

Public Employees Benefits Board
Meeting Minutes

April 14, 2021
Health Care Authority
Sue Crystal Rooms A & B
Olympia, Washington
12:00 p.m. – 5:00 p.m.

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

Members Present via Phone

Sue Birch, Chair
Yvonne Tate
Scott Nicholson
Harry Bossi
Leanne Kunze
Tom MacRobert
Elyette Weinstein
John Comerford

PEB Board Counsel

Michael Tunick

Call to Order

Sue Birch, Chair, called the meeting to order at 12:06 p.m. Sufficient members were present to allow a quorum. Board introductions followed. Due to COVID-19 and the Governor's Proclamation 20-28, today's meeting is telephonic only and will address only those topics necessary and routine to complete the regular cycle of activity in our Board season.

Meeting Overview

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

This is our second meeting with our new tradition of highlighting a community that we serve. Today we highlight San Juan County.

Between the PEBB and SEBB Programs, we have about 7.5% of the population of the county served under one of the programs. That's a little over 1,400 residents of the county. When you add in the Medicaid Program, about 20% of the population in San Juan County is served by the Medicaid Program of the Health Care Authority. So,

between PEBB, SEBB, and Medicaid, we have about 28.5% of the entire population, which is around 17,000 individuals on the island.

The San Juan County unemployment rate is similar to the statewide average of about 4%. The per capita personal income is higher than the state and national average, but the median income is below that, which is indicative of a large retiree population. Retiree incomes included in the calculation of median income generally influence that calculation. There is a higher retiree population in the San Juan Islands.

Being an island community, primary care is generally delivered on the island as well as urgent care and emergent care. But when it comes to elective surgery or other elective and major procedures, a lot of individuals from San Juan County get those services in either Bellingham, Everett, or elsewhere in the upper Puget Sound region.

There has been increased availability of site services throughout the islands in recent years; but at the same time, the community has expressed need for additional in- and outpatient beds for acute mental health and substance abuse problems.

Other health care trends in the islands, they have noticeably lower cancer rates compared to state and national averages, lower birth rates and teens, again related to a larger retiree community. Because of those lower birth rates, lower teens, there's also limited availability of pediatricians.

The last highlight involves access issues because many of them go off the islands for those elective and planned procedures. The ferry system generally will run once per hour, and the one-way trip from the islands to the mainland, depending on how many islands it stops at, can take anywhere from 45 minutes to two hours. You're potentially looking at a round trip of four hours travel time. The ferry system can be cost prohibitive, especially for low-income families that live on the island.

I will finish my opening comments with a land acknowledgement statement. Our meeting is supported physically here in Olympia on the traditional territories of the Coast Salish people, specifically the Nisqually and Squaxin Island people. Olympia and South Puget Sound region are covered by the Treaty of Medicine Creek, which was signed under duress in 1854. We always want to continue acknowledging the role the tribal government has today in taking care of these lands.

Sue Birch: Dave, thank you for the land use acknowledgement and for our newfound tradition of showcasing parts of the state. I think it's a) so respectful and b) it helps us to understand the magnitude of the work we're doing and the state wideness of our efforts.

Approval of July 15, 2020 Meeting Minutes

Tom MacRobert moved, and Elyette Weinstein seconded a motion to approve. Minutes approved as written by unanimous vote.

Approval of July 22, 2020 Meeting Minutes

Yvonne Tate moved, and Elyette Weinstein seconded a motion to approve. Minutes approved as written by unanimous vote.

Approval of January 27, 2021 Meeting Minutes

Harry Bossi moved, and Scott Nicholson seconded a motion to approve. Minutes approved as written by unanimous vote.

Executive Session

Pursuant to RCW 42.30.110(1)(1), the Board met in Executive Session to consider proprietary or confidential non-published information related to the development, acquisition, or implementation of state purchased health care services as provided in RCW 41.05.026.

Sue Birch: For members of the public, we are back in our public meeting from Executive Session.

During the next presentation on long-term disability insurance, the Board will act on resolutions presented at last month's Board meeting. Due to the lengthy nature of many of the resolutions being presented for action, and under Robert's Rules, Board Members agreed it wasn't necessary to read the full text of a resolution as it was distributed to members in advance of the meeting. The final version of the resolutions was also published for public review this past Monday evening.

Long-Term Disability (LTD) Insurance

Kimberly Gazard, Contract Manager, ERB Division, reviewed the policy resolutions and modifications to the policy resolutions based on SEBB stakeholder feedback received. Since the policy resolutions are almost identical between the PEBB and SEBB Programs, we thought SEBB comments would also apply for the PEBB policy resolutions, which is why I will be referring to SEBB feedback, too.

A follow-up request from the March SEBB Board Meeting was to provide examples of the benefit waiting period, so, we thought it would be helpful to share these examples with this Board, too. Slide 3 – Benefit Waiting Period PFML Example is an example of when an employee is receiving Paid Family and Medical Leave (PFML) benefits for 90 days and has 30 days in their sick leave bank. Because the PFML waiting period is greater than the sick leave waiting period, the LTD benefit would begin paying on day 91.

Slide 4 – Benefit Waiting Period Sick Leave Example, is an example of an employee receiving PFML benefits for 90 days with 120 days in their sick leave bank. Because the sick leave waiting period is greater than the PFML waiting period, the LTD benefit would begin paying on day 121.

Slide 5 – Benefit Waiting Period 90-days Example, is an example of an employee who is not receiving PFML benefits, and they have no sick leave. The LTD benefit would begin paying on day 91.

Dave Iseminger: We always have people asking if the benefit waiting periods are consecutive or concurrent. These examples are to drive home that all the benefit waiting period possibilities run concurrent to each other. First review the benefit waiting period analysis, identify which prong has the largest number, and that's the number. You don't add multiple numbers together.

John Comerford: Does short-term disability cover the first 90 days?

Kimberly Gazard: Usually it does. It depends on the circumstance and what is approved by the state, but generally, yes.

John Comerford: Does the employee have to use their sick leave before they can hit short-term disability?

Kimberly Gazard: I will follow up on that question with the division that handles PFML.

John Comerford: Great, thank you very much.

Kimberly Gazard: Slide 6 – Resolution PEBB 2021-10 Employee-Paid Long-Term Disability (LTD). I want to discuss the SEBB stakeholder feedback we received regarding distinguishing between paid time off (PTO) and vacation leave. The comment was regarding Resolution PEBB-2021-13, but since Resolution PEBB-2021-10 has the same benefit waiting period, I'll discuss it now. After receiving the request for clarification, we engaged Standard in the discussion with the goal of plain talking the benefit waiting period. To summarize the changes made for the final recommended resolution before you today, we changed the structure of the benefit waiting period to list as five separate sub bullets, which outline the waiting periods that could apply, depending on the member circumstances. There is also clarified language to resolve the confusion caused by the references between both PTO and vacation leave.

Sub bullet 4 uses the term non-vacation as an objective. An example of non-vacation would be how many employers, like the state, received additional emergency Covid-19 paid leave for use during the pandemic to ensure employees have paid leave if other leave balances were exhausted or too low.

Sub bullet 3. The term PTO has always historically been applied when employers do not have a dedicated sick leave bank. Instead, they will offer one single bucket of leave used for all purposes: personal, vacation, and sick leave. This concept is further complicated because some employers also use terms like vacation, paid time off, paid days, personal leave, annual leave, and use them all interchangeably. In commercial LTD products, generally the entire amount of leave in a single bucket is used when calculating the benefit waiting period. HCA was able to work with Standard and negotiate for our benefit waiting period purposes, we would only count 50% of the leave when you have the circumstance of a single PTO bucket, which resulted in the new term we will refer to as fractionated period of paid time off. The policy will have an explicit definition of the paid time off and then the fractionated period of paid time off.

Slide 7 – LTD Policy Definitions, defines the paid time off plan and fractionated period of paid time off. Standard's practice for employers with single PTO bucket is to exhaust the entire leave before payments begin. HCA's will be 50%.

Dave Iseminger: This does have implications for PEBB employers. The state agencies and higher education institutions in general have multiple buckets of leave. For example, at the Health Care Authority, we have a sick leave balance and an annual leave balance. We're a two-bucket world, but there are employers in the PEBB Program who have a single bucket of leave, which tends to be in our political

subdivisions the agency contracts with for access to PEBB benefits. Some prime examples are hospital districts, many of whom have a single bucket of leave. This is a small improvement in the benefit going forward if the Board adopts this resolution and includes this concept. Today if an employee from a single bucket of leave employment situation goes out on a claim, the *entire* bucket of leave is applied to their benefit waiting period. Come January 1, only half of that leave balance will. We've identified at least 18 to 20 employers with a total of roughly 2,500 to 3,000 employees this change impacts. It's a small language change for a real benefit enhancement with no impact to the rates or the risk pool.

Kimberly Gazard: I want to discuss the term "choice pension" on Slide 6 before moving on. A "choice pension" benefit design allows a subscriber to choose to receive payment from their employer for their pension. If a subscriber chooses to receive the benefit, it is deducted from their disability payment. A "No choice" pension benefit design deducts pension payments from the disability payment regardless of whether the subscriber receives that pension payment. The PEBB and SEBB Programs are setup for "choice pension" and subscribers can decide if they would like to receive payment from their pension. This policy design existed in the PEBB and SEBB Programs prior to the January 1, 2022 LTD redesign.

Elyette Weinstein: Would you explain the no choice sick leave, please?

Kimberly Gazard: No choice sick leave essentially means it's part of our benefit waiting period, so you must wait that period of time. For example, you wouldn't necessarily have to use your sick leave, but you must wait that time period. If you have 120 days of sick leave, you wouldn't have to use 120 days, but you would have to wait that period of time because it's part of the benefit waiting period. Members don't have a choice as far as applying that to a benefit waiting period.

Slide 8 – Resolution PEBB 2021-11 – Employee-Paid Long-Term Disability (LTD) Enrollment Procedures. HCA received SEBB feedback on this resolution requesting clarification that Evidence of Insurability is not required in the first two statements. Those changes for current and new employees would not have Evidence of Insurability required.

Dave Iseminger: Those were not substantive changes but asking for clarification language to say "pay both ways" instead of one way.

Kimberly Gazard: Right. We simply added the words "when Evidence of Insurability is not required" at the end of the first bullet and then the second to the last line in the second bullet.

Dave Iseminger: It was implied before but now it's expressly stated. Thank you.

Kimberly Gazard: Slide 9 - Resolution PEBB 2021-11 (*cont.*). Piggybacking on the SEBB feedback from the previous slide, we clarified in the first bullet that Evidence of Insurability (EOI) would not be required when an employee reduces coverage from the 60% plan to the 50% plan.

Slide 10 – Resolution PEBB 2021-12 Amending Resolution PEBB 2020-04 Relating to Default Enrollments. This resolution spells out the changes made.

Slide 11 - Resolution PEBB 2021-12 (*cont.*). In the fourth bullet, the word “basic” is replaced with “employer-paid.” The last bullet was added to reference the 60% coverage level of automatic enrollment.

Dave Iseminger: HCA had no feedback in either program since last meeting on this resolution.

Kimberly Gazard: Slide 12 – Resolution PEBB 2021-13 Employer-Paid Long-Term Disability Insurance. HCA did receive feedback on this resolution. The feedback I gave you on Resolution PEBB 2021-10 applies here. It's identical, but this is the employer-paid piece.

Sue Birch: Vote - Resolution PEBB 2021-10 - Employee-Paid Long-Term Disability

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

Two separate employee-paid LTD insurance choices including: (a) coverage at 60% or (b) coverage at 50%. Both choices will have the following features:

The following benefit waiting period (the longer of):

- The following Benefit Waiting Period (the longer of):
 - 90 days;
 - The entire period of sick leave (excluding shared leave) for which the employee is eligible;
 - The Fractionated Period of Paid Time Off (PTO) for which the employee is eligible, if your employer has a PTO plan, as those terms are defined in the policy;
 - The entire period of other non-vacation salaried continuation leave for which the employee is eligible; or
 - The end of Washington Paid Family and Medical Leave Law for which the employee is receiving benefits
 - No Choice Sick Leave
 - Choice Pension
 - A Maximum Monthly Benefit of \$10,000 for the 60% coverage and \$8,333 for the 50% coverage

Leanne Kunze moved, and Scott Nicholson seconded a motion to adopt.

Voting to Approve: 7

Voting No: 0

Sue Birch: Resolution PEBB 2021-10 passes.

Sue Birch: Vote – Resolution PEBB 2021-11 – Employee-Paid Long-Term Disability (LTD) Enrollment Procedures

Resolved that,

- All employees who are eligible for the employer contribution towards PEBB benefits as of December 31, 2021 and not already enrolled in supplemental LTD insurance, or did not make an election (reducing or declining coverage) during an enrollment period established by the Health Care Authority in 2021, will be auto-enrolled in employee-paid LTD insurance at the 60% coverage level with an effective date of January 1, 2022 without Evidence of Insurability (EOI).
- An employee who becomes eligible for the employer contribution towards PEBB benefits on or after January 1, 2022 must make an election (reducing or declining coverage) during the benefit election period. If the employee fails to timely elect coverage, the employee will be defaulted into coverage according to Resolution PEBB 2021-12 without EOI. The effective date of coverage will be according to the policy established in May 1995.
- After January 1, 2022, an employee at any time may elect to reduce employee-paid LTD to the 50% coverage plan without EOI or fully decline employee-paid LTD. The effective date of the change in coverage will be the first day of the month following the date the employer receives the required election.
- An employee who seeks to increase coverage from the 50% coverage plan to the 60% coverage plan, or access previously declined employee-paid TD, will be subject to evidence of insurability. The effective date of the change in coverage will be the day of the month the contracted vendor approves the required form.
- Any employee who declines employee-paid LTD insurance will remain enrolled in employer-paid LTD insurance.

Tom MacRobert moved, and Elyette Weinstein seconded a motion to adopt.

Voting to Approve: 7

Voting No: 0

Sue Birch: Resolution PEBB 2021-11 passes.

Sue Birch: Vote – Resolution PEBB 2021-12 – Amending Resolution PEBB 2020-04 Relating to Default Enrollments

Resolved that, PEBB 2020-04’s third bullet is amended by striking the word “and” from the end of the sentence, the fourth bullet is amended by replacing the word “basic” with the word “employer-paid” and adding the word “;and” to the end of the sentence; and adding the following new fifth bullet “Enrollment in employee-paid long-term disability insurance at the 60% coverage level”.

This resolution now reads:

Resolved that, the default election for an eligible employee who fails to timely elect coverage will now be as follows:

- Enrollment in employee-only medical coverage;
- Enrollment in employee-only dental coverage;
- Enrollment in basic life insurance;
- Enrollment in employer-paid long-term disability insurance; and
- Enrollment in employee-paid long-term disability insurance at the 60% coverage level.

Scott Nicholson moved, and Elyette Weinstein seconded a motion to adopt.

Voting to Approve: 7

Voting No: 0

Sue Birch: Resolution PEBB 2021-12 passes.

Sue Birch: Vote – Resolution PEBB 2021-13 – Employer-Paid Long-Term Disability Insurance

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

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

Yvonne Tate moved, and Tom MacRobert seconded a motion to adopt.

Voting to Approve: 7

Voting No: 0

Sue Birch: Resolution PEBB 2021-13 passes.

Sue Birch: Thank you for the work on making these important changes to our LTD benefit. It's a good example of balancing benefit design with every choice. Though collectively, we will all continue to work on improving the employer-paid portion. These

changes are significant to ensuring PEBB Program employees have a greater likelihood of robust income replacement when they unexpectedly need to transition from the workforce.

Policy Resolutions

Sue Birch: Stella Ng and Emily Duchaine have several resolutions for Board action today. For the eight dual enrollment resolutions Emily will be presenting, I recommend we follow the same process the Board just followed for the LTD resolutions. I will suggest we vote on all eight dual enrollment resolutions in one vote .

Stella Ng, Policy and Rules Coordinator, ERB Division Policy, Rules, and Compliance Section. Slide 7 - Resolution PEBB 2021-01 Removing the Retiree 2-Year Dental Plan Enrollment Requirement, received no stakeholder feedback.

Sue Birch: Vote – Resolution PEBB 2021-01 – Removing the Retiree 2-Year Dental Enrollment Requirement

Resolved that, the PEBB Program requirement that retiree dental must be maintained for at least two years if a PEBB Program retiree enrolls in a dental plan is rescinded as of January 1, 2022.

Elyette Weinstein moved, and Scott Nicholson seconded a motion to adopt.

Voting to Approve: 6

Voting No: 0

Leanne Kunze needed to step out temporarily and did not vote on this resolution.

Sue Birch: Resolution PEBB 2021-01 passes.

Stella Ng: Slide 8 - Resolution PEBB 2021-14 Authorizing a Gap of 31 Days or Less Between Periods of Enrollment in Qualified Coverages During the Deferral Period. HCA received no feedback on this resolution, but staff found a technical error on Example #2.

Slide 9 - Example #2 indicates George had two employer-based group medical coverages with a single gap of 30 days for the month of June in 2020. We made a technical correction on the answer in this revised Example #2. The evidence provided shows a single gap of 30 days throughout the deferral period between June 1 and June 30, 2020.

Sue Birch: Vote – Resolution PEBB 2021-14 – Authorizing A Gap of 31 Days or Less Between Periods of Enrollment in Qualified Coverages During the Deferral Period

Resolved that, effective January 1, 2022, an eligible retiree or survivor who deferred enrollment while enrolled in qualified coverage may later enroll themselves and their dependent in a PEBB health plan by submitting the required form and evidence of continuous enrollment in one or more qualifying coverages, except that a gap of 31

days or less is allowed between the date PEBB retiree insurance coverage is deferred and the start date of a qualified coverage, and between each period of enrollment in qualified coverages, during the deferral period.

Tom MacRobert moved, and Yvonne Tate seconded a motion to adopt.

Voting to Approve: 6

Voting No: 0

Leanne Kunze needed to step out temporarily and did not vote on this resolution.

Sue Birch: Resolution PEBB 2021-14 passes.

Stella Ng: Slide 10 - Resolution PEBB 2021-15 - Rescinding PEBB Policy Resolution #4 SmartHealth (as adopted on July 12, 2017). No feedback was received on this resolution.

Dave Iseminger: I know Leanne left but she had a question I wanted to answer on the record, which was the value of the annual gift card expenditures in recent years. It is going away under the Collective Bargaining Agreement, resulting in the policy resolution. The projected annual amount of money spent on the gift cards is \$1.125 million. I'll make sure to reach out to Leanne so she knows it was put on the record.

Sue Birch: Vote – Resolution PEBB 2021-15 – Rescinding PEBB Policy #4 SmartHealth (as adopted on July 12, 2017)

Resolved that, effective January 1, 2022, PEBB Policy Resolution #4, as adopted on July 12, 2017, is rescinded.

Harry Bossi moved, and Tom MacRobert seconded a motion to adopt.

Voting to Approve: 6

Voting No: 0

Leanne Kunze needed to step out temporarily and did not vote on this resolution.

Sue Birch: Resolution PEBB 2021-15 passes.

Emily Duchaine, Regulatory Analyst, Policy, Rules, and Compliance Section, ERB Division. There are eight policy resolutions on dual enrollment for action today.

Slide 13 – Language Used Throughout This Presentation will provide definitions to the words used in the resolutions. These are intended to be distinct concepts for the purpose of these resolutions and are not to be equated with words like “waiver” and “default,” which are already defined. An employee or school employee is any employee eligible for the employer contribution toward PEBB or SEBB benefits, unless otherwise stated.

Slide 14 – Guidelines/Principles for Resolving Dual Enrollment were followed when developing the policy resolutions enabling HCA to resolve dual enrollment issues on behalf of the employee who doesn't act on their own. HCA will respect the default requirements already in place for each program, avoiding creating a gap in any coverage.

Slides 15-23 – Dual Enrollment Policy Resolutions. The resolutions were sent out for stakeholder review and HCA received no comments. The resolutions before you are identical to what was presented on March 17 with one exception. Resolution PEBB 2021-06 – Resolving Dual Enrollment Involving A PEBB Dependent With Multiple Medical Enrollments, Slide 20, contained an error. It stated, “the dependent will remain in SEBB benefits and will be auto disenrolled from the employee’s PEBB medical and/or dental, vision plans.” There is no separate vision plan in PEBB. Therefore, the resolution should state, “the dependent will remain in SEBB benefits and will be auto disenrolled from the employee’s PEBB medical and/or dental plans.” Slide 20 reflects that change.

Sue Birch: These eight lengthy dual enrollment resolutions work together as a set. A significant amount of time was spent reviewing these proposed examples at the last meeting. The Board already consented to not reading each resolution, so I'm now going to suggest we vote on all eight dual enrollment resolutions as a set in one motion. Any concerns with that process?

Since the Board has no objections, we'll proceed to voting on this set of resolutions.

Sue Birch: Vote – Resolutions PEBB 2021-02 through PEBB 2021-09

Resolution PEBB 2021-02 – Employees May Waive Enrollment in Medical

Resolved that, effective January 1, 2022, the “Waiver of Coverage” policy, as adopted in May 1995, is rescinded and is replaced with the following:

An employee who is eligible for the employer contribution toward PEBB benefits may waive their enrollment in a medical plan if they are enrolled in other employer-based group medical.

Exception: An employee may waive their enrollment in a PEBB medical plan to enroll in a SEBB medical plan only if they are enrolled in a SEBB dental plan and SEBB vision plan. In doing so, the employee also waives their enrollment in PEBB dental.

Resolution PEBB 2021-03 – PEBB Benefit Enrollment Requirements When SEBB Benefits Are Waived

Resolved that, a school employee who waives SEBB medical, SEBB dental, and SEBB vision for PEBB medical must be enrolled in a PEBB dental plan. If necessary, they will be automatically enrolled in the associated subscriber’s PEBB dental plan.

Resolution PEBB 2021-04 – Resolving Dual Enrollment When An Employee’s Only Medical Enrollment Is In SEBB

Resolved that, if the employee is enrolled only in PEBB dental, and is also enrolled in SEBB medical, and no action is taken to resolve their dual enrollment, the employee will remain in their SEBB benefits and they will be auto-disenrolled from the PEBB dental plan in which they are enrolled. The employee’s enrollments in PEBB life, AD& D, and LTD will remain.

Resolution PEBB 2021-05 – Resolving Dual Enrollment Involving Dual Subscriber Eligibility

Resolved that, if the employee is enrolled in PEBB medical as an employee and is also enrolled in SEBB medical as a school employee, and the employee has been enrolled in SEBB benefits longer than they’ve been enrolled in PEBB benefits, but no action is taken by the employee to resolve their dual enrollment, they will remain in their SEBB benefits and will be auto-disenrolled from their PEBB medical and PEBB dental plans. The employee’s enrollments in PEBB Life, AD&D, and LTD will remain.

If an employee is not enrolled in any medical but is enrolled only in PEBB dental and SEBB vision (with or without SEBB dental), the employee will be kept in SEBB benefits and auto-disenrolled from PEBB dental.

Resolution PEBB 2021-06 – Resolving Dual Enrollment Involving A PEBB Dependent With Multiple Medical Enrollments

Resolved that, if an employee’s dependent is enrolled in any PEBB benefits and the dependent is also a SEBB eligible school employee who is enrolled in SEBB medical as a school employee, and no action is taken by either the employee or the dependent to resolve the dependent’s dual enrollment, the dependent will remain in SEBB benefits and will be auto-disenrolled from the employee’s PEBB medical and/or dental plans in which they are enrolled.

Resolution PEBB 2021-07 – Resolving Dual Enrollment Involving a Member With Multiple Medical Enrollments As A Dependent

Resolved that, if an employee’s dependent is enrolled in both PEBB medical and SEBB medical as a dependent and has been enrolled in SEBB benefits longer than they have been enrolled in PEBB benefits, but no action is taken to resolve the dual enrollment, the dependent will remain in SEBB benefits and will be auto-disenrolled from the employee’s PEBB medical and/or dental plans if they are enrolled.

If an employee’s dependent is not enrolled in any medical but is enrolled only in PEBB dental and SEBB vision (with or without SEBB dental) as a dependent, the dependent will be kept in SEBB benefits and auto-disenrolled from PEBB dental.

Exception: If there is a National Medical Support Order or a court order in place, enrollment will be in accordance with the order.

Resolution PEBB 2021-08 – PEBB Benefit Automatic Enrollments When SEBB Benefits Are Auto-Disenrolled

Resolved that, if an employee's dependent, who is also a school employee who was auto-disenrolled from their SEBB dental and SEBB vision as a result of SEBB Board Resolution 2021-04, the employee's dependent will be automatically enrolled in the employee's dental plan if they are not already enrolled.

Resolution PEBB 2021-09 – Enrollment Requirements When An Employee Loses Dependent Coverage In SEBB Benefits

Resolved that, if an employee who is eligible for the employer contribution towards PEBB benefits was enrolled as a dependent in SEBB benefits and is dropped by the SEBB subscriber, HCA will notify the employee of their removal from the SEBB subscriber's account and that they have experienced a special enrollment event. The employee will be required to return from waive status and elect PEBB medical and PEBB dental. If the employee's employing agency does not receive the school employee's required forms indicating their medical and dental elections within sixty days of the employee losing SEBB benefits, they will be defaulted into employee only PEBB medical and PEBB dental.

Yvonne Tate moved, and Tom MacRobert seconded a motion to adopt Resolutions PEBB 2021-02 through PEBB 2021-09.

Voting to Approve: 6
Voting No: 0

Leanne Kunze needed to step out temporarily and did not vote on this resolution.

Sue Birch: Resolutions PEBB 2021-02 through PEBB 2021-09 pass.

2021-23 Biennial Budget Update

Tanya Deuel, ERB Finance Manager, Financial Services Division. The Governor's budget proposal for the next biennium was discussed at the Retreat in January. Today I'll walk through what we know today about the House and the Senate proposals.

Slide 2 – Proposed Funding Rate. All three versions of the budget are still per employee per month and adequate to maintain the current level of benefits. HCA has no concerns with any underlying assumptions.

Slide 3 – PEBB Funding Rate. The Governor's proposed budget for the next biennium has the funding rate at \$988 for FY22 and \$1,018 for FY23. The Senate and House budgets propose the same funding rates, \$936 for FY22 and \$1,091 for FY23. Between the Governor's budget and when the House and the Senate made their proposals, HCA looked at more recent numbers. We update our projections each quarter to include updates on enrollment, utilization, trends, risk scores, etc. and there has been a couple updated versions of our modeling. You might notice a difference in some of those numbers.

Slide 4 – Medicare Explicit Subsidy, which is the amount the state contributes towards our Medicare retiree’s health care premiums. The amount listed is the maximum, which is \$183 or 50% of the premium, whichever is less. This amount was \$150 until 2019 when it was increased to \$168. In 2020, it was \$183, where it has remained since.

Slide 5 – Proposed Budget Similarities between the three proposed budgets. First is our third-party administrator (TPA) spending authority. This is the administrative amount paid to MODA, Regence, and Delta Dental to administer our self-insured products. This is a technicality to get increased spending authority to spend the money in these funds.

Scheduling tool replacement, which is used by our Customer Service Unit for scheduling. This \$285,000 that was funded in all three budgets is a portion of a larger decision package with the majority being attributable to PEBB. The nature of the Call Center is largely supporting our retirees, however, this decision package did include about 5% attributable to SEBB to support their COBRA members. The total package was \$300,000 funded between the PEBB and SEBB Programs.

HCA received half an FTE in our Outreach and Training staffing to increase support for our agencies. This was funded at \$102,000 for the PEBB Program. Similarly, to the decision package above, the funding here is part of a larger decision package. This decision package had a total request for three FTEs with the larger portion attributable to the SEBB Program.

The Board Authority item is neither decision package nor technically funding, but language that exists in all three versions of the budgets. The first part of the language relates to the Board's authority. Increases in benefits are not allowed to be considered unless costs are being offset by other benefit reductions.

Dave Iseminger: Board Members are familiar with this last piece. The Legislature is taking the opportunity to clarify, because of the relationship of the cost of the subsidy, that the concept of reopening the retiree window really does need to go through the Legislature. The Legislature knowing that bill has floated around a couple of years wanted to be very clear that question needs to travel through the legislative path and can't independently be decided under the statutory authority of the Board. The Legislature and the budget are making that authority expressly clear.

Tanya Deuel: Slide 6 – Collective Bargaining Agreement. Each even-year summer we go through bargaining for health care. That agreement needs to be ratified by the Legislature. Everything relating to health care with a financial impact was included in all three versions of the budgets. The employer/employees split, that amount referred to as the state index rate has remained at 85%. Dave mentioned on a previous presentation the \$25 collective bargaining agreement wellness gift card was eliminated, which was approximately \$1.1 million.

Slide 7 – Proposed Budget Differences. The first difference is HCA’s request for PEBB My Account. This is funding to support enhancements, maintaining, and operating the PEBB My Account system. The Governor's budget and the House budget both funded this at \$1.2 million, where the Senate funded it at \$853,000.

The next difference is the retiree enrollment window, which ties back to language discussed two slides ago. The Senate budget included language that required HCA to submit a report to the Legislature by January 2022 to estimate the fiscal impacts with providing a one-time enrollment window for retirees, to include the fiscal impacts of that Medicare explicit subsidy Dave referenced.

2021 Legislative Session

Cade Walker, Executive Special Assistant, ERB Division. Slide 2 – 2021 Bills Analyzed by ERB Division shows that, to date, a total of 143 bill analyses have been done by the Division. High priority bills are those with a financial impact of more than \$50,000 or impact to our rules or policies. Staff have reviewed and provided feedback on 74 hearings as of last week.

Slide 3 – 2021 Legislative Session – ERB High Level Lead Bills. This slide is the funnel of progression of the bills we are tracking for the ERB Division high lead bills. These have the most potential impact on our programs. I want to call attention to the three bills that have made it to the Governor's desk. Senate Bill 5322 has been signed. The two other bills, Senate Bill 5169, regarding personal protective equipment reimbursement and Senate Bill 5313, regarding nondiscrimination for transgender services, made it through the cut offs and is in the final process of having concurrence being done for the amendments in the opposite chamber. We'll continue to monitor those as they make their way to the Governor's desk for signature.

Slide 4 – Upcoming Session – Agency Request Legislation. Senate Bill 5322, pertaining to the prohibition of dual enrollment between the PEBB and SEBB Programs has passed and been signed by the Governor. HCA appreciates the Legislature for supporting this legislation to clarifying the dual enrollment prohibition to ensure HCA can administratively manage these situations.

Slide 5 – House Bill 1052 – Group Insurance Contract is another significant piece of legislation we were tracking that could impact our program. It did not make it past the Senate on Sunday. HCA is currently evaluating options with the Office of the Insurance Commissioner and our authorizing environment on how to resolve the issue of ensuring we can have performance-based contracting to include performance guarantees and performance standards in our contracts that are permissible and align with the current insurance code.

Slide 6 – Topical Areas of Introduced Legislation, lists pieces related to the Paid Family and Medical Leave Program that made it past the April 11 cutoff, and is awaiting concurrence from the Senate for amendments that were made to it. Although these don't have direct impacts on our long-term disability product, we keep a close eye on legislation that may have implications on our benefits. The Paid Family Medical Leave Program bookends with our long-term disability product. There are no apparent direct implications to our long-term disability program or other aspects of our programs.

Only Senate Bill 5195, regarding opioid overdose medication, was voted out of the House ahead of that cut off. We expect to see additional amendments on that legislation before it goes to the Governor's Office.

Slide 7 - Topical Areas of Introduced Legislation (*cont.*). Senate Bill 5018 concerning acupuncture and Eastern medicine passed and is on the Governor's desk for signing. It expands some services. Carrier feedback on this legislation indicated the expanded services are already covered under all our health plans.

House Bill 1196, Audio-only Telemedicine made it through the cut off. HCA will track this bill to see when it gets to the Governor's desk for signature. Once session ends, I will have a final presentation for the Board at a meeting to provide the final details of what transpired during session.

2021 Annual Rule Making

Stella Ng, Policy and Rules Coordinator, ERB Division, provided a high-level discussion on this year's rule making and highlighted significant changes and actions HCA is considering. No action is needed from the Board.

Slide 2 – Rule Making Timeline is the timeline for rules to be adopted for a January 1, 2022 effective date.

Slide 3 – Focus of Rule Making. The focus of this year's rule making is divided into three different areas: adding clarity to rules to better administer and manage PEBB benefits as identified by staff and stakeholders; regulatory alignment; and to implement PEB Board policy resolutions.

Slides 4 and 5 – Administration and Benefits Management. HCA will: 1) add Medicare Part D late enrollment penalty payment be made to the contracted vendor; 2) clarify when a faculty's PEBB medical and dental will begin upon regaining eligibility; 3) restructure deferral rule for readability; 4) describe acceptable delivery methods for filing an appeal; and 5) clarify that a survivor of a retiree who has deferred enrollment may enroll or continue to defer enrollment in PEBB retiree insurance coverage upon the death of a retiree.

Slide 6 – Regulatory Alignment. A few changes were made to implement legislation related to Senate Bill 5322.

Elyette Weinstein: I applaud your clarifications of the deferral provisions. Is there any planned training for these in-house human services departments? I understand that some of us retirees can contact the Health Care Authority, but before we retire, the dearth of knowledge in these human resources departments is appalling. It really would help if these departments were trained, and it was emphasized that they need to talk to retirees / proposed retirees with questions.

Dave Iseminger: Elyette, that's an operational question and something I will talk about with our Benefits Accounts section manager to see if we can describe what we do today that may lead into other ideas for additional work that can be done in that area.

Sue Birch: Thank you, Dave. I will also bring that up to the Cabinet level just to see if there's any cross-agency ideas, and maybe work with Tracy Guerin at Department of Retirement Services about how we could step up those services in the state. We'll need a little time, but that would be a good thing for us to work on during the summer.

American Rescue Plan Act of 2021 (ARPA) – Premium Assistance for COBRA Continuation Coverage

Emily Duchaine, Regulatory Analyst, ERB Division. President Biden signed ARPA into law on March 11, 2021. It provides almost \$2 trillion in Covid-19 relief funding and includes provisions of health care coverage including a 100% COBRA premium subsidy, Dependent Care Assistance Program increase to contributions of \$10,500 maximum for 2021, Medicaid financing and eligibility rule changes, and health insurance marketplace subsidies. Today, we're only discussing the impacts to COBRA and providing a high-level overview of how HCA is preparing for the subsidy.

Slides 3 and 4 – COBRA subsidy Eligibility. The subsidy is available to assist eligible individuals (AEIs). This is a federal term included in ARPA, defined as employees and their dependents who lose or have lost health coverage due to involuntary termination or reduction in hours, voluntary or involuntary, and who are federally eligible for COBRA. Federally eligible for COBRA means a qualified beneficiary or their qualified dependents. For example, a legal spouse or child. A domestic partner is not considered a qualified beneficiary because federal law does not recognize domestic partners as tax dependents.

AEIs are defined as employees and their dependents who either elected COBRA or will elect COBRA on or after April 1, 2021, and before the subsidy ends on September 30, 2021, or who became eligible for COBRA prior to April 1, 2021, and their period of COBRA coverage includes any month between April and September 2021, the subsidy period. It's important to note that even if the individual did not elect COBRA when it was initially offered to them, or they did elect COBRA, but they discontinued it before April 1, they're still eligible to elect COBRA. They can either retroactively elect and have COBRA coverage back to when they lost their employer-sponsored group health coverage and pay whatever back premiums are due, or they can take advantage of the subsidy during the subsidy period and start their COBRA coverage active April 1. Anyone who had or could have had COBRA as far back as November 2019 would potentially be eligible because their 18 months of coverage would extend through April 2021.

Slide 5 – Temporary 100% COBRA Subsidy Timeline. The premiums will be subsidized for six months starting April 1, 2021 through to September 30, 2021. This applies to both medical and dental premiums. This subsidy will end earlier than September 30 for an individual if they become eligible for Medicare or other group health coverage.

Slide 6 – Resolutions PEBB 2020-01 and PEBB 2020-02. These two resolutions are still in effect. The maximum period of continuation coverage was extended until two months after the date the Governor terminates the state of emergency. We are still in that state of emergency. The enrollment timelines were extended to 30 days past the date the Governor terminates the state of emergency.

Slides 7 - 9 – Implementation. HCA will be notifying assistance-eligible individuals of the subsidy availability and the extended election period by May 30, 2021, which is required by the Act. HCA will also be notifying the assistance-eligible individuals of the subsidy expiration, which must be done between 15 and 45 days before the expiration date of the subsidy, which is September 30, unless the subsidy is expiring because the assistance-eligible individual has become eligible for coverage under another group

health plan or Medicare. The notice obligation can be met by amending existing notices already in place or by providing required notices that the federal government has issued in a separate document.

HCA will work with employing agencies to identify assistance-eligible individuals. For existing members, employing agencies will need to verify whether the loss of coverage was due to an involuntary reduction in hours or termination. The federal model notices were released last week. There is a requirement for qualified beneficiaries to attest that they believe they are an assistance-eligible individual by checking certain boxes. That's one way of determining eligibility. HCA will still need to work with the employing agencies to verify certain pieces of information. That's a process we're still ironing out. HCA will provide guidance to those agencies we will work with.

Federal notices have already been released. We are comparing those to the communications we prepared in advance to get ready. Information on the subsidy will be made available on the PEBB continuation coverage COBRA website. HCA staff will be trained on how to determine eligibility of those AEs.

Dave Iseminger: Emily's presentation was supposed to be just the policy piece. The May meeting will be about the operational side, the interactions and training that will be done by the Outreach and Training Unit to gather the data, and support from our Customer Service Center.

Behavioral Health Overview

Dr. Emily Transue, HCA Medical Director, and **Lauren Johnston**, SEBB Procurement Manager, ERB Division. **Dr Transue:** This is a topic that was front and center for us at the Health Care Authority and in the PEBB Program, even prior to the arrival of the pandemic. It has increased in importance since. HCA is aware of the tremendous needs in the population, the importance to meet those needs, and meeting a wide variety of different levels for different people.

Lauren Johnston: Slides 3 and 4 – PEBB Plan Behavioral Health Coverage, are a high-level illustration showing all our carriers have comprehensive behavioral health coverage. The term behavioral health includes both mental health and substance use disorder. Although our carriers have different cost shares, all plans provide several different options to access mental health and substance use disorder treatment. Slide 3 shows the types of in-person care a member can access. Slide 4 shows the types of remote care a member can access whether it's through a contracted virtual care provider or speaking with their existing provider remotely. All our carriers have a nurse line they can call as well as additional programs.

Slides 5 and 6 – Network Adequacy. Carriers assess their network adequacy in different ways. For example, our fully insured carriers like KP Northwest and KP Washington submit their product filing to the Office of the Insurance Commissioner (OIC). This filing includes information like the number of providers within a specific category within a specific radius or a certain amount of time it would take to get to a provider, like the emergency room. These filings are reviewed by the OIC to ensure they meet the OIC's requirements. Most of our carriers are accredited by the National Committee on Quality Assurance (NCQA), which includes an accreditation for network

adequacy. Our carriers also measure access and capacity through member calls and outbound surveys. High-volume services can be identified through claims utilization.

When our carriers identify specific areas of need, they work to expand their networks to improve access, decrease wait times, and improve ease of access to care for the needs identified. Our carriers are constantly recruiting new providers, trying to retain existing providers, and working to create strategic partnerships to ensure they have national providers incorporated into their networks. Our carriers have ramped up their virtual care and telehealth offerings, which we saw in their claims' utilization. There has been a dramatic increase in the use of both telemedicine and virtual care. Kaiser Northwest uses patient partners in mental health to help identify opportunities, different pain points, programs offered, and processes for when a member is trying to access care. Each of our carriers measure access times for routine or urgent care to improve access and to work on improvement.

Emily Transue: Slides 7 and 8 – Similar Programs Offered Across Multiple Plans.

Some plans are common or have similar offerings across plans, and some are more distinct. Some that are similar are several online- and phone-based applications.

Those include My Strength, which is offered by KP Northwest and KP Washington. This is a cognitive behavioral therapy application, which is essentially the principle that often mood is driven by thought patterns and thoughts. If we teach people how to modify and be conscious of those thoughts, mood tends to get much better. Likewise, teaching healthy coping mechanisms. Both of those principles have been shown to have short term and radical improvement in people's emotional state. My Strength is a clinical application that addresses several different individual needs. There are tailored programs to each need a person has.

Calm is another application offered by the Kaisers. This app focuses on meditation techniques, as well as mental resilience, sleep, and sleep hygiene.

Find Your Words is an application to help provide tools and the words to talk about depression with others. It's highly rated self-help based on cognitive behavioral therapy principles. There is behavioral health case management with all our carriers with licensed case managers who provide members with assistance such as coordination of care, care plan management, understanding, and navigating benefits and care options.

Some plans provide concierge services to help connect members to the care they need. The Uniform Medical Plan (UMP) offers Quartet. It takes members and matches them to mental health providers who have openings based on a criteria like geography, insurance, clinical needs, and their personal preferences. Members can self-refer or their primary or specialist provider can help them connect to a provider.

Magellan Healthcare has a product offered by Kaiser Washington that does much the same thing, helping members connect to in-network providers, and specifically to get that first appointment scheduled.

Slide 9 – Plan Specific Programs. Kaiser Northwest offers peer support specialists who have lived experience of either behavioral health, mental health, or substance abuse issues, who share that lived experience and what helped guide them to recovery with our members. Kaiser Northwest also has programs aimed at teens. They have an

intensive outpatient program for teens and another they're planning aimed at older teens and young adults who are particularly at-risk groups for these issues and can be very hard to reach. It's currently on hold because of issues around Covid. Hoping to start this summer.

AbleTo is offered by UnitedHealthcare. This has specific eight-week modules around certain issues, generally involving medical and behavioral comorbidities. The modules are directed towards providing an intersection specifically between medical and behavioral issues.

Slides 10 and 11 – Future Areas of Focus include the Recovery Pathways Program, currently in the pilot stage, with KPNW, focusing on patients with co-occurring disorders. The program includes a psychiatrist, your support specialists, and focus therapists with training in co-occurring disorders. They plan to expand if all goes well.

Also with KPNW is the Spravato (Ketamine) Treatment Program, which is a novel antidepressant previously used as a general anesthetic, recently approved for treatment-resistant depression. The program is currently in the planning phases with the intent to implement in 2021.

KPWA will focus on mental health and wellness recruitment and retention to address gaps in representation. Partnering with the University of Washington Master's in Health Administration (MHA) students on their Capstone Project.

UMP is considering Omada Mind, which is a pilot project currently available to 1,200 members who signed up in Fall of 2020. This is whole person care with dedicated support for anxiety, depression, and stress via Omada for a Behavioral Health Program.

UMP is also considering myStrength, a cognitive behavioral therapy application; a diverse clinical application to meet individual needs of each person.

UnitedHealthcare currently has several programs in proprietary and confidential stages.

Lauren Johnston: Slide 12 – Legislation Passed in 2019. House Bill 1099, referred to as Brennen's Law, requires carriers to provide network adequacy to consumers. The Employees and Retirees Benefits Division has included information on Brennen's Law in the SEBB and PEBB enrollment guides and on the HCA website. The OIC is currently in the process of going through rule development around this bill.

Slide 13 – Legislation Passed in 2020. Engrossed Substitute House Bill 2642 removes barriers to substance use disorder treatment and requires our PEBB carriers, as well as the UMP, to provide coverage for no less than two days, excluding weekends and holidays in a behavioral health agency that provides inpatient and residential substance use disorder treatment prior to conducting utilization review, and provide coverage for no less than three days in a behavioral health agency that provides withdrawal management services prior to conducting utilization review. It also requires our carriers to coordinate care between facilities to ensure seamless transfer as soon as possible to an appropriate and available facility or level of care. The health plan must pay the agent for the cost of care at the current facility until the seamless transfer to the new facility or level of care is complete. It does not require a behavioral health agency to

keep a person until the next level of care is available, but that in the event they do keep the patient, the carrier is required to continue to pay for those days until that transfer to the next level of care is available based on mutually approved treatment.

Emily Transue: Slide 14 – Mental Health Parity. This slide speaks to local laws and federal requirements around mental health parity. In general, federal law prohibits group health plans from imposing any less favorable benefit limitations on mental health or substance use treatment than on medical or surgical benefits. This idea has been around since the Mental Health Parity and Addiction Equity Act of 2008. It has gone through multiple modifications over time, with the last major changes in 2016. Essentially, if you cover something under medical or surgical, you require of a comparable thing under mental health benefit. Our PEBB plans meet this requirement. This is an active ongoing discussion. The interpretation and understanding of parity continue to evolve. It's not difficult to say if you cover in-patient care for medical care, you cover it for behavioral health care. It gets more complicated as you think about applied behavioral analysis for autism, which really doesn't have a comparable service on the physical health side. It has continued to become more sophisticated in how we think about what's equitable and appropriate for parity. Those conversations are ongoing between HCA and our plans.

Lauren Johnston: Slides 15 and 16 - Information on How to Access Services. Members can find more information on our HCA website on how to access services.

Slides 18 – 24 – Appendix, are individual slides for each carrier that is the same information on the website. It also includes questions a member could ask that may help guide the conversation when talking to their customer service representative about their plan, or maybe to identify a care manager. The information also includes phone numbers that a member can use when calling their plan. We always encourage members to call their health plan first if they have any questions on how to access care.

Emily Transue: Slide 16 – SmartHealth. One of the themes you're hearing us say is that different people have very different needs. HCA wants to have different resources available to meet those needs. The challenge being not everyone is aware of how to put a label on what they're experiencing.

SmartHealth is an important tool in our wellness program, available to all PEBB and SEBB Program employees. There are several behavioral health related topics on SmartHealth. Every carrier has a tile around mental health and mental health care. There is currently a mental health tips tile that will run through November. There will also be a tile around mental health during May, Mental Health Month. Eligible members can log in or register for an account if they don't have one and can explore what's available through SmartHealth and earn points for their wellness incentives for performing these activities.

Sue Birch: Thank you, Dr. Transue and Lauren. I want to encourage Board Members, you serve as dignitaries and our syndromic surveillance watching for things like emergency reviews, or alcohol sales, and some of the indicators we watch for in psychological distress are really concerning. We need an educated society about spreading the word and echoing these messages of available services. We know there are challenges for people to get in for counseling, which is why we've committed to

keeping our nearly 2,000 Zoom licenses available for our behavioral health workforce. If you have any interest in taking Mental Health First Aid through our agency or learning more about the subject, this is an area we're going to continue to evolve and get more services. We do get quite a few complaints that parents can't get their kids in for counseling services. We simply do not have the workforce and the system set up in America yet to really advance on more stable access to behavioral health care. I appreciate all the staff is doing and sharing with us, but please, Board Members, serve as spokespersons because life's really been hard on all of us watching, and referring, and doing our part in advocating for more resources in this really critical area.

Public Comment

No public comment.

Next Meeting

May 12, 2021

12:00 p.m. – 3:00 p.m.

Preview of April 7, 2021 PEB Board Meeting

Dave Iseminger, Director, Employees and Retirees Benefits Division, provided an overview of potential agenda topics for the May 12, 2021 Board Meeting.

Meeting Adjourned: 3:23 p.m.