

Public Employees Benefits Board Meeting

June 5, 2019

Public Employees Benefits Board

June 5, 2019

1:30 p.m. – 4:45 p.m.

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

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TAB 1

AGENDA

Public Employees Benefits Board
June 5, 2019
1:30 p.m. – 4:45 p.m.

Health Care Authority
Cherry Street Plaza
Sue Crystal Rooms A & B
626 8th Avenue SE
Olympia, WA 98501

Call-in Number: 1-888-407-5039

Participant PIN Code: 95587891

1:30 p.m.*	Welcome and Introductions		Sue Birch, Chair	
1:35 p.m.	Executive Session			
2:35 p.m.	Meeting Overview		Dave Iseminger, Director Employees and Retirees Benefits (ERB) Division	Information
2:40 p.m.	Prior Meeting Follow Up	TAB 3	Dave Iseminger, Director, ERB Division Marcia Peterson, Manager, Benefit Strategy & Design, ERB Division Ryan Pistroesi, Assistant Chief Pharmacy Officer, CQCT Division	Information
2:50 p.m.	LTD Insurance Benefit Strategy	TAB 4	Kimberly Gazard, Contract Manager, ERB Division	Information/ Discussion
3:10 p.m.	Emerging Medications	TAB 5	Ryan Pistroesi, Assistant Chief Pharmacy Officer, Clinical Quality and Care Transformation	Information/ Discussion
3:25 p.m.	Policy Resolutions	TAB 6	Rob Parkman, Rules and Policy Coordinator, ERB Division	Action
3:45 p.m.	2019 Annual Rule Making	TAB 7	Stella Ng, Senior Policy Analyst ERB Division	Information/ Discussion
4:00 p.m.	Uniform Medical Plan (UMP) Third Party Administrator (TPA) Implementation Update	TAB 8	Shawna Lang, UMP Senior Account Manager, Portfolio Management and Monitoring Section, ERB Division	Information/ Discussion
4:15 p.m.	Medicare Retiree Health Benefits Project Update	TAB 9	Molly Christie, Project Manager Benefit Strategy and Design Section, ERB Division	Information/ Discussion
4:30 p.m.	Public Comment			
4:45 p.m.	Adjourn			

***All Times Approximate**

The Public Employees Benefits Board will meet Tuesday, June 5, 2019, at the Washington State Health Care Authority, Sue Crystal Rooms A & B, 626 8th Avenue SE, Olympia, WA. The Board will consider all matters on the agenda plus any items that may normally come before them.

The Board will meet in Executive Session, pursuant to RCW 42.30.110(1)(d), to review negotiations on the performance of publicly bid contracts when public knowledge regarding such consideration would cause a likelihood of increased costs; and pursuant to RCW 42.30.110(1)(l), to consider proprietary or confidential nonpublished information related to the development, acquisition, or implementation of state purchased health care services as provided in RCW 41.05.026. The Executive Session will begin at 1:35 p.m. on June 5, 2019 and conclude no later 2:35 p.m.

No "final action," as defined in RCW 42.30.020(3), will be taken at the Executive Session.

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

Direct e-mail to: board@hca.wa.gov. Materials posted at: <http://www.pebb.hca.wa.gov/board/> no later than close of business on June 3, 2019.

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
Greg Devereux, Executive Director Washington Federation of State Employees 1212 Jefferson Street, Suite 300 Olympia WA 98501 V 360-352-7603 greg.devereux@hca.wa.gov	State Employees
Myra Johnson* 6234 South Wapato Lake Drive Tacoma WA 98408 V 253-583-5353 myra.johnson@hca.wa.gov	K-12 Employees
Carol Dotlich 8312 198 th Street E Spanaway WA 98387 V 253-846-6371 carol.dotlich@hca.wa.gov	State Retirees
Tom MacRobert 4527 Waldrick RD SE Olympia WA 98501 V 360-264-4450 tom.macrobert@hca.wa.gov	K-12 Retirees

PEB Board Members

Name	Representing
Tim Barclay 9624 NE 182 nd CT, D Bothell WA 98011 V 206-819-5588 tim.barclay@hca.wa.gov	Benefits Management/Cost Containment
Yvonne Tate 1407 169 th PL NE Bellevue WA 98008 V 425-417-4416 yvonne.tate@hca.wa.gov	Benefits Management/Cost Containment
Vacant*	Benefits Management/Cost Containment
Harry Bossi 19619 23 rd DR SE Bothell WA 98012 V 360-689-9275 harry.bossi@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

5/16/19



Washington State Health Care Authority
Public Employees Benefits Board

P.O. Box 42713 • Olympia, Washington 98504-2713
360-725-0856 • TTY 711 • FAX 360-586-9551 • www.pebb.hca.wa.gov

2019 Public Employees Benefits Board Meeting Schedule

The PEB Board meetings will be held at the Health Care Authority, Sue Crystal Center, Rooms A & B, 626 8th Avenue SE, Olympia, WA 98501. The meetings begin at 1:30 p.m., unless otherwise noted below.

January 31, 2019 (Board Retreat) 9:00 a.m. – 5:00 p.m.

March 20, 2019

April 24, 2019

May 21, 2019

June 5, 2019

June 19, 2019

July 10, 2019

July 17, 2019

July 24, 2019

If you are a person with a disability and need a special accommodation, please contact Connie Bergener at 360-725-0856

Updated 3/30/18

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: August 13, 2018

TIME: 8:07 AM

WSR 18-17-076

TAB 2

PEB BOARD BY-LAWS

ARTICLE I

The Board and its Members

1. **Board Function**—The Public Employee 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 for State employees and school district employees.
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 Members**—Until there are no less than twelve thousand school district employee subscribers enrolled with the authority for health care coverage, there shall be two non-voting Members of the Board. One non-voting Member shall be the Member who is appointed to represent an association of school employees. The second non-voting Member shall be designated by the Chair from the four Members appointed because of experience in health benefit management and cost containment.
5. **Privileges of Non-Voting Members**—Non-voting Members 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 for adoption by the Board. 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 10 days 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. Minutes summarizing the significant action of the Board shall be taken by a member of the HCA staff during the Board meeting, and an audio recording (or other generally-accepted) electronic recording shall also be made. The audio recording shall be reduced to a verbatim transcript within 30 days of the meeting and shall be made available to the public. The audio tapes shall be retained for six (6) months. After six (6) months, the written record shall become the permanent record. Summary minutes shall be provided to the Board for review and adoption at the next 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 Member may attend a meeting in person or, by special arrangement and advance notice to the Chair, A Member may attend a meeting 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. At the direction of the Chair, public testimony at board meetings may also occur in conjunction with a public hearing or during the board's consideration of a specific agenda item. 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 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 Member of the Board may endorse or oppose an issue purporting to represent the Board or the opinion of the Board on the 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.
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 [RONR]. 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—Board Members are subject to the requirements of the Ethics in Public Service Act, Chapter 42.52 RCW.

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.

TAB 3



Prior Meeting Follow Up

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

Ryan Pistoiresi, Assistant Chief
Pharmacy Officer, CQCT Division

Marcia Peterson, Manager
Benefits Strategy and Design, ERB Division

June 5, 2019

Prior Year Financial Insights

Fiscal Year 2018		
Funding Rate	\$	913
Uniform Medical Plan - Admin	\$	57,612,000
Uniform Dental Plan - Admin	\$	6,165,000
Flexible Spending Arrangement - Admin	\$	838,000

- *FY2019 Funding Rate - \$916*
- *Administrative dollar expenditures rounded to the nearest thousand*

Corrections to May 21, 2019 “Vision Benefit Strategy” Presentation

PEBB Program Vision Benefits

- Currently covered within the medical benefits
- Routine eye exam covered annually:
 - No cost to UMP members
 - KPNW and KPWA members have a copay that varies by plan
- Allowance of \$150 every two calendar years to put towards glasses or contact lenses

PEBB Program vs SEBB Program Frequency

	PEBB Program			SEBB Program
	UMP	KPNW	KPWA	Davis, EyeMed, and MetLife
Eye Exam	Renews every January 1	Every 12 months	Every 12 months	Renews every January 1
Glasses	Allowance renews every January 1 on even years	Allowance every 24 months	Allowance every 24 months	Allowance renews every January 1 on even years
Contacts				

Differences in separate benefit

	PEBB Program	SEBB Program
	Member Pays:	
Routine Eye Exam	UMP: \$0 KPNW: Varies by plan KPWA: Varies by plan	\$0
Frames	\$0 up to \$150, then 100% of the balance	\$0 up to \$150, then 80% of the balance
Lenses (single, bifocal, trifocal, lenticular)		\$0
Progressive Lenses* (based on lens tier)		\$0-175*
Lens Add-ons		\$0-85**

* See slide 6 (in May 21, 2019).

** See slide 7.

Uniform Medical Plan (UMP) Value Formulary Follow up

Uniform Medical Plan (UMP) Value Formulary Exception Process

Beginning January 1, 2020, all UMP plans will use a value formulary. Drugs not on the formulary will be covered only when medically necessary and all formulary drugs were found to have been ineffective or are not clinically appropriate for that member. The UMP plan will include the following tiers and member cost-shares:

Tier	Member Coinsurance ¹	Member Out-of-Pocket Max ²
Preventive	No coinsurance or deductible	\$0
Value	5% coinsurance No deductible	\$10
1 (select generics)	10% coinsurance No deductible	\$25
2 (preferred drugs)	30% coinsurance Deductible applies ³	\$75

1. All network pharmacies retail & mail order. Note: coinsurance amounts shown are for UMP Classic. Member cost-shares may be different for the UMP CDHP and UMP Plus plans.
2. Network pharmacies only; monthly out-of-pocket (MOOP) reflects 30-day supply; total MOOP depends on the member's plan.
3. UMP Annual Prescription Drug Deductible depends on the member's plan.

Uniform Medical Plan (UMP) Value Formulary Exception Process (*cont.*)

Members should refer to the [UMP Preferred Drug List \(PDL\)](#) to determine if a drug is covered on the UMP Value Formulary.

If a member is prescribed a drug that is not on the formulary, the member will need to pay the full cost of the drug. Members should talk to their physician about prescribing an alternative drug that is on the formulary. However, if the member has tried all the alternative drugs and none are found to be effective, or if the alternatives are found to be not medically appropriate, the member can request an exception. If approved, the requested non-formulary drug will be covered and the member will pay the appropriate Tier 2 cost-share.

Uniform Medical Plan (UMP) Value Formulary Exception Process (*cont.*)

Exception Process

1. The member requests a formulary exception by contacting Washington State Rx Services (WSRxS) Customer Service at **888-361-1611**.
2. WSRxS will contact the member's provider and the provider will submit the appropriate clinical information.
3. WSRxS' clinical team will review the submitted information to determine if the formulary alternatives the member used were ineffective or are not clinically appropriate.
4. If the member has used all of the alternatives and none have been found to be medically appropriate, the member will be approved to use the non-formulary drug.
5. If the exception is not approved, the member will be directed toward the appropriate alternatives on the formulary, or the member may pay the full cost for the non-formulary drug.

Questions?

Marcia Peterson, Manager
Benefit Strategy and Design Section
Employees and Retirees Benefits Division
Marcia.Peterson@hca.wa.gov

Ryan Pistoiresi, Assistant Chief Pharmacy Officer
Clinical Quality and Care Transformation Division
ryan.Pistoiresi@hca.wa.gov

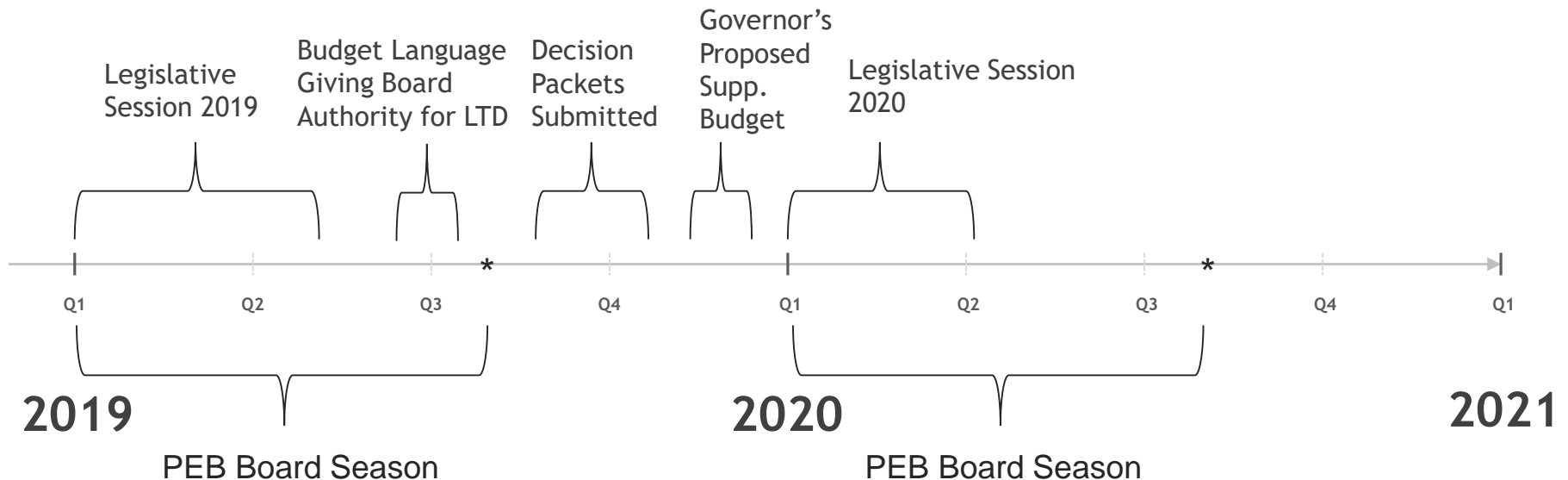
TAB 4



Long-Term Disability Insurance Benefit Strategy

Kimberly Gazard
Contract Manager
Employees and Retirees Benefits Division
June 5, 2019

Timeline for Decision Making



*Board Decision Point

Employer-Paid Basic LTD Plan Design

PEBB Program								
EMPLOYER-PAID BASIC LONG-TERM DISABILITY								
Base Waiting Period	Later of 90 days or End of Paid Family & Medical Leave							
Pension Offset	Choice							
Sick Leave offset	No Choice							
Maximum Monthly Benefit	\$240	\$417	\$554	\$704	\$874	\$1,053	\$1,224	\$1,408
	60% of \$400	60% of \$695	60% of \$923	60% of \$1,173	60% of \$1,457	60% of \$1,755	60% of \$2,040	60% of \$2,374
PSPM* Cost	Current PEBB	+ \$1.00 PSPM	+ \$2.00 PSPM	+ \$3.00 PSPM	+ \$4.00 PSPM	+ \$5.00 PSPM	+ \$6.00 PSPM	+ \$7.00 PSPM
Annual Cost	~\$3.5M	~\$5.1M	~\$6.7M	~\$8.4M	~\$10.1M	~\$11.7M	~\$13.4M	~\$15.0M

*PSPM = Per Subscriber Per Month

2020 LTD Basic Benefit Design Options

- The Board can make budget neutral benefit design changes to increase the Basic LTD after July 1, 2019, assuming the proposed operating budget language is included in the final 2019-2021 budget
- The Board would have to *reduce* projected claims expenditures in other benefits in the portfolio

2020 LTD Basic Benefit Design Options (*cont.*)

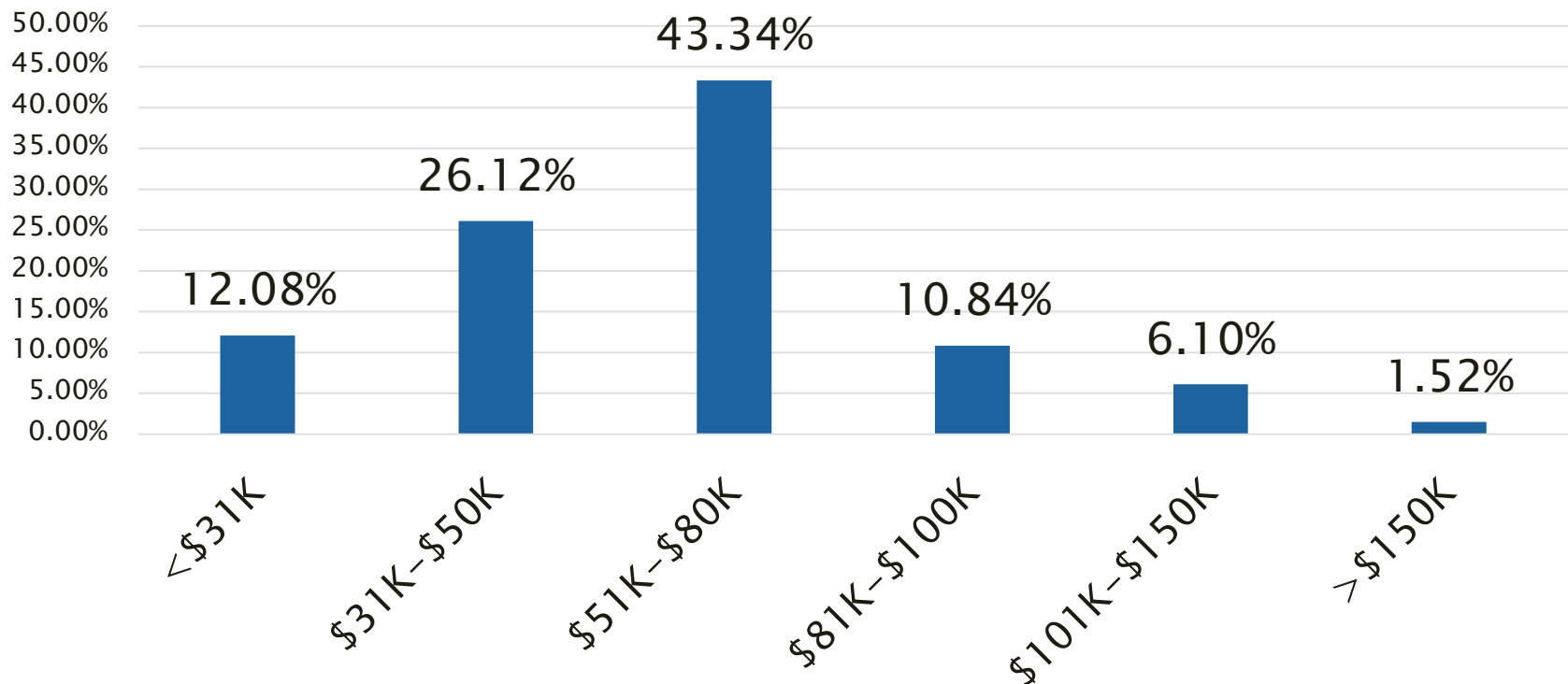
- At the April 24, 2019 Board Meeting, we introduced ideas for budget neutral “horse-trading” options, but the Board did not seem interested in those options
- HCA would need a clear indication at this meeting from the Board about any benefit changes for 2020 because changes for 2020 will impact the rate setting process that is underway

2021 LTD Basic Benefit Design

- Decision packages for the Governor's Budget will be prepared this fall
- Today we're seeking Board insight about the recommended range of incremental improvements to the basic LTD benefit

PEBB Program Member Income

State Employee Salary Range



Data provided by OFM from their 2017 – 2019 Budget Data.

Employer-Paid Basic LTD Plan Design (*cont.*)

	Current Plan	Benefit Waiting Period: Later of 90 days or end of WA Paid Family & Medical Leave							
Annual Salary Covered	\$4,800	\$10,000	\$20,000	\$30,000	\$50,000	\$80,000	\$100,000	\$150,000	\$200,000
Benefit Percent	60%								
Maximum Monthly Benefit	\$240	\$500	\$1,000	\$1,500	\$2,500	\$4,000	\$5,000	\$7,500	\$10,000
PSPM* Cost	Current PSPM	+ ~\$1.25 PSPM	+ ~\$4.25 PSPM	+ ~\$8 PSPM	+ ~\$16 PSPM	+ ~\$24 PSPM	+ ~\$26.50 PSPM	+ ~\$28 PSPM	+ ~\$28.25 PSPM
Total Annual Cost	~\$3.5M	~\$5.4M	~\$11M	~\$16.5M	~\$30M	~\$43.5M	~\$48M	~\$50M	~\$51M

*PSPM – Per Subscriber Per Month

138,126 Covered Lives

Questions?

Kimberly Gazard
Contract Manager
Employees and Retirees Benefits Division
kimberly.gazard@hca.wa.gov
360-725-1485

TAB 5



Emerging Medications

Ryan Pistoiresi, PharmD, MS
Assistant Chief Pharmacy Officer
Clinical Quality and Care Transformation
June 5, 2019

Presentation Overview

- **Spravato (esketamine nasal spray)**
 - Treatment-resistant depression in adults
- **Zulresso (brexanolone)**
 - Postpartum depression
- **Egaten (triclabendazole)**
 - Fascioliasis
- **Evenity (romosozumab)**
 - Treatment of osteoporosis in postmenopausal women at high risk for fracture
- **Vyndaqel and Vyndamax (tafamidis)**
 - Cardiomyopathy due to transthyretin-mediated amyloidosis (ATTR)
- **Balversa (erdafitinib)**
 - Metastatic urothelial bladder cancer

Spravato (esketamine nasal spray)

- Spravato is the first medication approved for treatment-resistant depression in adults
 - Patients who have not responded to two previous antidepressants
 - Used in conjunction with an oral antidepressant
- Same chemical but different arrangement to ketamine, an anesthetic and analgesic with abuse potential
 - Esketamine is a C-III medication and is only administered by a healthcare professional in approved settings
- Potentially high patient population
 - Few patients with depression may not respond to oral antidepressants across different medication subclasses
 - Other treatment options include other monotherapy, augmentation therapy, and cognitive-behavioral therapy (CBT)

Zulresso (brexanolone)

- Zulresso is the first medication approved for postpartum depression
 - Postpartum depression can occur up to 12 months after childbirth
- Zulresso requires a 60-hour continuous infusion
 - A healthcare provider must be present throughout for monitoring
 - Medication may cause excessive sedation and loss of consciousness
- Other treatment options for postpartum depression include antidepressants and psychotherapy
- Severe postpartum depression is rare
 - Most patients who develop postpartum depression are able to be treated with traditional oral antidepressants

Egaten (triclabendazole)

- Egaten is the first medication approved for fascioliasis, a parasitic infection by “liver flukes”
 - Liver infection caused by the parasite *Fasciola hepatica*
 - Endemic to Central and South America, Asia, Africa, and the Middle East
 - 2.4 to 17 million patients infected in 51 countries
- Triclabendazole was previously available for Americans who became infected while traveling internationally
 - Triclabendazole was available through a special program at the CDC
 - Approved by the FDA in February 2019
- Fascioliasis is considered to be ultra rare in the US
 - Likely to only be used by UMP members who live outside the US or by UMP members on international travel

Evenity (romosozumab)

- Evenity is approved for the treatment of osteoporosis in postmenopausal women at high risk for fracture or patients who have failed or are intolerant to other therapies
 - First medication that is a sclerostin inhibitor
 - Sclerostin is a molecule that inhibits bone formation
- Black box warning of increased risk of heart attack, stroke, and cardiovascular death
- Osteoporosis is a common condition, but romosozumab will compete with other second-line therapies
 - Other second-line options are Forteo (teriparatide), Tymlos (abaloparatide), Prolia (denosumab), or raloxifene
 - Romosozumab is limited to 12 months of use per lifetime, so other therapies may be used after completion of treatment

Vyndaqel and Vyndamax (tafamidis)

- Vyndaqel and Vyndamax are approved for the treatment of cardiomyopathy in patients with transthyretin-mediated amyloidosis (ATTR)
 - Tafamidis is a transthyretin stabilizer, preventing proteins from falling apart and creating amyloid plaques
 - Tafamidis was approved in Europe and Japan in 2011
- In 2018, Onpattro (patisiran) and Tegsedi (inotersen) were approved for treatment of polyneuropathy in patients with hereditary ATTR
 - Uncertain if these medications may be used together
- ATTR is considered ultra rare for UMP
 - UMP has not seen any requests for these drugs

Balversa (erdafitinib)

- Balversa is approved for adult patients with locally advanced or metastatic urothelial carcinoma with FGFR3 or FGFR2 genetic alterations
 - First medication targeting FGFR3 or FGFR2 mutations
- The most common type of bladder cancer is urothelial carcinoma
 - FGFR mutations are found in about 20% of relapsed or refractory urothelial cancers
- Balversa will compete with other treatment options for patients with locally advanced or metastatic urothelial carcinoma
 - Many treatment options available for patients with this disease
 - Challenging to predict uptake for UMP

UMP Budget Impact

- The anticipated combined budget impact of these 6 new drugs for UMP is approximately \$2.19 million per year
 - Vyndaqel and Vyndamax could cost upward of \$225,000 per patient per year
 - Estimated UMP budget impact is based on plan size and estimated per-member-per-month from third-party analyses
- Total of 19 new drugs previously reviewed in 2019 is anticipated to be \$1.68 million
- Total of 25 new drugs reviewed in 2019 is anticipated to be \$3.87 million

Questions?

Ryan Pistoiresi, PharmD, MS
Assistant Chief Pharmacy Officer
Clinical Quality and Care Transformation

ryan.pistoiresi@hca.wa.gov

Tel: 360-725-0473

TAB 6



Policy Resolutions

Rob Parkman, Policy and Rules Coordinator
Policy, Rules, and Compliance Section
Employees and Retirees Benefits Division
June 5, 2019

PEB Board Policy Resolutions

PEBB 2019-03	Retiree Insurance Coverage Deferral - CHAMPVA Survivors
PEBB 2019-04	SEBB Program Employees and PEBB Program Retiree Term Life Insurance Eligibility
PEBB 2019-05	Error Correction Incorrect Information

RCW 41.05.080(1)

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

- (a) Retired or disabled state employees, retired or disabled school employees, retired or disabled employees of county, municipal, or other political subdivisions, or retired or disabled employees of tribal governments covered by this chapter may continue their participation in insurance plans and contracts after retirement or disablement;
- (b) Separated employees may continue their participation in insurance plans and contracts if participation is selected immediately upon separation from employment;

Policy Resolution PEBB 2019-03

Retiree Insurance Coverage Deferral - CHAMPVA Survivors

Resolved that, beginning July 17, 2018 enrollment in a PEBB Program health plan may be deferred when the subscriber is enrolled as a retiree or a survivor of a retiree who was enrolled in the Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA).

Policy Resolution PEBB 2019-04 SEBB Program Employees and PEBB Program Retiree Term Life Insurance Eligibility

Resolved that, beginning January 1, 2020 an eligible school employee who participates in SEBB Program life insurance and meets the eligibility requirements for PEBB Program retiree insurance coverage, is eligible for PEBB Program retiree term life insurance.

Policy Resolution PEBB 2019-05

Error Correction Incorrect Information

Resolved that, if an employing agency provides incorrect information regarding PEBB Program benefits to the employee that they then relied upon, at a minimum the error will be corrected prospectively with enrollment in benefits effective the first day of the month following the date the error is identified. The Health Care Authority approves all error correction actions and determines if additional recourse, which may include retroactive enrollment, is warranted.

Prior Error Correction Resolutions

2013 Rulemaking

6/26/2013: Policy Resolution #2, Agency Error Correction

Resolved, that if an employing agency fails to enroll an employee in benefits, retroactive medical and dental enrollment will not exceed three months, [unless the HCA determines additional recourse is warranted](#).

Recourse will be provided in accordance with each situation.

2014 Rulemaking

7/16/2014: Policy Resolution, Error Correction

Resolved, that if an employing agency fails to enroll an employee in benefits, medical and dental enrollment will be effective the first day of the month following the date the enrollment error is identified, [unless the Health Care Authority determines additional recourse is warranted](#). If the enrollment error is identified on the first day of the month, enrollment is effective that day.

2018 Rulemaking

7/17/2018: PEBB 2018-02, Enrollment Error Correction

Resolved that, if any employing agency errs and enrolls an employee or their dependents in PEBB insurance coverage when they are not eligible and it is clear there was no fraud or intentional misrepresentation by the employee involved, premiums and any applicable premium surcharge paid by the employee will be refunded by the employing agency to the employee without rescinding the insurance coverage.

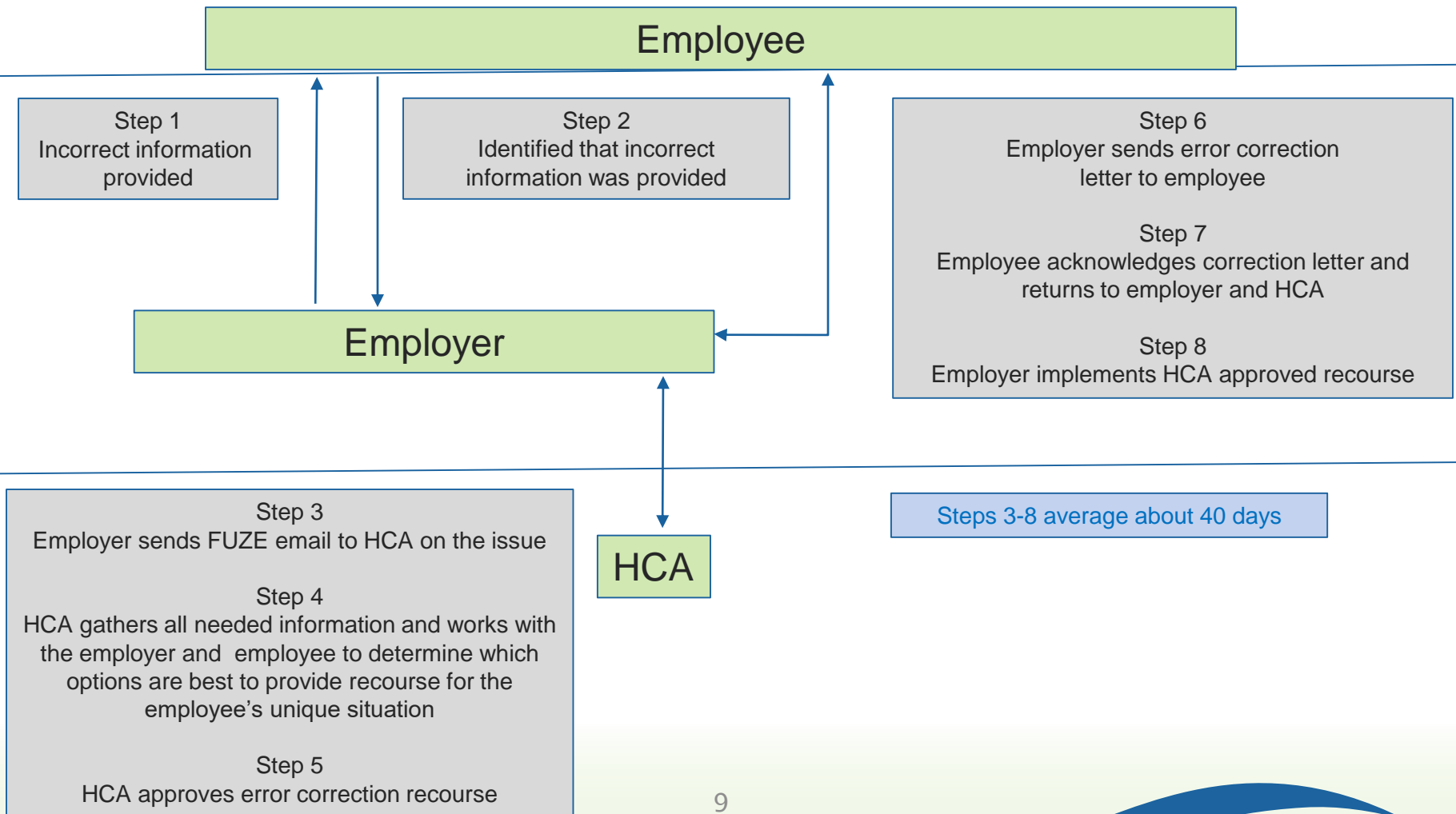
Error Correction Data

- September - December of 2018 Error Correction Volume:
 - Failure to Accurately Enroll/Waive/Surcharges - 38
 - Failure to Accurately Reflect Surcharge Status – 9
 - Failure to notify of eligibility timely – 64
 - Failure to terminate timely – 20

(about 20% of these included retroactive enrollment)
- 2019 Appeals data on Employers Incorrect Information
 - Appeals for Employers Providing Incorrect Information - 9

(All 9 included retroactive enrollment)

Error Correction Incorrect Information Process Flow



Next Steps

Incorporate policy resolutions into PEBB
Program rules.

Questions?

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Appendix

Proposed Policy Resolution PEBB 2019-01 Retiree Insurance Coverage Deferral - CHAMPVA Survivors (as presented at May 21, 2019)

Beginning July 17, 2018 enrollment in a PEBB Program health plan may be deferred when the subscriber is enrolled as a retiree or a survivor of a retiree who was enrolled in the Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA).

Proposed Policy Resolution PEBB 2019-02 SEBB Employees and PEBB Retiree Term Life Insurance Eligibility (as presented at May 21, 2019)

Beginning January 1, 2020 an eligible school employee who participates in SEBB Program life insurance and meets the eligibility requirements for PEBB Program retiree insurance coverage, is eligible for PEBB Program retiree term life insurance.

Proposed Policy Resolution PEBB 2019-03 Error Correction Incorrect Information (as presented at May 21, 2019)

If an employing agency provides incorrect information regarding PEBB Program benefits to the employee that they relied upon, the error will be corrected prospectively with enrollment in benefits effective the first day of the month following the date the error is identified. The Health Care Authority approves all error correction actions and determines if additional recourse is warranted.

TAB 7



2019 Annual Rule Making

Stella Ng, Senior Policy Analyst
Policy, Rules, and Compliance Section
Employees and Retirees Benefits (ERB) Division
June 5, 2019

Rule Making Timeline

July 2019	File proposed amendments (CR-102) and distribute new rules for public comments
August 2019	Conduct public hearing and adopt final rules (CR-103)
January 2020	Adopted rules will be effective January 1, 2020

Focus of Rule Making

- Administration and benefits management
- Regulatory alignment
- Amendments within HCA Authority
- Implement PEB Board policy resolutions

Administration and Benefits Management

- Amend PEBB Program rules to have consistent use of language
- Provide more clarity on the agency's Brief Adjudicative Proceedings and Formal Administrative Hearing processes

Administration and Benefits Management (*cont.*)

- Clarify HCA may develop a reasonable payment plan of up to 12 months upon a subscriber or subscriber's legal representative's request
- Subscriber address requirements

Regulatory Alignment

- Amend definitions
- Implement legislation
- Clarify how an employee can continue Medical Flexible Spending Arrangement (FSA) contributions by electing COBRA

Regulatory Alignment (*cont.*)

- Clarify National Medical Support Notice requirements
- Enrollment requirement for adding a newborn or a child based on adoption

Amendments within HCA Authority

- Error correction of providing incorrect information regarding benefits to an employee or the employee's dependent

Questions?

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TAB 8



Uniform Medical Plan TPA Implementation Update

Shawna Lang
UMP Senior Account Manager
Employees and Retirees Benefits Division
June 5, 2019

UMP Implementation

- Procurement for Third Party Administrator (TPA) for Uniform Medical Plan was released in November 2016
- Contract signed in early 2018
- Implementation Update and go live January 1, 2020

Implementation Stages

- Alignment Stage Gate
 - Baselined scope
 - Initial implementation plan
- Definition Stage Gate
 - Resource Plan Complete
 - Implementation Plan completed with baselined milestones
- Delivery Stage Gate
 - Deliverables complete
 - Implementation Sign off
- Transition Stage Gate
 - Production Support Complete
 - Transition Sign off

UMP Implementation

Work Streams

Account Team Infrastructure	Operations – other functional areas
ACP Reporting	Performance Guarantees
Clinical Management	Provider Management
Communications	Provider Search
Medical Pharmacy Management	Reporting and Benchmarking
OCIO Design Review	Value-Based Programs
Operations – high priority areas	

New UMP Clinical Programs Implemented

- Radiology Full UM / Advanced Imaging Authorization (AIM)
 - Computed Tomography (CT)
 - Nuclear Cardiology Echocardiography (SE)
 - Magnetic Resonance Imaging (MRI)
- Sleep Medicine
 - Through Evicore
 - Preauthorization of Testing Site (home, sleep center, inpatient, outpatient), Equipment and Supplies, Examine Member Compliance Q90 Days
- Physical Medicine
 - Through EviCore
 - Preauthorization of: Pain Management, Joint Surgery/Back Surgery, Physical Therapy / Speech Therapy / Occupational Therapy (PT/ST/OT)

New UMP Clinical Programs Implemented (*cont.*)

- 24-hour Nurse Advice Line (excluded for UMP Plus plans)
 - Toll-free, RN consultation, 24/7
 - Includes additional support from dietician, diabetic educator, pharmacists, social workers, respiratory therapists
- BabyWise
 - Pregnant members age 18 and over
 - Maternity management
 - Maternity support & education
 - Due Date Plus (mobile app)

Questions?

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TAB 9



Medicare Retiree Health Benefits Project Update

Molly Christie
Strategic Plan Project Manager
Benefit Strategy and Design Section
Employees and Retirees Benefits Division
June 5, 2019

PEBB Program Medicare Retiree Portfolio

A Work in Progress

At the PEB Board Retreat in January, we discussed:

- Why we're evaluating the PEBB Program Medicare retiree portfolio
- Medicare retiree benefit options other states have pursued
- Results from the Request for Information on Medicare Advantage plus Prescription Drug (MA-PD) plans
- HCA's recommendation to procure one or more MA-PD plans to supplement the PEBB Program Medicare retiree portfolio, at least one of which operates as a National Preferred Provider Organization (PPO*)

* "Non-differential PPO Extended Service Area;" see slide 5 for details

Today's Agenda

- ▶ **Request for Information (RFI) Recap**
 - What we learned about MA-PDs
- ▶ **Request for Proposal (RFP) Status**
 - Where we are in the process
- ▶ **Funding**
 - How we're looking ahead
- ▶ **Timeline**
 - Putting it all together

MA-PD Request for Information Recap

- ▶ **MA-PDs are private insurance plans that cover all Medicare benefits, including Part D drug benefits**
 - CMS* pays Medicare Advantage Organizations (MAOs) a capitated (per enrollee) subsidy to provide coverage for all Original Medicare** benefits
 - MA-PD plans also receive subsidies from CMS that cover at least 74.5% of the cost of Part D drug benefits, as well as drug manufacturer discounts
 - Medicare Advantage plans set their own limits on how much members pay for covered services
 - Many Medicare Advantage plans offer benefit enhancements over Original Medicare, such as vision, dental, hearing, and alternative therapies (chiropractic, acupuncture, massage)

*Centers for Medicare & Medicaid Services

**Medicare Parts A & B

MA-PD Request for Information Recap (*cont.*)

Some large MAOs are able to offer national MA-PD coverage through an Extended Service Area (ESA) waiver from CMS. These plans are called Non-differential PPO* ESAs, and:

- Members are able to receive care from any Medicare-participating provider who accepts the plan
- Member cost-sharing levels are the same regardless of whether providers are 'in' or 'out' of the plan's network

MA-PD Request for Proposals Status

HCA is preparing a Request for Proposal (RFP) for both national and regional MA-PD PPO plans to supplement the current PEBB Program Medicare retiree portfolio

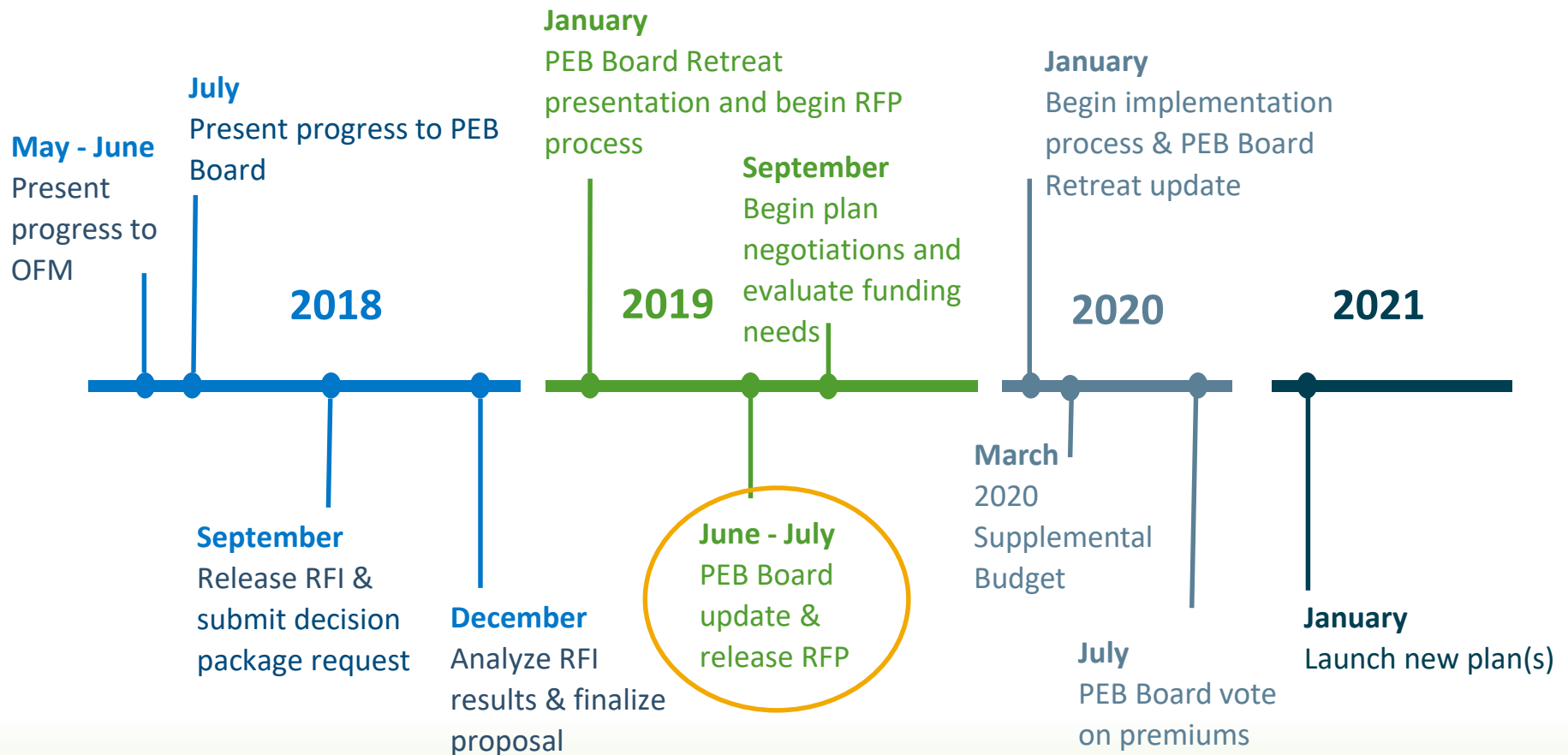
- Goal to have a more sustainable and affordable health benefits portfolio that maximizes federal funding to help keep member costs low

Response due date scheduled for August and will provide greater clarity on rate and benefit parameters for negotiation

Evaluate Funding

- RFP timing will provide the opportunity to evaluate more specific financial information on MA-PD prior to the next legislative session
- In the Fall, HCA will evaluate any potential funding needs (such as implementation costs and dedicated staff resources) and consider making requests as part of the 2020 supplemental budget process

Timeline



Questions?

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