts for **Consumer-Directed Health Plan** minimum deductibles through:

- ▶ [Revenue Procedure \(RP\) 2025-19](#)

- ▶ For UMP, the PEB Board approved Resolution 2023-04

| IRS annual deductible minimum (not less than) | | |
|--|---------|---------|
| | 2025 | 2026 |
| Individual (self-only) | \$1,650 | \$1,700 |
| Family | \$3,300 | \$3,400 |

UMP Hearing Instruments

Background

- ▶ Substitute Senate Bill (SSB) 5262 passed in 2025
- ▶ Section 9, amending RCW 48.43.135 (which UMP is subject to pursuant to RCW 41.05.831), requires that health plans issued or renewed on or after January 1, 2026 shall provide coverage for medically necessary hearing instruments every 36 months without any lifetime or annual limit on the dollar amount of coverage whether provided in-network or out-of-network

UMP Implementation

- ▶ Removes current dollar benefit limit for hearing aids
 - ▶ Plans will cover as standard benefits without cost share
- ▶ Coverage will continue to be once every 36 months per ear
 - ▶ Member benefit accumulators will not reset on January 1, 2026
- ▶ Expect similar member experience with in-network providers
- ▶ Open enrollment communications will include information about these changes

Resolution PEBB 2023-03

UMP Hearing Instruments

As adopted on June 8, 2023

Resolved that, beginning January 1, 2024, prescribed hearing instruments in all Uniform Medical Plan (UMP) plans will be covered up to \$3,000 per ear with hearing loss, at least every 36 months, without member cost share.

- Coverage for members enrolled in UMP Classic, UMP Select, and UMP Plus are not subject to the member meeting the plan deductible.
- Coverage for members enrolled in UMP Consumer-Directed Health Plan (CDHP) are subject to the member meeting the plan deductible.

Proposed Resolution PEBB 2025-05

Rescinding Resolution PEBB 2023-03

UMP Hearing Instrument

Effective January 1, 2026, Resolution PEBB 2023-03, as adopted on June 8, 2023, is rescinded.

Proposed Resolution PEBB 2025-06

UMP Hearing Instruments

Beginning January 1, 2026, prescribed hearing instruments in all Uniform Medical Plan (UMP) plans will be covered at 100% of the allowed amount every 36 months. Coverage for members enrolled in UMP Classic, UMP Classic Medicare with Part D, and UMP Select is not subject to the member meeting the plan deductible. Coverage for members enrolled in UMP Consumer-Directed Health Plan (CDHP) is subject to the member meeting the plan deductible.

Next Steps

- ▶ Incorporate any Board feedback regarding resolution proposals
- ▶ Submit feedback to HCAPEBSEBBoardPolicyFeedback@hca.wa.gov by July 3, 2025
- ▶ Bring recommended resolutions to the Board for action at the July 10, 2025 Board meeting

Questions?

Ryan Ramsdell, UMP Team Manager
Employees and Retirees Benefits Division

Ryan.Ramsdell@hca.wa.gov

Appendix

Resolution PEBB 2023-04

UMP CDHP Deductible IRS Minimum Deductible

For plan years beginning on or after January 1, 2024, HCA shall set the annual deductible for the UMP Consumer-Directed Health Plan (CDHP) at the minimum annual deductible level established by the Internal Revenue Service (IRS) to qualify the plan as a high deductible health plan.

TAB 5

Plan Year 2026 Medicare Benefit Design Changes

Laura Ryan
Retiree Benefits Manager
Employees and Retirees Benefits Division
June 26, 2025

Presentation Overview

▶ Benefit changes

- ▶ Federal changes to Part D plans
- ▶ PEBB Program Medicare plan changes
- ▶ Open enrollment communication plan

Benefit Changes



Federal Changes to Part D Plans

- ▶ All Medicare plans are subject to 2026 Centers for Medicare and Medicaid Services (CMS) required changes
- ▶ This includes changing the maximum out-of-pocket cost from \$2,000 in 2025 to \$2,100 in 2026

| Part D Plan Out-of-Pocket Cost per Member | |
|---|---------|
| 2025 | 2026 |
| \$2,000 | \$2,100 |

Kaiser Health Plan of the Northwest (KPNW) Proposed Benefit Changes

- ▶ No proposed changes

Kaiser Health Plan of Washington (KPWA) Proposed Benefit Changes

- ▶ No proposed changes

UnitedHealthcare (UHC)

Proposed Benefit Changes

- ▶ Effective December 31, 2025, UHC is discontinuing the Personal Emergency Response System (PERS) benefit with Lifeline
- ▶ Decision based on low utilization and new technology on market such as smart watches with additional capabilities (such as fall detection)
- ▶ Currently 207 UHC PEBB Program members use this service
- ▶ UHC will contact all members utilizing this service with next step options
- ▶ Starting January 1, 2026, PEBB Program retirees will have the option to convert to private pay and continue their services with Lifeline at a discounted rate or discontinue their services, in which case Lifeline will deactivate their devices during the first week of January 2026

Communication Plan

- ▶ Open enrollment (OE) dates:
 - ▶ October 27, 2025 to November 24, 2025
- ▶ Personalized letters will be mailed to members
- ▶ OE information will be included in October Retiree newsletter
- ▶ Website updates will posted by October 3, 2025
- ▶ HCA e-mail inbox
 - ▶ HCAPEBBMedicare@hca.wa.gov

Questions?

Laura Ryan, Retiree Benefits Manager
Employees and Retirees Benefits Division

HCAPEBBMedicare@hca.wa.gov

TAB 6

Plan Year 2026 Medicare Premiums

Molly Christie
Fiscal Information & Data Analyst
Finance Services and Health Care Purchasing Administration
June 26, 2025

2025 Enrollment Summary

| Plan | Total Members | Percentage of Total |
|--|----------------|---------------------|
| Kaiser Permanente NW Senior Advantage | 2,221 | 2.0% |
| Kaiser WA Medicare Advantage | 20,537 | 18.7% |
| Uniform Medical Plan Classic Medicare | 34,630 | 31.5% |
| UnitedHealthcare PEBB Complete | 26,497 | 24.1% |
| UnitedHealthcare PEBB Balance | 650 | 0.6% |
| Premera Blue Cross Medicare Supplement F | 12,907 | 11.7% |
| Premera Blue Cross Medicare Supplement G | 12,611 | 11.5% |
| Grand Total | 110,053 | |

*Based on May 2025 enrollment

2026 Proposed Medicare Retiree Premiums

| | 2026 Medicare Explicit Subsidy | Single Subscriber Premium* | | Change in Single Subscriber Premium | |
|--|--------------------------------|----------------------------|-----------------|-------------------------------------|------|
| | | 2025 Final | 2026 Proposed | \$ | % |
| Kaiser NW Senior Advantage with Part D | \$168.69 | \$171.19 | \$174.44 | \$3 | 2% |
| Kaiser WA Medicare Advantage with Part D | \$183.00 | \$177.41 | \$220.61 | \$43 | 24% |
| UMP Classic Medicare with Part D | \$183.00 | \$419.36 | \$369.92 | (\$49) | -12% |
| UnitedHealthcare (MA-PD) PEBB Complete | \$183.00 | \$181.55 | \$220.18 | \$39 | 21% |
| UnitedHealthcare (MA-PD) PEBB Balance | \$167.09 | \$153.56 | \$172.83 | \$19 | 13% |
| Premera Medicare Supplement Plan F Retired | \$137.40 | \$134.18 | \$143.14 | \$9 | 7% |
| Premera Medicare Supplement Plan F Disabled | \$183.00 | \$259.49 | \$289.90 | \$30 | 12% |
| Premera Medicare Supplement Plan G Retired | \$116.67 | \$114.80 | \$122.42 | \$8 | 7% |
| Premera Medicare Supplement Plan G Disabled | \$183.00 | \$193.60 | \$219.43 | \$26 | 13% |

*Monthly premium for a single subscriber after deduction of the Medicare Explicit Subsidy, which is the lesser of \$183 or 50% of the bid rate for the 2026 plan year. Includes administrative fee of \$5.75 for 2026.

2026 Proposed Medicare Premiums

Subscriber and Medicare Spouse/State Registered Domestic Partner

| | Monthly Single Subscriber Premium | Monthly Subscriber + Spouse Premium |
|--|---|---|
| Kaiser NW Senior Advantage with Part D | \$174.44 | \$343.13 |
| Kaiser WA Medicare Advantage with Part D | \$220.61 | \$435.47 |
| UMP Classic Medicare with Part D | \$369.92 | \$734.09 |
| UnitedHealthcare (MA-PD) PEBB Complete | \$220.18 | \$434.61 |
| UnitedHealthcare (MA-PD) PEBB Balance | \$172.83 | \$339.91 |
| Premera Medicare Supplement Plan F Retired | \$143.14 | \$280.53 |
| Premera Medicare Supplement Plan F Disabled | \$289.90 | \$574.05 |
| Premera Medicare Supplement Plan G Retired | \$122.42 | \$239.09 |
| Premera Medicare Supplement Plan G Disabled | \$219.43 | \$433.11 |

*Monthly premium for a single subscriber after deduction of the Medicare Explicit Subsidy, which is the lesser of \$183 or 50% of the bid rate for the 2026 plan year. Includes administrative fee of \$5.75 for 2026.

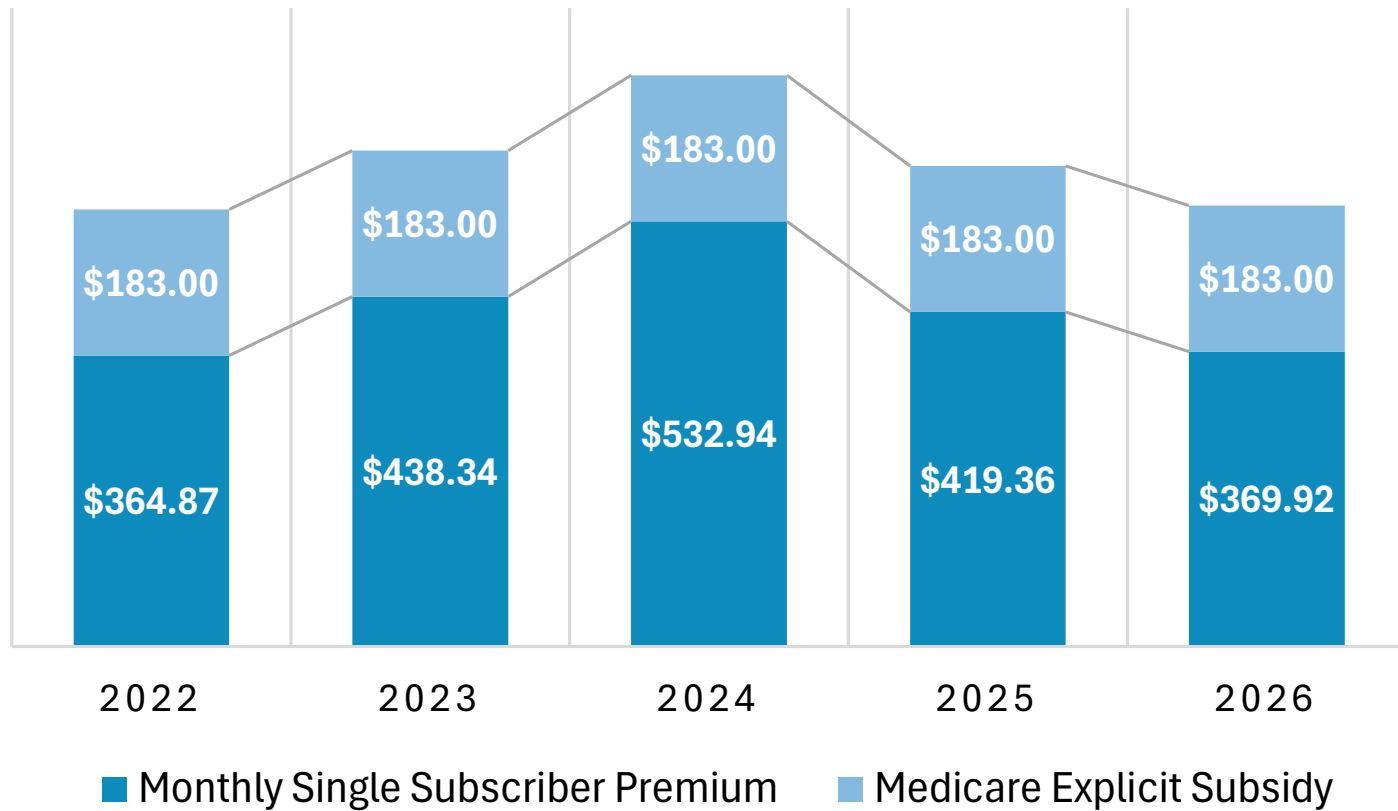
SRDP = State-registered Domestic Partner

2026 Medicare Explicit Subsidy Amount by Plan

| | Monthly Single Subscriber Premium | 2026 Medicare Explicit Subsidy | Composite Rate |
|--|---|-----------------------------------|----------------|
| Kaiser NW Senior Advantage with Part D | \$174.44 | \$168.69 | \$343.13 |
| Kaiser WA Medicare Advantage with Part D | \$220.61 | \$183.00 | \$403.61 |
| UMP Classic Medicare with Part D | \$369.92 | \$183.00 | \$552.92 |
| UnitedHealthcare (MA-PD) PEBB Complete | \$220.18 | \$183.00 | \$403.18 |
| UnitedHealthcare (MA-PD) PEBB Balance | \$172.83 | \$167.09 | \$339.92 |
| Premera Medicare Supplement Plan F Retired | \$143.14 | \$137.40 | \$280.54 |
| Premera Medicare Supplement Plan F Disabled | \$289.90 | \$183.00 | \$472.90 |
| Premera Medicare Supplement Plan G Retired | \$122.42 | \$116.67 | \$239.09 |
| Premera Medicare Supplement Plan G Disabled | \$219.43 | \$183.00 | \$402.43 |

*Monthly premium for a single subscriber after deduction of the Medicare Explicit Subsidy, which is the lesser of \$183 or 50% of the bid rate for the 2026 plan year. Includes administrative fee of \$5.75 for 2026.

State Subsidy Leveraging of UMP Classic Medicare Premium



Uniform Medical Plan Rate Drivers

▶ Factors driving down UMP Classic Medicare with Part D premium include:

▶ Pharmacy

- Lower prescription drug claims costs in 2024 and better trend outlook for 2026
- Inflation Reduction Act provisions take effect in 2026
 - ➔ Medicare drug price negotiations estimated to reduce prices for certain brand drugs, which will be partially offset by lower rebates

▶ Member retention

- Fewer members leaving UMP helps stabilize projected cost

PEBB Medicare Proposed Premium Resolutions

Proposed Resolution PEBB 2025-07

Medicare Explicit Subsidy

The PEB Board authorizes the calendar year 2026 monthly Medicare Explicit Subsidy of \$183 or 50% of premium, whichever is less.

Proposed Resolution PEBB 2025-08

Kaiser Foundation Health Plan of the Northwest (KPNW) Medicare with Part D Premium

The PEB Board authorizes the Kaiser Foundation Health Plan of the Northwest Medicare with Part D plan premium.

Proposed Resolution PEBB 2025-09

Kaiser Foundation Health Plan of Washington (KPWA) Medicare with Part D Premium

The PEB Board authorizes the Kaiser Foundation Health Plan of Washington Medicare with Part D plan premium.

Proposed Resolution PEBB 2025-10

UnitedHealthcare (UHC) Medicare Premiums

The PEB Board authorizes the UnitedHealthcare Medicare plan premiums.

Proposed Resolution PEBB 2025-11

Premera Medicare Premiums

The PEB Board authorizes the Premera Medicare Supplement plan premiums.

Voluntary Medicare Part D Premium Stabilization Demonstration

- ▶ On July 29, 2024, the Center for Medicare and Medicaid Services (CMS) announced a voluntary three-year payment demonstration to provide participating Medicare Part D plans with additional federal subsidies to lower premiums
 - ▶ Intent to minimize enrollment churn anticipated by the initial implementation of the Inflation Reduction Act
- ▶ Status of funding for 2026 and 2027 is uncertain
 - ▶ CMS will make an announcement later this summer

Voluntary Medicare Part D Premium Stabilization Demonstration (*cont.*)

- ▶ Standalone Part D plans and employer group waiver plans (EGWPs) are eligible
 - ▶ UMP is participating in the demonstration for 2025 through its contract with Moda, the UMP pharmacy benefits administrator
 - ▶ In a special meeting in August 2024, the PEB Board authorized a decrease to the UMP Classic Medicare with Part D 2025 premium based on this demonstration
- ▶ Given the uncertainty of the demonstration, HCA is asking the Board to give HCA the ability to lower the premium without having to call another Board meeting

Proposed Resolution PEBB 2025-12

UMP Classic Medicare with Part D Premium

The PEB Board authorizes the Uniform Medical Plan (UMP) Classic Medicare with Part D plan premium as presented on June 26, 2025.

Consistent with open enrollment operational timelines, HCA has the authority to lower the 2026 premium if the Centers for Medicare and Medicaid Services (CMS) continues the Medicare Part D Premium Stabilization Demonstration.

Questions?

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TAB 7

Dental Benefit Design

Laura Toepfer
Account Manager
Employees & Retirees Benefits Division
June 26, 2025

Current Dental Benefits in the PEBB and SEBB Programs

- ▶ PEBB and SEBB Programs both offer three plans
 - ▶ Uniform Dental Plan (UDP) – Preferred provider plan
 - ▶ DeltaCare – Managed care plan
 - ▶ Willamette Dental – Managed care plan
- ▶ There has been work on enhancements to UDP since Board discussions in 2022
- ▶ Coverage in UDP has not been identical in the two programs since 2024

Changes for 2026

- ▶ The UDP will offer the same deductible and temporomandibular joint (TMJ) coverage to PEBB Program members that is currently available to SEBB Program members
 - ▶ DeltaCare and Willamette Dental already offer the two benefit enhancements
- ▶ Funding was included in the 2025-27 operating budget
- ▶ New benefits will be effective January 1, 2026

Waiver of Deductible

▶ Current PEBB Program benefit

- ▶ Deductible of \$50/person, \$150/family
- ▶ Deductible does not apply to Class 1 services
 - Preventive exams
 - Cleanings
 - Diagnostic X-rays
 - Fluoride and Sealants

▶ Enhanced benefit design

- ▶ Deductible of \$50/person, \$150/family
- ▶ Deductible does not apply to Class 1 services for children under age 15

Temporomandibular Joint (TMJ) Services

- ▶ Current PEBB Program benefit
 - ▶ Member pays 30% of allowed charges, then any amount above the annual max of \$500
 - ▶ Lifetime maximum benefit is \$500
- ▶ Enhanced benefit design
 - ▶ Member pays 30% of allowed charges, then any amount above the annual max of \$1,000
 - ▶ Lifetime maximum benefit is \$5,000

Questions?

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TAB 8

PEBB Program Collective Bargaining Flexible Spending Arrangement (FSA) Update

Kelsie Pele
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Employees and Retirees Benefits Division
June 26, 2025

Flexible Spending Arrangement (FSA)

Core Benefit Structure

- ▶ **Tax savings:** FSA funds can be deducted from an employee's paycheck before taxes to reduce their taxable income
- ▶ **Eligible expenses:** FSA funds can be used to pay for out-of-pocket health care costs like deductibles, copays, coinsurance, prescriptions, first-aid supplies, sunscreen, vision hardware, and more
- ▶ **Maximum election:** Up to \$3,200 per year for 2025
 - ▶ Subject to annual Internal Revenue Service (IRS) cost of living adjustments
 - ▶ Funds contributed by an employer do not count toward the maximum election amount

FSA Carryover Design

- ▶ Allows unspent funds up to **\$660** to be carried over and available for use in the next plan year
 - ▶ 2022 → 2023 Carryover limit: \$540
 - ▶ 2023 → 2024 Carryover limit: \$610
 - ▶ 2024 → 2025 Carryover limit: \$640
 - ▶ **2025 → 2026 Carryover limit: \$660**
- ▶ To receive carryover funds:
 - ▶ Participants must enroll in an FSA for the following plan year, or
 - ▶ Have at least \$120 left in their account on December 31
- ▶ Any funds below \$120 (if they do not re-enroll) or above \$660 (regardless of enrollment status) will be forfeited to the plan administrator, HCA due to IRS rules.
 - ▶ Each fall, the IRS sets the new carryover limit and FSA maximum for the next plan year

PEBB Collective Bargaining FSA Employer Contribution

- ▶ Bargained for certain eligible PEBB Program employees to receive funds in an FSA account
- ▶ HCA designed this benefit to ensure compliance with the collective bargaining agreement and contracts with Navia Benefits Solutions to administers benefits
- ▶ Navia Benefit Solutions creates and manages members' accounts
- ▶ PEBB Program employing agencies and labor unions play a key role in communicating this benefit

Collective Bargaining FSA Eligibility Requirements 2023-2025 Bargaining Cycle

- ▶ Represented employee participating in PEBB Program benefits of a union part of the health care coalition described in [RCW 41.80.020\(3\)](#)
- ▶ Rate of pay on November 1, 2024 is **\$60,000 or less** for a full-time equivalent position
- ▶ In the next January, member meets other eligibility criteria as described in the health care coalition agreement
 - ▶ Must be PEBB benefits eligible
 - ▶ Cannot have waived medical coverage (except to be a dependent on another PEBB Program non-CDHP medical plan)
 - ▶ Cannot be enrolled in a CDHP with health savings account
- ▶ If all eligibility criteria is met, employee receives a **\$250 CBA FSA employer contribution**

Collective Bargaining FSA Changes

2025-27 Bargaining Cycle

▶ Effective January 2026:

▶ **Salary threshold increases:**

- Rate of pay on November 1, 2025 is \$68,004 or less for a full-time equivalent position (an increase from \$60,000)

▶ **FSA contribution amount increases:**

- Eligible represented PEBB Program subscribers receive a \$300 FSA contribution the following January (an increase from \$250)

How the CBA FSA Benefit Works

- ▶ Eligible PEBB Program CBA recipients are not required to actively enroll in an FSA to receive the CBA FSA funds
- ▶ If the eligible PEBB Program subscriber does not enroll in an FSA, a customized CBA welcome letter and FSA debit card with CBA FSA funds loaded on it automatically gets sent to the subscriber in mid-late January

How the CBA FSA Benefit Works (*cont.*)

- ▶ If the eligible PEBB Program subscriber is already enrolled in an FSA, the CBA FSA employee contribution will be added to the existing FSA account and does not affect the annual contribution maximum
- ▶ This employer contribution will not come out of the employee's paycheck

Navia Benefits Solutions Debit Card Design

- ▶ New FSA and/or Dependent Care Assistance Program (DCAP) participants and existing participants with an expired debit card are issued a debit card



Eligible CBA FSA Recipients Year by Year

| Plan Year | # of Eligible CBA Recipient Subscribers |
|-----------|---|
| 2020 | 18,560 |
| 2021 | 15,418 |
| 2022 | 14,265 |
| 2023 | 11,092 |
| 2024 | 19,111 |
| 2025 | 16,906 |

Note* the salary threshold increased from \$50,004 to \$60,000 on November, 1 2023.



Health Care Authority
Public Employees Benefits Board

PEBB Program CBA FSA Utilization Year by Year

| | 2020 | | 2021 | | 2022 | | 2023 | | 2024 | | 2025 (through June) | |
|--|--------|------|--------|------|--------|------|--------|------|--------|------|---------------------|------|
| Total CBA FSA Fund Eligible Recipients | 18,560 | 100% | 15,418 | 100% | 14,265 | 100% | 11,092 | 100% | 19,111 | 100% | 16,906 | 100% |
| CBA only Recipients who did not actively enroll in an FSA | 17,357 | 94% | 14,831 | 96% | 13,304 | 93% | 10,308 | 93% | 17,428 | 91% | 15,155 | 95% |
| Used SOME of the \$250 | 4,886 | 28% | 4,664 | 31% | 4,000 | 30% | 2,347 | 30% | 5,787 | 30% | 4,010 | 30% |
| Used ALL the \$250 | 5,138 | 30% | 4,083 | 28% | 1,916 | 14% | 1,501 | 29% | 2,981 | 16% | 3,333 | 29% |
| Used NONE of the \$250 | 7,333 | 42% | 6,084 | 41% | 7,388 | 56% | 6,460 | 63% | 10,343 | 54% | 9,563 | 63% |

Questions?

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TAB 9

Benefits 24/7 Update

Brett Mello
Chief Information Officer
Enterprise Technology Services

Alisa Richards
Section Manager
ERB Division
June 26, 2025

Stabilization and Recruitment Update

- ▶ Stabilization project completed
 - ▶ Cleanup of Fall 2024 open enrollment (OE) results
 - ▶ Focus on improving user experience and functionality
- ▶ Final metrics
 - ▶ Benefits 24/7 high priority tickets (Goal <35): 32
 - ▶ Sync record backlog (Goal <1,500): 521
 - ▶ Error files (Goal <1,000): 397
 - ▶ Pay 1 high priority tickets (Goal <100): 92
- ▶ ETS staffing
 - ▶ Manager – *Recruiting*
 - ▶ 2 Business Analysts – *Drafting position descriptions*
 - ▶ 2 Dev/Ops Analysts – *Drafting position descriptions*

Open Enrollment Work

- ▶ Benefits 24/7 and Pay1 teams are transitioning to open enrollment work
 - ▶ Annual updates
 - ▶ 2026 specific updates
 - ▶ UMP Plus alerts
 - ▶ Language update for long-term disability (LTD) change
- ▶ Team continues work on bugs that have been prioritized before open enrollment
- ▶ Focus group of benefits administrators for improvement of the OE wizard, specifically dependents and spousal attestation
- ▶ Testing OE functionality

Application Programming Interface (API)

- ▶ Designing a new interface model for exchanging data
- ▶ Long standing request from higher education institutions
 - ▶ Simple, standardized solution to be used for other SEBB and PEBB Program employers
- ▶ Starting development this summer
- ▶ Initial launch spring 2026

Benefits Administrator Communications Transition

- ▶ Benefits administrator communications will continue
- ▶ Moving from weekly to monthly, or more often if issues are identified
- ▶ Historic communications are maintained on the benefits administrator website for reference

Questions?

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