

Public Employees Benefits Board Meeting

July 11, 2024

Public Employees Benefits Board

July 11, 2024

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
July 11, 2024
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

9:00 a.m.*	Welcome and Introductions		Lou McDermott, Chair Pro Tem	
9:05 a.m.	Meeting Overview		Dave Iseminger, Director Employees & Retirees Benefits (ERB) Division	Information
9:10 a.m.	Approval of Meeting Minutes • June 27, 2024	TAB 3	Lou McDermott, Chair Pro Tem	Action
9:20 a.m.	KPWA End-Stage Renal Disease (ESRD) Program	TAB 4	Beth Heston, Procurement Manager Employees & Retirees Benefits (ERB) Division	Information/ Discussion
9:30 a.m.	2025 PEBB Non-Medicare Premiums	TAB 5	Tanya Deuel, ERB Finance Manager Financial Services Division (FSD)	Action
9:55 a.m.	2025 PEBB Medicare Premiums	TAB 6	Molly Christie, Fiscal Analyst Financial Services Division (FSD)	Action
10:20 a.m.	Medicare Update	TAB 7	Ellen Wolfhagen, Retiree Benefits Manager Employees & Retirees Benefits (ERB) Division	Information/ Discussion
10:35 a.m.	Break			
10:45 a.m.	Open Enrollment Preview	TAB 8	Alisa Richards, Section Manager Employees & Retirees Benefits (ERB) Division	Information/ Discussion

11:10 a.m.	Consolidation Report Update	TAB 9	Cade Walker, Section Manager Employees & Retirees Benefits (ERB) Division	Information/ Discussion
11:35 a.m.	2025 Board Meeting Schedule	TAB 10	David Iseminger, Director Employees & Retirees Benefits (ERB) Division	Information/ Discussion
11:40 a.m.	General Public Comment			
12:10 p.m.	Closing			
12:15 p.m.	Adjourn		Lou McDermott, Chair Pro Tem	

*All Times Approximate

The Public Employees Benefits Board will meet Thursday, July 11, 2024 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.

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 <https://hca.wa.gov/peb-board-meetings> by close of business on Monday, July 8, 2024.

Join Zoom Meeting

<https://us02web.zoom.us/j/83280859081?pwd=3MFyBEUzDZxUlyHsOjapLjg5aAKajA.1>

Meeting ID: 832 8085 9081

Passcode: 684550

One tap mobile

+13017158592,,83280859081#,,,,*684550# US (Washington DC)

+19292056099,,83280859081#,,,,*684550# US (New York)

Meeting ID: 832 8085 9081

Passcode: 684550

Find your local number: <https://us02web.zoom.us/u/krmzOfSLd>

PEB Board Members

Name	Representing
Sue Birch, Director Health Care Authority 626 8 th Ave SE PO Box 42713 Olympia WA 98504-2713 V 360-725-2104 sue.birch@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

1/26/24



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

PEB BOARD MEETING SCHEDULE

2024 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.

February 1, 2024 (Board Retreat) - starting at 9:00 a.m.*

March 21, 2024 - starting at 9:00 a.m.

April 11, 2024 - starting at 9:00 a.m.

May 9, 2024 - starting at 9:00 a.m.

June 13, 2024 - starting at 9:00 a.m.

June 27, 2024 – starting at 9:00 a.m.

July 11, 2024 - starting at 9:00 a.m.

July 18, 2024 - starting at 9:00 a.m.

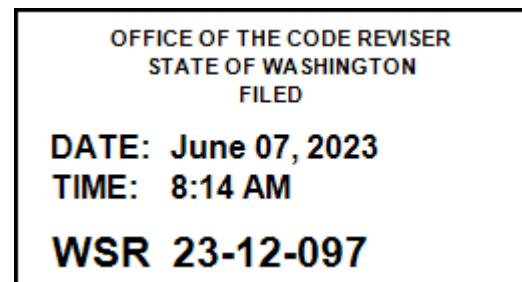
July 25, 2024 - starting at 9:00 a.m.

August 1, 2024 - 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 360-725-9400.

06/06/2023



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 27, 2024
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
Elyette Weinstein
Harry Bossi
Sharon Laing
Kurt Spiegel
Michaela Doelman

Members Present via Zoom

John Comerford
Tom MacRobert

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 9:05 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 Kurt Spiegel seconded a motion to approve the June 13, 2024 meeting minutes. Minutes were approved by unanimous vote.

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 9:12 a.m. and concluded at 9:23 a.m.

June 13 Meeting Follow Up

David Iseminger, Director of the Employees and Retirees Benefits (ERB) Division gave a follow up presentation regarding some requested information regarding pharmacy administration from our last Board meeting. The presentation included links to the pharmacy locator tool, drug price check tools, and Moda's customer service line.

Property/Casualty Insurance via Payroll Deduction Resolution

John Partin, Benefit Strategy and Design Section Manager in the Employees and Retirees Benefits (ERB) Division brought a resolution for voting related to the property/casualty insurance benefit and evaluation criteria for future possible benefits.

- *PEBB 2024-25 – Evaluation Criteria for Contracts Under RCW 41.05.065(9).*
Tom MacRobert moved, and John Comerford seconded a motion to approve the resolution. The resolution passed with a unanimous vote.

Annual Procurement Update for 2025 Plan Year

Beth Heston, Procurement Manager in the Employees and Retirees Benefits (ERB) Division provided an update on the annual procurement work that helps inform the yearly plan rates. The update included the annual renewal timeline, an IRS mandated consumer directed health plan update, and benefit changes for Kaiser Foundation Health Plan of the Northwest (KPNW), Kaiser Health Plan of Washington (KPWA), Premera, and Uniform Medical Plan.

2025 PEBB Program Non-Medicare Premiums

Tanya Deuel, ERB Finance Manager in the Financial Services Division (FSD) introduced non-Medicare premium resolutions for the 2025 plan year.

- *PEBB 2024-28: Kaiser Foundation Health Plan of the Northwest (KPNW) Non-Medicare 2025 Premiums.*
- *PEBB 2024-29: Kaiser Foundation Health Plan of WA (KPWA) Non-Medicare 2025 Premiums.*
- *PEBB 2024-30: Uniform Medical Plan (UMP) Non-Medicare 2025 Premiums.*

Voting on the resolutions is scheduled for the July 11, 2024 Board meeting.

UMP Classic Medicare with Part D (PDP) Policy Resolutions

Stella Ng, Policy and Rules Coordinator in the Employees and Retirees Benefits (ERB) Division brought two policy resolutions for voting regarding UMP Classic Medicare coverage for international members.

- *PEBB 2024-26 –PEBB retiree insurance coverage deferral – permanently live in a location outside of the United States.* Tom MacRobert moved, and Elyette Weinstein seconded a motion to approve the resolution. The resolution passed with a unanimous vote.
- *PEBB 2024-27 –Automatic Deferral – PEBB retiree insurance coverage for Medicare subscribers who permanently live in a location outside of the United States.* Elyette Weinstein moved, and Tom MacRobert seconded a motion to approve the resolution. The resolution passed with a unanimous vote.

Medicare Update

Ellen Wolfhagen, Retiree Benefits Manager in the Employees and Retirees Benefits (ERB) Division provided an update on Medicare portfolio changes in the PEBB Program. The update included benefit changes for UnitedHealthcare, Kaiser Foundation Health Plan of the Northwest (KPNW), and Kaiser Foundation Health Plan of Washington (KPWA), as well as information regarding a service area update for KPWA, and a proposed change for both KPWA and KPNW from offering a Medicare Advantage (MA) plan to offering a Medicare Advantage with Part D (MA-PD) plan.

2025 PEBB Program Medicare Premiums

Molly Christie, Fiscal Analyst in the Financial Services Division (FSD) introduced Medicare premium resolutions for the 2025 plan year.

- *PEBB 2024-31: Medicare Explicit Subsidy.*
- *PEBB 2024-32: Kaiser Foundation Health Plan of the Northwest (KPNW) Medicare Premium.*
- *PEBB 2024-33: Kaiser Foundation Health Plan of Washington (KPWA) Medicare Premium.*
- *PEBB 2024-34: UnitedHealthcare (UHC) Medicare Premiums.*
- *PEBB 2024-35: Premera Medicare Premiums.*
- *PEBB 2024-36: Uniform Medical Plan (UMP) Medicare Premium.*

Voting on the resolutions is scheduled for the July 11, 2024 Board meeting.

2025 Board Meeting Schedule

David Iseminger, Director of the Employees and Retirees Benefits (ERB) Division introduced the 2025 Board meeting schedule. There were no concerns with dates and the schedule will be filed with the code reviser for final presentation at the July 11, 2024 Board meeting.

General Public Comment

The following members of the public provided comments:

- **Amy Fortier**
- **Aruna Bhuta**
- **Sarah Cook**

Topics brought forth during public comments included requests for full benefits cost for retirees to include dental, vision, and medical; requests for a focus on rural health care in the future; clarifications on Plan F, G, Medicare Advantage plans, and Part D plans; and issues regarding massage therapy network access.

Their testimonies can be found in the audio recording for the June 27, 2024 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

July 11, 2024

Starting time 9:00 a.m.

Preview of July 11, 2024 PEB Board Meeting

Dave Iseminger, Director, Employees and Retirees Benefits (ERB) Division, provided an overview of potential agenda topics for the July 11, 2024 meeting.

The meeting adjourned at 12:55 p.m.

TAB 4

KPWA End-Stage Renal Disease (ESRD) Program

Beth Heston
Procurement Manager
Employees and Retirees Benefits Division
July 11, 2024

KPWA End-Stage Renal Disease (ESRD) Program for Non-Medicare Members

- ▶ **Why is Kaiser Washington introducing this program?**
 - ▶ Kaiser Permanente National has a longstanding program to educate commercial plan members diagnosed with ESRD about the benefits of enrolling in Medicare Parts A and B, to reduce cost shares for dialysis and other medical services. Kaiser Washington is introducing and incentivizing this program to all plan members by reimbursing members for the associated Medicare Part B premium costs
- ▶ **What hurdles do ESRD patients face when transitioning to Medicare?**
 - ▶ Enrolling in Medicare can be challenging not only for dialysis patients but also for individuals who "age in" to Medicare eligibility.
 - ▶ Kaiser has a dedicated member services team to assist members with every step of the Medicare enrollment process

KPWA End-Stage Renal Disease (ESRD) Program for Non-Medicare Members (*cont.*)

- ▶ **How does KP identify which patients may qualify for the ESRD program?**
 - ▶ Kaiser will use claims and encounter data to identify members diagnosed with ESRD in the beginning stages of their treatment and reach out with program details. This will smooth the prior authorization requirement for the program
 - ▶ Eligible members will receive mailed communications with a dedicated telephone line and representative to guide them through the Medicare enrollment process and answer any questions
- ▶ **How does the change benefit patients?**
 - ▶ Participation eliminates out-of-pocket cost shares for medical services covered by Medicare Parts A and B
 - ▶ Allows members more options if they must seek care outside of the Kaiser Permanente network

KPWA End-Stage Renal Disease (ESRD) Program for Non-Medicare Members (*cont.*)

- ▶ Does this program only benefit members just starting dialysis?
 - ▶ No, the program will apply to **all** members in the PEBB and SEBB Programs who are diagnosed with ESRD and eligible for Medicare if they maintain their group coverage and Medicare Parts A and B
- ▶ Where do members go with questions?
 - ▶ Members may call Kaiser Washington member services line at 1-888-901-4600 for general information

Questions?

Beth Heston, Procurement Manager
Employees and Retirees Benefits (ERB) Division

Beth.Heston@hca.wa.gov

TAB 5

2025 PEBB Non-Medicare Premiums

Tanya Deuel
ERB Finance Manager
Financial Services Division
July 11, 2024

June Meeting Follow Up

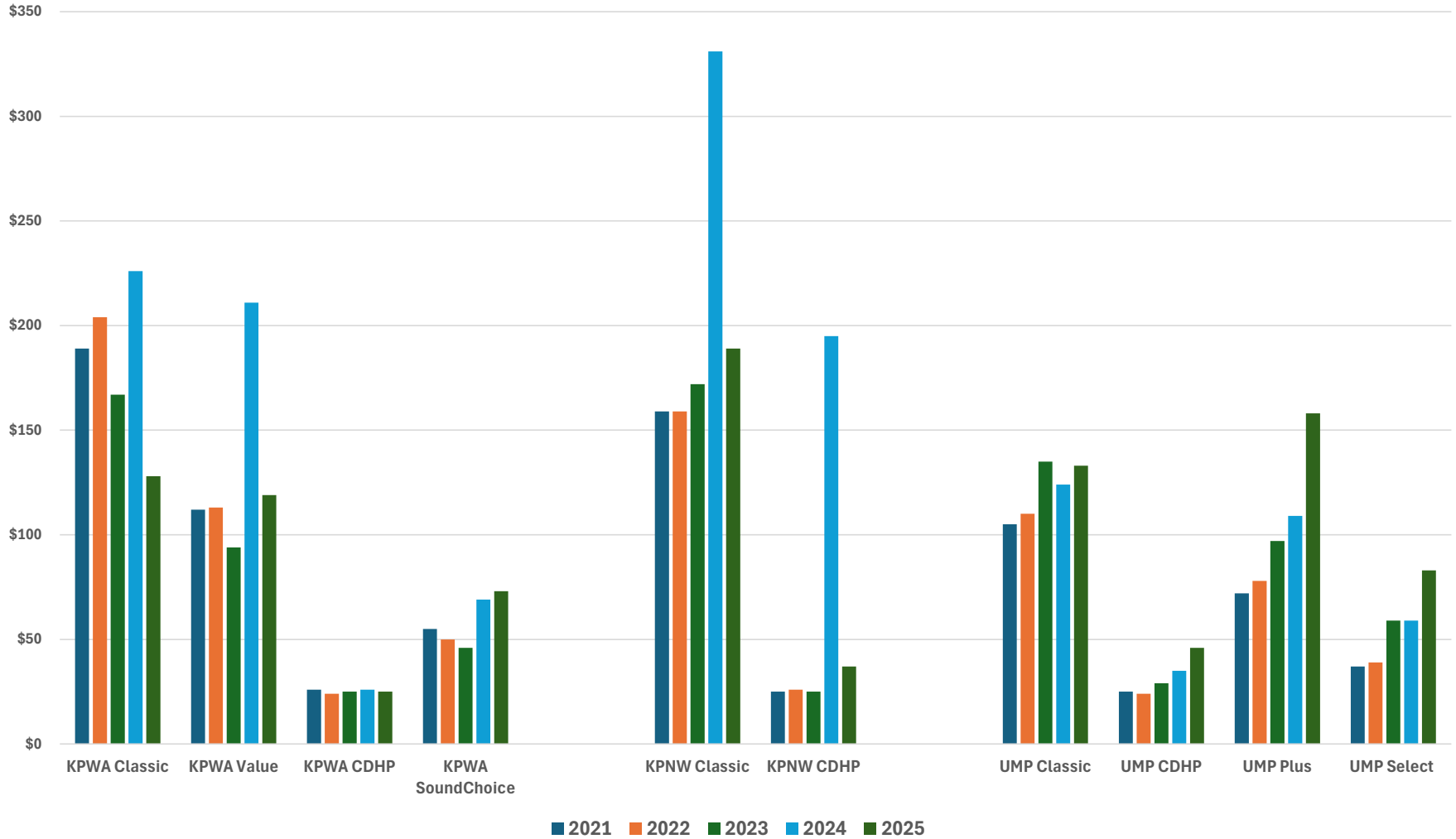
Proposed Employee Premiums By Tier

		Subscriber only 1.0		Year-over-year change		Subscriber & Spouse 2.0		Year-over-year change	
		2024	Proposed 2025	\$	%	2024	Proposed 2025	\$	%
KPNW	Classic	\$331	\$189	(\$142)	-43%	\$662	\$378	(\$284)	-43%
	CDHP	\$195	\$37	(\$158)	-81%	\$390	\$74	(\$316)	-81%
KPWA	Classic	\$226	\$128	(\$98)	-43%	\$452	\$256	(\$196)	-43%
	Value	\$211	\$119	(\$92)	-44%	\$422	\$238	(\$184)	-44%
	CDHP	\$26	\$25	(\$1)	-4%	\$52	\$50	(\$2)	-4%
	SoundChoice	\$69	\$73	\$4	6%	\$138	\$146	\$8	6%
UMP	Classic	\$124	\$133	\$9	7%	\$248	\$266	\$18	7%
	CDHP	\$35	\$46	\$11	31%	\$70	\$92	\$22	31%
	Plus	\$109	\$158	\$49	45%	\$218	\$316	\$98	45%
	Select	\$59	\$83	\$24	41%	\$118	\$166	\$48	41%

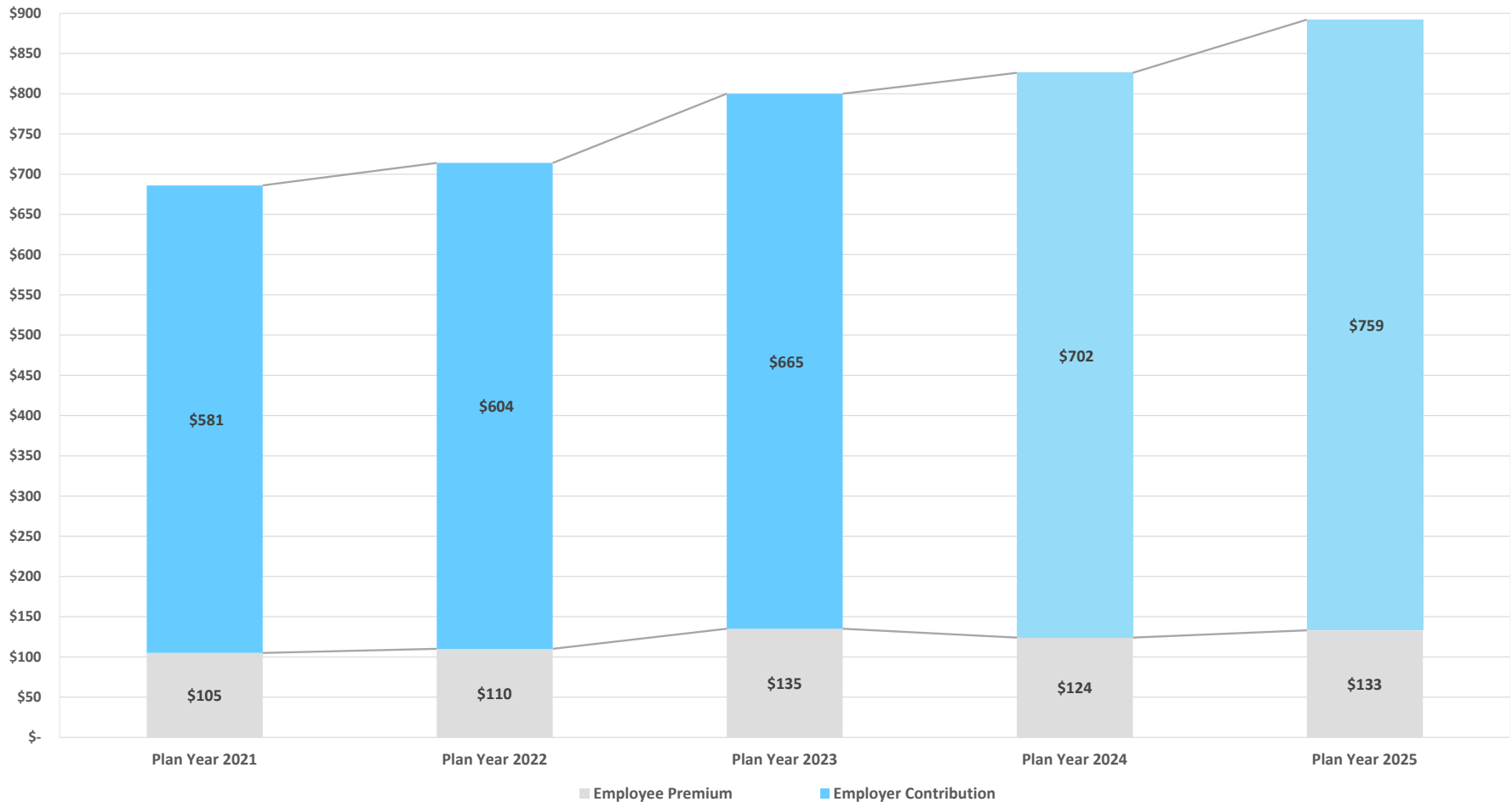
Proposed Employee Premiums By Tier (*cont.*)

		Subscriber& Child(ren) 1.75		Year-over-year change		Subscriber, Spouse/SRDP, & Child(ren) 2.75		Year-over-year change	
		2024	Proposed 2025	\$	%	2024	Proposed 2025	\$	%
KPNW	Classic	\$579	\$331	(\$248)	-43%	\$910	\$520	(\$390)	-43%
	CDHP	\$341	\$65	(\$276)	-81%	\$536	\$102	(\$434)	-81%
KPWA	Classic	\$396	\$224	(\$172)	-43%	\$622	\$352	(\$270)	-43%
	Value	\$369	\$208	(\$161)	-44%	\$580	\$327	(\$253)	-44%
	CDHP	\$46	\$44	(\$2)	-5%	\$72	\$69	(\$3)	-5%
	SoundChoice	\$121	\$128	\$7	6%	\$190	\$201	\$11	6%
UMP	Classic	\$217	\$233	\$16	7%	\$341	\$366	\$25	7%
	CDHP	\$61	\$81	\$20	32%	\$96	\$127	\$31	32%
	Plus	\$191	\$277	\$86	45%	\$300	\$435	\$135	45%
	Select	\$103	\$145	\$42	41%	\$162	\$228	\$66	41%

Employee Premiums 5 Year History



Employee Premiums 5 Year History (UMP Specific)



*Starting in Plan Year 2024, the employer contribution methodology changed from State Index Rate (SIR) to Employer Medical Contribution (EMC).

Pharmacy and UMP Classic Rate Increase

- ▶ **UMP Classic non-Medicare experienced a year-over-year bid rate increase of 8.1%**
 - ▶ Pharmacy was 0.35% of the total 8.1% bid rate increase from 2024 to 2025
 - ▶ In total, pharmacy accounts for ~21% of the total \$892.96 bid rate

Vision and Dental Premiums

PEBB Vision	
	2025
EyeMed	\$6.57
Metlife	\$8.30
Davis	\$5.02

PEBB Dental	
	2025
DeltaCare	\$41.50
Uniform Dental Plan	\$52.23
Willamette	\$48.87

Vision and dental premiums are paid 100% by the employer for all tiers.

Life, AD&D, and Long-Term Disability (LTD) 2025 Premiums

- ▶ Basic Life and AD&D, and employer-paid LTD:
 - ▶ Employer funded
 - ▶ No rate change for 2025
- ▶ Supplemental Life and AD&D, and employee-paid LTD:
 - ▶ Employee funded
 - ▶ No rate change for 2025

Kaiser Permanente Book of Business Change

- ▶ **myStrength (now known as "Teladoc Health"), a self-care app, will end on July 31, 2024**
 - ▶ As of August 1, 2024, the app will no longer be available for new registrations
 - ▶ Members currently using myStrength will be informed via email about these changes and can continue to access the app until December 31, 2024
 - ▶ Kaiser strongly encourages their members to explore alternative self-care apps such as Calm and Headspace Care, available to members (Calm is available to 13+ and Headspace Care is available to 18+)* with a kp.org account
- ▶ **This change is for both Kaiser Foundation Health Plan of Washington (KPWA) and Kaiser Foundation Health Plan of the Northwest (KPNW)**

*Please note that additional exclusions to these apps may apply.

Employee Premiums

2025 Employee Premiums

		Subscriber only		Year-over-year change		Enrollment as of April 2024	
		2024	Proposed 2025	\$	%	Members	% of Total
KPNW	Classic	\$331	\$189	(\$142)	-43%	1,469	0.5%
	CDHP	\$195	\$37	(\$158)	-81%	428	0.1%
KPWA	Classic	\$226	\$128	(\$98)	-43%	18,034	6.1%
	Value	\$211	\$119	(\$92)	-44%	10,073	3.4%
	CDHP	\$26	\$25	(\$1)	-4%	5,261	1.8%
	SoundChoice	\$69	\$73	\$4	6%	15,673	5.3%
UMP	Classic	\$124	\$133	\$9	7%	166,879	56.7%
	CDHP	\$35	\$46	\$11	31%	28,228	9.6%
	Plus	\$109	\$158	\$49	45%	33,043	11.2%
	Select	\$59	\$83	\$24	41%	14,976	5.1%

Employee contributions are rounded to the nearest dollar.

Non-Medicare Retiree Premiums

2025 Non-Medicare Retiree Premiums

		Year-over-year change in Subscriber rate			
		2024	Proposed 2025	\$	%
KPNW	Classic	\$1,039.48	\$953.54	(\$86)	-8.3%
	CDHP	\$908.02	\$806.85	(\$101)	-11.1%
KPWA	Classic	\$933.86	\$893.00	(\$41)	-4.4%
	Value	\$919.67	\$883.28	(\$36)	-4.0%
	CDHP	\$739.28	\$794.98	\$56	7.5%
	SoundChoice	\$777.71	\$837.37	\$60	7.7%
UMP	Classic	\$831.98	\$898.12	\$66	7.9%
	CDHP	\$748.09	\$816.03	\$68	9.1%
	Plus	\$816.80	\$922.97	\$106	13.0%
	Select	\$766.91	\$847.52	\$81	10.5%
<i>Subscribers may be subject to the following surcharges</i>					
Tobacco Surcharge		\$25	\$25	\$25	\$25
Spousal Surcharge		N/A	\$50	N/A	\$50

*SRDP = State registered domestic partner.
All rates include self-pay administrative fee.

2025 PEBB Premium Resolutions

Resolution PEBB 2024-28

Kaiser Foundation Health Plan of the Northwest (KPNW) Non-Medicare 2025 Premiums

Resolved that, the PEB Board authorizes the Kaiser Foundation Health Plan of the Northwest employee and Non-Medicare retiree premiums.

Resolution PEBB 2024-29

Kaiser Foundation Health Plan of WA (KPWA) Non-Medicare 2025 Premiums

Resolved that, the PEB Board authorizes the Kaiser Foundation Health Plan of Washington employee and Non-Medicare retiree premiums.

Resolution PEBB 2024-30

Uniform Medical Plan (UMP) Non-Medicare 2025 Premiums

Resolved that, the PEB Board authorizes the Uniform Medical Plan (UMP) employee and Non-Medicare retiree premiums.

Appendix

Employee Premiums

Proposed 2025 Employee Premiums & Employer Contribution

		Proposed 2025		
		Bid Rate	Employer Contribution	Employee Contribution
KPNW	Classic	\$948.38	\$759	\$189
	CDHP	\$796.42	\$759	\$37
KPWA	Classic	\$887.84	\$759	\$128
	Value	\$878.12	\$759	\$119
	CDHP	\$784.55	\$759	\$25
	SoundChoice	\$832.21	\$759	\$73
UMP	Classic	\$892.96	\$759	\$133
	CDHP	\$805.60	\$759	\$46
	Plus	\$917.81	\$759	\$158
	Select	\$842.36	\$759	\$83

- Consumer Directed Health Plans' (CDHP) bid rates include Health Savings Account (HSA) deposits.
- Bid rate includes Wellness administrative fee.
- Include the state active reduction of \$1.00 Per Adult Unit Per Member (PAUPM) for the employer group surcharge.
- Employer contributions are rounded to the nearest dollar.

Proposed 2025 Employee Premiums By Tier

		Subscriber	Subscriber & spouse/SRDP*	Subscriber & Child(ren)	Subscriber, spouse/SRDP*, & child(ren)
KPNW	Classic	\$189	\$378	\$331	\$520
	CDHP	\$37	\$74	\$65	\$102
KPWA	Classic	\$128	\$256	\$224	\$352
	Value	\$119	\$238	\$208	\$327
	CDHP	\$25	\$50	\$44	\$69
	SoundChoice	\$73	\$146	\$128	\$201
JMP	Classic	\$133	\$266	\$233	\$366
	CDHP	\$46	\$92	\$81	\$127
	Plus	\$158	\$316	\$277	\$435
	Select	\$83	\$166	\$145	\$228
<i>Subscribers may be subject to the following surcharges</i>					
	Tobacco Surcharge	\$25	\$25	\$25	\$25
	Spousal Surcharge	N/A	\$50	N/A	\$50

- Employee contributions are rounded to the nearest dollar.
- *SRDP = State registered domestic partner.

Non-Medicare Retiree Premiums

Proposed 2025 Non-Medicare Retiree Premiums By Tier

		Subscriber	Subscriber & spouse/SRDP*	Subscriber & Child(ren)	Subscriber, spouse/SRDP*, & child(ren)
KPNW	Classic	\$953.54	\$1,901.37	\$1,664.41	\$2,612.24
	CDHP	\$806.85	\$1,606.62	\$1,421.26	\$2,162.71
KPWA	Classic	\$893.00	\$1,780.28	\$1,558.46	\$2,445.75
	Value	\$883.28	\$1,760.84	\$1,541.45	\$2,419.02
	CDHP	\$794.98	\$1,582.88	\$1,400.49	\$2,130.06
	SoundChoice	\$837.37	\$1,669.03	\$1,461.11	\$2,292.77
UMP	Classic	\$898.12	\$1,790.53	\$1,567.43	\$2,459.84
	CDHP	\$816.03	\$1,624.98	\$1,437.33	\$2,187.95
	Plus	\$922.97	\$1,840.23	\$1,610.92	\$2,528.18
	Select	\$847.52	\$1,689.33	\$1,478.88	\$2,320.69
<i>Subscribers may be subject to the following surcharges</i>					
Tobacco Surcharge		\$25	\$25	\$25	\$25
Spousal Surcharge		N/A	\$50	N/A	\$50

Questions?

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TAB 6

2025 PEBB Medicare Premiums

Molly Christie
Fiscal Analyst
Financial Services Division
July 11, 2024

2025 PEBB Medicare Premiums

2025 PEBB Medicare Premiums

	2024 Final Premium	2025 Proposed Premium	\$	%
Kaiser NW Senior Advantage with Part D	\$193.95	\$171.19	(\$23)	-12%
Kaiser WA Medicare Advantage with Part D	\$188.62	\$177.41	(\$11)	-6%
UMP Classic Medicare with Part D	\$532.94	\$453.21	(\$80)	-15%
UnitedHealthcare (MA-PD) PEBB Complete	\$160.58	\$181.55	\$21	13%
UnitedHealthcare (MA-PD) PEBB Balance	\$135.65	\$153.56	\$18	13%
Premera Medicare Supplement Plan F Retired	\$119.05	\$134.18	\$15	13%
Premera Medicare Supplement Plan F Disabled	\$207.45	\$259.49	\$52	25%
Premera Medicare Supplement Plan G Retired	\$101.99	\$114.80	\$13	13%
Premera Medicare Supplement Plan G Disabled	\$169.20	\$193.60	\$24	14%

*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 2025 plan year. Includes administrative fee of \$5.71 for 2025.

2025 PEBB Medicare Premium Resolutions

Resolution PEBB 2024-31

2025 Medicare Explicit Subsidy

Resolved that, the PEB Board authorizes the calendar year 2025 monthly Medicare Explicit Subsidy of \$183 or 50% of premium, whichever is less.

Resolution PEBB 2024-32

Kaiser Foundation Health Plan of the Northwest (KPNW) 2025 Medicare Premium

Resolved that, the PEB Board authorizes the Kaiser Foundation Health Plan of the Northwest Senior Advantage with Part D premium.

Resolution PEBB 2024-33

Kaiser Foundation Health Plan of Washington (KPWA) 2025 Medicare Premium

Resolved that, the PEB Board authorizes the Kaiser Foundation Health Plan of Washington Medicare Advantage with Part D premium.

Resolution PEBB 2024-34

UnitedHealthcare (UHC) 2025 Medicare Premiums

Resolved that, the PEB Board authorizes the UnitedHealthcare Medicare Advantage with Part D premiums.

Resolution PEBB 2024-35

Premera 2025 Medicare Premiums

Resolved that, the PEB Board authorizes the Premera Medicare Supplement premiums.

Resolution PEBB 2024-36

Uniform Medical Plan (UMP) 2025 Medicare Premium

Resolved that, the PEB Board authorizes the Uniform Medical Plan (UMP) Classic Medicare with Part D (PDP) premium.

Questions?

Molly Christie, Fiscal Information & Data Analyst

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Appendix



2025 Medicare Subscriber + Medicare Spouse Premiums

	Monthly Single Subscriber Premium	Monthly Subscriber + Spouse Premium
Kaiser NW Senior Advantage with Part D	\$171.19	\$336.67
Kaiser WA Medicare Advantage with Part D	\$177.41	\$349.11
UMP Classic Medicare with Part D	\$453.21	\$900.71
UnitedHealthcare (MA-PD) PEBB Complete	\$181.55	\$357.39
UnitedHealthcare (MA-PD) PEBB Balance	\$153.56	\$301.41
Premera Medicare Supplement Plan F Retired	\$134.18	\$262.65
Premera Medicare Supplement Plan F Disabled	\$259.49	\$513.27
Premera Medicare Supplement Plan G Retired	\$114.80	\$223.89
Premera Medicare Supplement Plan G Disabled	\$193.60	\$381.49

*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 2025 plan year. Includes administrative fee of \$5.71 for 2025.

Medicare eligible spouse or State-registered Domestic Partner.

2025 Medicare Explicit Subsidy Amount by Plan

	Monthly Single Subscriber Premium	2025 Medicare Explicit Subsidy	Composite Rate
Kaiser NW Senior Advantage with Part D	\$171.19	\$165.49	\$336.68
Kaiser WA Medicare Advantage with Part D	\$177.41	\$171.71	\$349.12
UMP Classic Medicare with Part D	\$453.21	\$183.00	\$636.21
UnitedHealthcare (MA-PD) PEBB Complete	\$181.55	\$175.85	\$357.40
UnitedHealthcare (MA-PD) PEBB Balance	\$153.56	\$147.86	\$301.42
Premera Medicare Supplement Plan F Retired	\$134.18	\$128.47	\$262.65
Premera Medicare Supplement Plan F Disabled	\$259.49	\$183.00	\$442.49
Premera Medicare Supplement Plan G Retired	\$114.80	\$109.09	\$223.89
Premera Medicare Supplement Plan G Disabled	\$193.60	\$183.00	\$376.60

*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 2025 plan year. Includes administrative fee of \$5.71 for 2025.

UMP Classic Medicare 2025 Proposed Rate Comparison

	Current Benefit		Future Benefit	
	UMP Classic Medicare		UMP Classic Medicare with Part D	
2025 Composite Bid Rate	\$886.97	(\$251)	\$636.21	
Medicare Explicit Subsidy	\$183.00		\$183.00	
2024 Final Premium	\$532.94		N/A	
2025 Proposed Premium	\$703.97		\$453.21	
\$ Change (2024 to 2025)	\$171.03		-\$79.73	
% Change (2024 to 2025)	32%		-15%	

*2025 UMP Classic Medicare with Part D total bid rate savings, almost all attributed to change from creditable drug coverage to Part D.

Kaiser Foundation Health Plan of Washington (KPWA) Medicare 2025 Rate Comparison

	Current Benefit	Future Benefit
	KPWA Medicare Advantage	KPWA Medicare Advantage with Part D
2025 Composite Bid Rate	\$465.19	(\$116) \$349.12
Medicare Explicit Subsidy	\$183.00	\$171.71
2024 Final Premium	\$188.62	N/A
2025 Proposed Premium	\$282.19	\$177.41
\$ Change (2024 to 2025)	\$93.57	(\$11.21)
% Change (2024 to 2025)	50%	-6%

Kaiser Foundation Health Plan of the Northwest (KPNW) Medicare 2025 Rate Comparison

	Current Benefit	Future Benefit
	KPNW Senior Advantage	KPNW Senior Advantage with Part D
2025 Composite Bid Rate	\$410.85	\$336.68
		(\$74)
Medicare Explicit Subsidy	\$183.00	\$165.49
2024 Final Premium	\$193.95	N/A
2025 Proposed Premium	\$227.85	\$171.19
\$ Change (2024 to 2025)	\$33.90	(\$22.76)
% Change (2024 to 2025)	17%	-12%

TAB 7

Medicare Update

Ellen Wolfhagen
Retiree Benefits Manager
Employees and Retirees Benefits Division
July 11, 2024

Presentation Topics

- ▶ UMP Classic Medicare with Part D myths
- ▶ UMP Classic Medicare with Part D implementation status
- ▶ Communications timeline

UMP Classic Medicare with Part D Myths

1. "I need to sign up with Medicare or I will be subject to a late enrollment penalty."
2. "My drugs will no longer be covered."
3. "I have to pay separately for Part D coverage and will pay more for my drugs."
4. "I won't be able see what drugs are actually included in the Part D formulary."

Myth #1:

“I need to sign up with Medicare or I will be subject to a late enrollment penalty.”

“I need to sign up with Medicare in addition to the UMP Classic with Part D plan, or I will be subject to a late enrollment penalty!”

Facts:

- ▶ Enrolling in UMP Classic Medicare will enroll you in the Part D plan; you do not need to contact Medicare
- ▶ As long as you have had **creditable drug coverage**, you will not have to pay a late enrollment penalty (LEP)
- ▶ LEP applies only if there has been a gap in coverage of more than 63 continuous days

Myth #2:

“My drugs will no longer be covered.”

“I told my pharmacist that my UMP plan was changing to a Part D plan. Her response was, ‘oh no – you won’t be able to afford the copays. Your drugs will no longer be covered!’”

Facts:

- ▶ This is an employer group waiver plan (EGWP), not a commercial Part D plan
- ▶ Copays will in most instances be **less** than they currently are
- ▶ Virtually all drugs currently on UMP will be covered

Myth #3:

“I have to pay separately for Part D coverage and will pay more for my drugs.”

*“I have to pay for UMP **and** Part D (**and** potentially higher copays)!”*

Facts:

- ▶ Your premium for UMP Classic Medicare **includes** the premium for Part D
- ▶ Copays will generally be **less** under Part D (except for specialty drugs)
- ▶ The lower UMP Classic Medicare premiums and lower copays will net out to overall savings for the year

Myth #4:

“I won’t be able see what drugs are actually included in the Part D formulary.”

“The Part D formulary is not generally available and I don’t know how drugs are placed on it!”

Facts:

- ▶ The Part D formulary (also known as the Preferred Drug List or PDL) has to be approved by the Centers for Medicare and Medicaid Services (CMS) and will be posted on the Moda website in early September
- ▶ Tiers are defined by CMS
- ▶ Tiers are defined by generics, preferred brand name drugs, non-preferred drugs and specialty drugs

UMP Classic Medicare with Part D Implementation Status

HCA will migrate **current** UMP Classic Medicare members:

- ▶ No form or action by a **current** enrollee of UMP Classic Medicare is needed to **stay in** the plan
- ▶ Members who need to make changes can on their Benefits 24/7 accounts
 - ▶ Add or drop dependent(s)
 - ▶ Add or drop dental coverage

Communications Timeline

September

- ▶ Letter to current UMP Classic Medicare subscribers
- ▶ Moda drug look-up and pricing tools will post

October

- ▶ Additional letter to specific UMP subscribers to make address changes for compliance with CMS
- ▶ Moda customer service will be available to answer questions

Communications Timeline (*cont.*)

October

- ▶ Customized retiree letter (with premiums)
- ▶ Retiree-specific open enrollment webpage updated
- ▶ UMP virtual benefits fair webpage updated
- ▶ Retiree newsletter
- ▶ Updated retiree open enrollment packets available
- ▶ Open enrollment begins October 28

November

- ▶ Open enrollment ends November 25

Questions?

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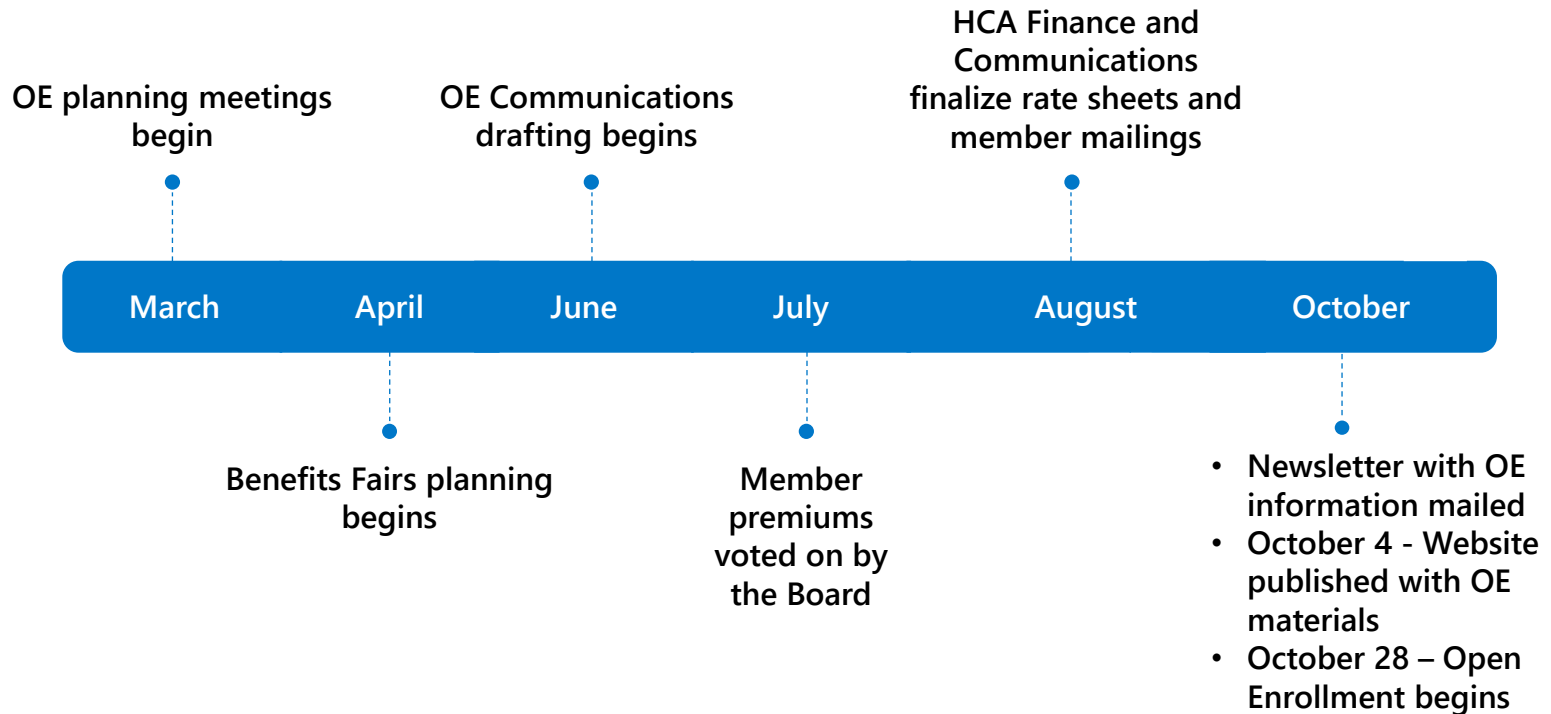
TAB 8

Open Enrollment Preview

Alisa Richards
Benefits Accounts Section Manager
Employees and Retirees Benefits Division
July 11, 2024

Open Enrollment Preparation Timeline

PEBB Program Open Enrollment 10/28/2024-11/25/2024



Open Enrollment Date Change

- ▶ Customer support
- ▶ Additional time for post open enrollment work
 - ▶ Manually entering changes from paper forms
 - ▶ File exchanges with carriers
 - ▶ Timely mailing of carrier welcome packets
- ▶ Maximizing participation on last day of open enrollment

Outreach and Training

- ▶ Supports over 700 PEBB Program agencies and SEBB organizations
- ▶ Provides training to organizations regarding program plan options, covered benefits, eligibility, rules, and enrollment processes
 - ▶ In turn, organizations act as the first line of customer services for their employees
- ▶ Assists benefits administrators when they reach out to the Outreach and Training unit for support
- ▶ Works on open enrollment year-round for strategies and process improvements

Customer Service

- ▶ Customer Service unit is the first line of contact for retirees and continuation coverage enrollees
- ▶ Staff performs three primary functions:
 - ▶ Answers calls via a toll-free line and responds to HCA Support inquiries
 - ▶ Provides in-person lobby services for walk-in members
 - ▶ Reviews members' retiree or continuation of coverage eligibility as they process enrollment forms
- ▶ 27 filled Medical Assistance Specialist (MAS) 3 positions
 - ▶ All will be fully trained by the start of open enrollment

Benefits Administrators Readiness

- ▶ Webinars
- ▶ Forwardable email messages with important information
- ▶ HCA Support external portal
- ▶ Open enrollment training

Benefits Fairs

- ▶ Changes based on member feedback
 - ▶ More dates and locations
 - ▶ Printed materials available at earliest fair
 - ▶ Increased staffing
 - ▶ Open time for all

- ▶ Virtual Benefits Fairs (VBF) available October 4
 - ▶ Available 24/7
 - ▶ Virtual booths with information from all plans

2024 Benefits Fairs Schedule

Date	City	Time
10/28/2024	Lynwood	10:00-6:00
10/29/2024	Spokane	10:00-6:00
10/29/2024	Bellingham	10:00-6:00
10/30/2024	Cheney	10:00-6:00
10/30/2024	Seattle	10:00-6:00
10/31/2024	Wenatchee	10:00-6:00
10/31/2024	Tacoma	10:00-6:00
11/1/2024	Renton	10:00-6:00
11/4/2024	Vancouver	10:00-6:00
11/5/2024	Olympia/Tumwater	10:00-6:00
11/5/2024	Pullman	10:00-6:00
11/6/2024	Port Angeles	10:00-6:00
11/6/2024	Pasco	10:00-6:00
11/7/2024	Yakima	10:00-6:00
11/7/2024	Bremerton	10:00-6:00

UW-Hosted Benefits Fairs Schedule

Date	City	Time
10/21/2024	Seattle	10:00-5:00
10/22/2024	Seattle	10:00-5:00
10/23/2024	Seattle	10:00-5:00
10/24/2024	Seattle	10:00-5:00

Communications Strategy

- ▶ Social media posts
- ▶ Forwardable email messages to benefits administrators
- ▶ Retiree association presentations
- ▶ Retiree customized letter
- ▶ Banners in Benefits 24/7
- ▶ Open enrollment webpages
- ▶ The October newsletter will provide essential information upfront
 - ▶ Front page will describe the steps to make enrollment changes and include information about premium and benefit changes

Benefits 24/7 Readiness

- ▶ Performance testing
- ▶ PEBB Program Vision and UMP Classic Medicare with Part D testing
- ▶ Interface testing
- ▶ Carrier file testing
- ▶ Regular language updates

Open Enrollment Member Checklist

- ▶ Log in to Benefits 24/7 to ensure account information is current, such as home address
- ▶ Consider signing up for email communications
- ▶ Prepare a list of questions to ask plans
- ▶ Review the changes such as premiums and benefits
- ▶ Make a list of prescriptions to research coverage for potential plan changes
- ▶ Read open enrollment materials (newsletters and website)

Open Enrollment Member Checklist (cont.)

- ▶ Change plans (or waive coverage) if applicable
- ▶ Add or drop dependents
- ▶ Attest to surcharges
- ▶ Review Life coverage
- ▶ Designate beneficiaries

Open Enrollment Member Checklist (Employees)

- ▶ Elect a Flexible Spending Account (FSA) or Limited Purpose FSA/Dependent Care Assistance Program (DCAP) (**employees only**)
- ▶ Complete SmartHealth incentive
- ▶ Long-Term Disability (LTD) coverage

Questions?

Alisa Richards, Benefits Accounts Section Manager
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TAB 9

Legislative PEBB/SEBB Consolidation Report Update

Cade Walker
Policy, Rules, and Compliance Section Manager
Employees and Retirees Benefits Division
July 11, 2024

Legislative Consolidation Report

In the 2024 supplemental operating budget, the Legislature tasked the Health Care Authority (HCA) with writing a legislative report about the potential future consolidation of the PEBB and SEBB Programs

History of Consolidation Reports

- ▶ 2020: the Consolidation of PEBB and SEBB Programs report to the Legislature
- ▶ 2019: Engrossed Substitute House Bill (ESHB) 2140
- ▶ 2018: Engrossed Substitute Senate Bill (ESSB) 6241
- ▶ 2017: Engrossed House Bill (EHB) 2242
- ▶ 2012: Engrossed Substitute Senate Bill (ESSB) 5940
- ▶ 2011: The State Auditor's Office
- ▶ 2004: the Office of Financial Management, (OFM)
- ▶ Additional reports dating back to the 1980s

2024 Legislative Report Requirements

ESSB 5950 (2024)- Section 212*

- ▶ Single governing Board structures
- ▶ Single risk pool for active and non-Medicare retirees
- ▶ Maintain current eligibility for all active employees
- ▶ A single portfolio of benefits

Report due December 1, 2024

- ▶ This report's requirements ask for insights and analysis, but no recommendations
- ▶ Provide the necessary statutory changes to achieve consolidation

*<https://lawfilesexternal.wa.gov/biennium/2023-24/Pdf/Bills/Session Laws/Senate/5950-S.SL.pdf?q=20240614100833>

2024 Legislative Report Requirements (*cont.*)

Additional considerations

- ▶ Engage with impacted participants
- ▶ Maintain benefit eligibility for current participants
- ▶ Ensure equity
- ▶ Previous consolidation reports

Single Governing Board Structures

Current Board Structures

PEB BOARD		SEB BOARD
1	Director of HCA (Chair)	
2	Benefits management and cost containment	Health benefits policy and administration
3	Benefits management and cost containment	Health benefits policy and administration
4	Benefits management and cost containment	Health benefits policy and administration
5	Benefits management and cost containment (<i>non-voting</i>)	Health benefits policy and administration (WASBO)
6	State employees	Certificated employees
7	State retirees	Certificated employees
8	School district retirees	Classified employees
9		Classified employees

Current Structure Statutes & Insights

- ▶ Statutes describing the board composition
 - ▶ PEB Board: RCW 41.05.055
 - ▶ SEB Board: RCW 41.05.740
- ▶ Insights
 - ▶ Boards balance equal representation of covered populations and health policy representatives
 - ▶ The HCA director (or designee) is an additional voting member

Single Governing Board Options

Three potential Board structure options for the number of representatives of covered populations:

▶ Proportional

- ▶ Representation based on proportion of covered lives

▶ Equal

- ▶ Two representatives each for state employees, school employees, and retirees

▶ Combined

- ▶ Combine boards and maintain current board representation levels

Medical Plan Enrollment as of May 2024

	Subscribers	Total Members
PEBB	128,883 (37%)	287,670 (42%)
SEBB	133,484 (39%)	279,987 (41%)
Retirees	82,603 (24%)	115,662 (17%)
Total	344,970 (100%)	683,319 (100%)

Single Governing Board Options (*cont.*)

Proportional Representation (11 members)	Equal Representation (13 members)	Combined Representation (15 members)
HCA Director	HCA Director	HCA Director
Benefits policy and cost containment (x5)	Benefits policy and cost containment (x6)	Benefits policy and cost containment (x7)
State employees	State employees	State employees
State employees	State employees	Retirees (state)
School employees	School employees	Retirees (K-12)
School employees	School employees	School employees (certificated)
Retirees	Retirees	School employees (certificated)
	Retirees	School employees (classified)
		School employees (classified)

Single Risk Pool for Active and Non-Medicare Retirees

Current Risk Pools

RCW 41.05.022(2)

PEBB Program Non-Medicare Risk Pool

State & Other*
Employees

State & Other* Non-Medicare Retirees

Non-Medicare School Retirees

RCW 41.05.080(3)

PEBB Program Medicare Risk Pool

State & Other*
Medicare Retirees

Medicare School Retirees

RCW 41.05.022(3)

SEBB Program Risk Pool

School Employees

*Other includes political subdivisions, COBRA, LWOP, etc. employees or retirees and their dependents

Single Risk Pool for Active and Non-Medicare Retirees

- ▶ Consolidation of the current risk pools described in RCW 41.05.022(2) & (3)
 - ▶ Results in:
 - One non-Medicare risk pool created
 - One Medicare risk pool maintained

Note: There are no report requirements for any changes to the existing Medicare risk pool (RCW 41.05.080(3))

Risk Pools After Consolidation

Non-Medicare Risk Pool

State & Other Employees

School Employees

State & Other non-Medicare
Retirees

Non-Medicare School Retirees

Medicare Risk Pool

State & Other
Medicare Retirees

Medicare School
Retirees

Maintain Current Eligibility for All Active Employees

Current Eligibility

Eligibility can be largely grouped into three categories:

- ▶ **PEBB Program employees**

- ▶ All employees of the state (including higher education institutions), elected and appointed officials of the executive branch, justices of the supreme court and judges of the court of appeals and superior courts, members of the state legislature, and employees of employer groups (*see RCW 41.05.011(6)(a)*)

- ▶ **SEBB Program employees**

- ▶ All employees of school districts, educational service districts, charter schools, and employees of SEBB Program employer groups (*see RCW 41.05.011(6)(b)*)

- ▶ **Retired, disabled, and separated employees** (*see RCW 41.05.080*)

Current Eligibility (*cont.*)

Statutory eligibility requirements and rules:

▶ **PEBB Program employees**

- ▶ RCW 41.05.065(4)(a)–(k)
- ▶ WAC 182-12

▶ **SEBB Program employees**

- ▶ RCW 41.05.740(6)(d) & (e)
- ▶ WAC 182-31

▶ **Retired, disabled, and separated employees**

- ▶ RCW 41.05.080
- ▶ WAC 182-12

Consolidated Eligibility

Eligibility statutes and rules would be combined and continue to differentiate into three categories based on the existing population structure:

▶ **State employees**

- ▶ All employees of the state (including higher education institutions), elected and appointed officials of the executive branch, justices of the supreme court and judges of the court of appeals and superior courts, and members of the state legislature

▶ **School employees**

- ▶ All employees of school districts, educational service districts, and charter schools

Consolidated Eligibility (*cont.*)

▶ **Other eligible subscribers (optional participation)**

- ▶ Separated employees (as currently defined by RCW 41.05.011(25))
- ▶ Retired or disabled public and school employees, and their dependents
- ▶ Surviving dependents of public and school employees
- ▶ Surviving dependents of emergency personnel killed in the line of duty
- ▶ Formerly elected or appointed officials and legislators
- ▶ School board members
- ▶ Employer groups (as currently defined by RCW 41.05.011(6)(a) & (b)(iv))
- ▶ Retired employees from formerly participating employer groups

What Would Not Change?

- ▶ Current eligibility specific to state or school employees would continue to apply to those specific employee categories under the consolidation

Examples include:

- ▶ Hour requirements unique to an employee category type
- ▶ Eligibility determinations occurring at the start of each school year would continue to apply only to school employees
- ▶ The 8-hour maintenance rule for benefits would continue to apply only to a subset of state employees
- ▶ Faculty averaging would continue to apply only to higher education institutions
- ▶ Seasonal worker eligibility would continue to apply only to a subset of state employees

A Single Portfolio of Benefits

Current Benefits Portfolios

	PEBB Program (non-Medicare)	SEBB Program
Medical*	3 Carriers (Kaiser Northwest, Kaiser WA, UMP); 10 plans	5 Carriers (Kaiser Northwest, Kaiser WA, Kaiser WA Options, Premera, and UMP); 17 plans
Dental	3 Networks/Plans (DeltaCare, Uniform Dental, Willamette)	3 Networks/Plans (DeltaCare, Uniform Dental, Willamette)
Vision**	3 Networks/Plans (Davis, EyeMed, MetLife)	3 Networks/Plans (Davis, EyeMed, MetLife)
Life/AD&D	MetLife; basic and supplemental option	MetLife; basic and supplemental option
LTD	The Standard; basic and supplemental option	The Standard; basic and supplemental option

* Not all medical carriers or plans are available in all counties.

** PEBB Program standalone vision plans will be available for the 2025 plan year.
Current PEBB Program vision benefits are embedded in the medical plans.

Current Benefits Portfolios (*cont.*)

2024 Medical Plans

	PEBB Program (non-Medicare)	SEBB Program
Employee Premium	\$26/72 to \$331/\$910 (individual/full family)	\$21/\$63 to \$237/\$711 (individual/full family)
Deductible	\$125/\$375 to \$1,600/\$3,200	\$125/\$375 to \$1,600/\$3,200
Out-of-Pocket Max	\$2,000/\$4,000 to \$5,100/\$10,200	\$2,000/\$4,000 to \$5,000/\$10,000
Coinsurance	10% to 20%	10% to 30%

Current Benefits Portfolios (*cont.*)

▶ **Dental**

- ▶ DeltaCare and Willamette plans are the same for each program
- ▶ Uniform Dental Plan (UDP) has differences:
 - ▶ SEBB Program: Waived deductible for children up to age 15, increased plan coverage for crowns, posterior teeth composite fillings, increased benefit for nonsurgical treatment of temporomandibular joint (TMJ)

▶ **Vision**

- ▶ The plans for the 2025 plan year are identical

▶ **Life Insurance/AD&D**

- ▶ The basic and optional supplemental coverage are identical

▶ **Long Term Disability**

- ▶ The optional supplemental coverage (employee paid) is the same for both programs
- ▶ However, the basic benefit (employer paid) is different
 - ▶ PEBB Program: \$240 monthly maximum benefit
 - ▶ SEBB Program: \$400 monthly maximum benefit

Consolidated Benefits Portfolio

- ▶ Anticipated benefits of single non-Medicare portfolio
 - ▶ Contracts for medical can be better leveraged for service covering both populations
 - ▶ Single portfolio of medical plans
 - ▶ Increased availability of plans throughout the state
- ▶ A single portfolio
 - ▶ For example, one UDP plan, one set of UMP, Kaiser, Premera plans
- ▶ Financial insights
 - ▶ Employer medical contribution (EMC)
 - ▶ Tier ratio alignment

Consolidated Benefits Portfolio (*cont.*)

- ▶ No changes to the existing Medicare portfolio
- ▶ Member impacts:
 - ▶ Difficult to say due to not knowing plan designs for single portfolio
 - ▶ Generally speaking, members may experience around one percent variability in premiums based on risk pool consolidation

Stakeholder Feedback Process

Stakeholder Engagement and Feedback

- ▶ Feedback from PEB and SEB Boards
- ▶ Stakeholder engagement will take place between July 18 and August 15, 2024
 - ▶ General informational meeting on July 18
 - ▶ Leveraging existing stakeholder meetings
- ▶ Written feedback due on August 16, 2024
 - ▶ Written feedback will be what HCA considers in finalizing the draft of the report

Discussion

- ▶ Single governing Board structures
- ▶ Single risk pool for active and non-Medicare retirees
- ▶ Maintain current eligibility for all active employees
- ▶ A single portfolio of benefits

Final Reminders

- ▶ Written feedback is due to HCA by August 16, 2024
- ▶ Legislative report is due December 1, 2024

Questions?

Cade Walker, Policy, Rules, and Compliance Section
Manager

Employees and Retirees Benefits (ERB) Division

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TAB 10



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