Public Employees Benefits Board
June 19, 2019
1:30 p.m. – 4:00 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 19, 2019**  
**1:30 p.m. – 4:00 p.m.**

**Call-in Number:** 1-888-407-5039  
**Participant PIN Code:** 95587891

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
<th>Presenting Individual</th>
</tr>
</thead>
<tbody>
<tr>
<td>1:30 p.m.</td>
<td><strong>Welcome and Introductions</strong></td>
<td>Lou McDermott, Chair Pro Tem</td>
</tr>
<tr>
<td>1:40 p.m.</td>
<td><strong>Meeting Overview</strong></td>
<td>Dave Iseminger, Director, ERB Division</td>
</tr>
<tr>
<td>1:50 p.m.</td>
<td><strong>June 5, 2019 Meeting Follow Up</strong></td>
<td>Dave Iseminger, Director, ERB Division</td>
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</table>
| 2:00 p.m.  | **2020 Rates Overview**                                                  | Tanya Deuel, ERB Finance Manager, Financial Services Division  
|            |                                                                          | Beth Heston, PEBB Program Procurement Manager, ERB Division |
| 3:05 p.m.  | **Eligibility and Enrollment Policy Development**                        | Rob Parkman, Rules and Policy Coordinator, ERB |
| 3:20 p.m.  | **Emerging Medications**                                                 | Ryan Pistoresi, Assistant Chief Pharmacy Officer, Clinical Quality and Care Transformation |
| 3:40 p.m.  | **Public Comment**                                                       |                                             |
| 4:00 p.m.  | **Adjourn**                                                              |                                             |

*All Times Approximate*

The Public Employees Benefits Board will meet Wednesday, June 19, 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.

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

PEB Board Members

<table>
<thead>
<tr>
<th>Name</th>
<th>Representing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sue Birch, Director</td>
<td>Chair</td>
</tr>
<tr>
<td>Health Care Authority</td>
<td></td>
</tr>
<tr>
<td>626 8th Ave SE</td>
<td></td>
</tr>
<tr>
<td>PO Box 42713</td>
<td></td>
</tr>
<tr>
<td>Olympia WA 98504-2713</td>
<td></td>
</tr>
<tr>
<td>V 360-725-2104</td>
<td></td>
</tr>
<tr>
<td><a href="mailto:sue.birch@hca.wa.gov">sue.birch@hca.wa.gov</a></td>
<td></td>
</tr>
<tr>
<td>Greg Devereux, Executive Director</td>
<td>State Employees</td>
</tr>
<tr>
<td>Washington Federation of State Employees</td>
<td></td>
</tr>
<tr>
<td>1212 Jefferson Street, Suite 300</td>
<td></td>
</tr>
<tr>
<td>Olympia WA 98501</td>
<td></td>
</tr>
<tr>
<td>V 360-352-7603</td>
<td></td>
</tr>
<tr>
<td><a href="mailto:greg.devereux@hca.wa.gov">greg.devereux@hca.wa.gov</a></td>
<td></td>
</tr>
<tr>
<td>Myra Johnson*</td>
<td>K-12 Employees</td>
</tr>
<tr>
<td>6234 South Wapato Lake Drive</td>
<td></td>
</tr>
<tr>
<td>Tacoma WA 98408</td>
<td></td>
</tr>
<tr>
<td>V 253-583-5353</td>
<td></td>
</tr>
<tr>
<td><a href="mailto:myra.johnson@hca.wa.gov">myra.johnson@hca.wa.gov</a></td>
<td></td>
</tr>
<tr>
<td>Carol Dotlich</td>
<td>State Retirees</td>
</tr>
<tr>
<td>8312 198th Street E</td>
<td></td>
</tr>
<tr>
<td>Spanaway WA 98387</td>
<td></td>
</tr>
<tr>
<td>V 253-846-6371</td>
<td></td>
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<tr>
<td><a href="mailto:carol.dotlich@hca.wa.gov">carol.dotlich@hca.wa.gov</a></td>
<td></td>
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<tr>
<td>Tom MacRobert</td>
<td>K-12 Retirees</td>
</tr>
<tr>
<td>4527 Waldrick RD SE</td>
<td></td>
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<tr>
<td>Olympia WA 98501</td>
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</tr>
<tr>
<td>V 360-264-4450</td>
<td></td>
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<tr>
<td><a href="mailto:tom.macrobert@hca.wa.gov">tom.macrobert@hca.wa.gov</a></td>
<td></td>
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# PEB Board Members

<table>
<thead>
<tr>
<th>Name</th>
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</thead>
<tbody>
<tr>
<td>Tim Barclay</td>
<td>Benefits Management/Cost Containment</td>
</tr>
<tr>
<td>9624 NE 182\textsuperscript{nd} CT, D</td>
<td></td>
</tr>
<tr>
<td>Bothell WA 98011</td>
<td></td>
</tr>
<tr>
<td>V 206-819-5588</td>
<td></td>
</tr>
<tr>
<td><a href="mailto:tim.barclay@hca.wa.gov">tim.barclay@hca.wa.gov</a></td>
<td></td>
</tr>
<tr>
<td>Yvonne Tate</td>
<td>Benefits Management/Cost Containment</td>
</tr>
<tr>
<td>1407 169\textsuperscript{th} PL NE</td>
<td></td>
</tr>
<tr>
<td>Bellevue WA 98008</td>
<td></td>
</tr>
<tr>
<td>V 425-417-4416</td>
<td></td>
</tr>
<tr>
<td><a href="mailto:yvonne.tate@hca.wa.gov">yvonne.tate@hca.wa.gov</a></td>
<td></td>
</tr>
<tr>
<td>Vacant*</td>
<td>Benefits Management/Cost Containment</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Harry Bossi</td>
<td>Benefits Management/Cost Containment</td>
</tr>
<tr>
<td>19619 23\textsuperscript{rd} DR SE</td>
<td></td>
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<tr>
<td>Bothell WA 98012</td>
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<tr>
<td>V 360-689-9275</td>
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<tr>
<td><a href="mailto:harry.bossi@hca.wa.gov">harry.bossi@hca.wa.gov</a></td>
<td></td>
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## 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
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
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
Uniform Medical Plan

• To meet federal requirements, there will be a family Out-of-Pocket Maximum for Prescription Drugs of $4,000 for the Classic, Plus, and Medicare plans
  – The individual Out-of-Pocket Maximum is $2,000
• Change in lifetime limit of Nutritional Counseling visits from 3 to 12
• Value Formulary Implementation
No New Benefit Changes

• Kaiser Foundation Health Plan of the Northwest
• Kaiser Foundation Health Plan of Washington
• Uniform Dental Plan
  – Rate guarantee in effect through 12/31/2022
• DeltaCare Dental Plan
  – Rate guarantee in effect through 12/31/2022
• Willamette Dental Group
  – Rate guarantee in effect through 12/31/2021
Service Area Changes

• Kaiser Permanente of Washington
  – No longer covering San Juan County or Grays Harbor County
Network Update – Puget Sound Health Value Network (PSHVN)

New Partners for 2020:

• Rainier Health Network
  (CHI Franciscan, CityMD, NPN, The Doctors Clinic, Pediatrics NW, Highline Medical)

• Physician Care Alliance –The Polyclinic

Exiting Partners for 2020:

• Multicare (See UW)

• Eastside Health Network
  (EvergreenHealth and Overlake Medical Center and Clinics)
Network Update – UW Medicine

Exclusive Partner for 2020:
• Multicare

Exiting Partners for 2020:
• Eastside Health Network
  (EvergreenHealth and Overlake Medical Center and Clinics)
Spokane County Update

• Beginning in 2020, Multicare is partnering exclusively with UW Medicine
• PSHVN served Spokane County thru its prior partnership with Multicare
• Beginning in 2020, Multicare will continue to serve Spokane County thru UW Medicine Partnership
• PSHVN will no longer be offered in Spokane County 1/1/2020
UMP Plus - UW Medicine Accountable Care Network (ACN) 2020 Counties Served
UMP Plus - PSHVN Network
2020 Counties Served
Premera Plan F and Plan G

• On January 1, 2020, Medicare Supplemental Plan F will be closed to future enrollment under Affordable Care Act (ACA)
  – Note: current enrollees do not need to switch plans
• Medicare Supplemental Plan G will open to replace Plan F
• Plan G will be identical to Plan F, except that subscribers must pay the Medicare deductible
  – Calendar Year 2019 Deductible $185
Employee Premiums
Calculating the State Index Rate

Sample Illustration

Plan bid rates
- A $550
- B $500
- C $450

Adult units
- 3
- 1
- 6

Monthly cost
- $1,650
- $500
- $2,700

Total cost
- $4,850 / 10

Total adult units

Weighted average
(total cost divided by total adult unit) $485

State index rate
(85 percent of the weighted average) $412
Determining Employee Premiums
Sample Illustration

Plan bid rates

Index rate

Employee contribution

A $550
B $500
C $450

$138
$88
$38

($412)
Determining Employee Premiums by Tier
Sample Illustration

*Tiers 3 and 4 do not change when you go from one child to more than one child*
## Employee / Employer Premium Contributions

<table>
<thead>
<tr>
<th></th>
<th>Proposed 2020 Employee Contribution (Single Subscriber)</th>
<th>Proposed 2020 Employer Contribution (aka State Index Rate)</th>
<th>Proposed 2020 Composite Rate</th>
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<tbody>
<tr>
<td>Kaiser NW Classic</td>
<td>$140</td>
<td>$571</td>
<td>$711</td>
</tr>
<tr>
<td>Kaiser NW CDHP</td>
<td>$25</td>
<td>$571</td>
<td>$596</td>
</tr>
<tr>
<td>Kaiser WA Classic</td>
<td>$176</td>
<td>$571</td>
<td>$747</td>
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<tr>
<td>Kaiser WA Value</td>
<td>$100</td>
<td>$571</td>
<td>$671</td>
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<tr>
<td>Kaiser WA SoundChoice</td>
<td>$42</td>
<td>$571</td>
<td>$613</td>
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<td>Kaiser WA CDHP</td>
<td>$27</td>
<td>$571</td>
<td>$598</td>
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<td>UMP Classic</td>
<td>$104</td>
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<tr>
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<td>$25</td>
<td>$571</td>
<td>$596</td>
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- **Consumer Directed Health Plans (CDHP) composites include Health Savings Account (HSA) deposits**
- **Rounded to the nearest dollar**
- **Composites include the state active reduction of $1.00 Per Adult Unit Per Member (PAUPM) for the employer group surcharge.**
## Employee Contributions by Tier

<table>
<thead>
<tr>
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<th>Subscriber</th>
<th>Subscriber &amp; Spouse</th>
<th>Subscriber &amp; Child(ren)</th>
<th>Subscriber, Spouse/SRDP*, and Child(ren)</th>
<th>2019 to 2020 Change in Subscriber Rate</th>
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<tr>
<td></td>
<td>2019</td>
<td>Proposed 2020</td>
<td>2019</td>
<td>Proposed 2020</td>
<td>%</td>
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<tr>
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<td>$143</td>
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<td>$296</td>
<td>$290</td>
<td>$250</td>
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<td>$66</td>
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<td>$49</td>
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<tr>
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<td>$340</td>
<td>$362</td>
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<tr>
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<td>$100</td>
<td>$186</td>
<td>$210</td>
<td>$154</td>
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<td>$60</td>
<td>$64</td>
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<td>$104</td>
<td>$224</td>
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<td>UMP Plus</td>
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<td>$69</td>
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<td>$88</td>
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<td>$25</td>
<td>$25</td>
<td>$60</td>
<td>$60</td>
<td>$44</td>
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- Subscribers may be subject to the following surcharges:
  - Tobacco Surcharge: $25
  - Spousal Surcharge: N/A

• Subscriber, Spouse/State-Registered Domestic Partner*, and Child(ren) include $10 spouse charge
• Rounded to the nearest dollar
• Composites include the state active reduction of $1.00 PAUPM for the employer group surcharge.
Non-Medicare Retiree Rates
# Non-Medicare Retiree Rates by Tier

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<tbody>
<tr>
<td>Kaiser NW Classic</td>
<td>$711</td>
<td>$716</td>
<td>$1,415</td>
<td>$1,426</td>
<td>$1,239</td>
<td>$1,249</td>
<td>$1,944</td>
<td>$1,959</td>
<td>0.8%</td>
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<tr>
<td>Kaiser NW CDHP</td>
<td>$604</td>
<td>$609</td>
<td>$1,196</td>
<td>$1,207</td>
<td>$1,063</td>
<td>$1,072</td>
<td>$1,597</td>
<td>$1,612</td>
<td>0.8%</td>
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<tr>
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<td>$752</td>
<td>$1,461</td>
<td>$1,499</td>
<td>$1,279</td>
<td>$1,312</td>
<td>$2,006</td>
<td>$2,060</td>
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<td>$1,232</td>
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<td>$1,079</td>
<td>$1,648</td>
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<td>$610</td>
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<td>$1,210</td>
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<td>$1,075</td>
<td>$1,587</td>
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<tr>
<td>UMP Classic</td>
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<td>$1,186</td>
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<td>$1,860</td>
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<tr>
<td>UMP Plus</td>
<td>$618</td>
<td>$645</td>
<td>$1,230</td>
<td>$1,285</td>
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<td>$1,125</td>
<td>$1,689</td>
<td>$1,765</td>
<td>4.4%</td>
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<td>$1,190</td>
<td>$1,206</td>
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<td>$1,072</td>
<td>$1,588</td>
<td>$1,611</td>
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**Subscribers may be subject to the following surcharges**

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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Spousal Surcharge</td>
<td>N/A</td>
<td>N/A</td>
<td>$50</td>
<td>$50</td>
<td>N/A</td>
<td>N/A</td>
<td>$50</td>
<td>$50</td>
</tr>
</tbody>
</table>

- Rounded to the nearest dollar
- State-Registered Domestic Partner (SRDP)
Medicare Retiree Rates
## Medicare Retiree Rates

<table>
<thead>
<tr>
<th>Plan</th>
<th>Single Subscriber Premium (after Explicit Subsidy)</th>
<th>Medicare Explicit Subsidy</th>
<th>Composite</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaiser NW Senior Advantage</td>
<td>$173.91</td>
<td>$168.85</td>
<td>$342.75</td>
</tr>
<tr>
<td>Kaiser WA Medicare Advantage &amp; Classic</td>
<td>$174.55</td>
<td>$169.49</td>
<td>$344.04</td>
</tr>
<tr>
<td>UMP Classic Medicare</td>
<td>$320.54</td>
<td>$183.00</td>
<td>$503.54</td>
</tr>
<tr>
<td>Premera Medicare Supplement Plan F Retired</td>
<td>$112.84</td>
<td>$107.78</td>
<td>$220.61</td>
</tr>
<tr>
<td>Premera Medicare Supplement Plan F Disabled</td>
<td>$188.47</td>
<td>$183.00</td>
<td>$371.47</td>
</tr>
<tr>
<td>Premera Medicare Supplement Plan G Retired</td>
<td>$97.56</td>
<td>$92.50</td>
<td>$190.06</td>
</tr>
<tr>
<td>Premera Medicare Supplement Plan G Disabled</td>
<td>$162.31</td>
<td>$157.25</td>
<td>$319.56</td>
</tr>
</tbody>
</table>

*Plan Year 2020 Medicare Explicit Subsidy is set at $183 or 50% of the premium, whichever is less.*
## Medicare Retiree Premiums

<table>
<thead>
<tr>
<th>Plan</th>
<th>Single Subscriber Premium (after Explicit Subsidy)</th>
<th>2019 to 2020 Change in Subscriber Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2019</strong></td>
<td><strong>2020</strong></td>
<td><strong>%</strong></td>
</tr>
<tr>
<td>Kaiser NW Senior Advantage</td>
<td>$169.80</td>
<td>$173.91</td>
</tr>
<tr>
<td>Kaiser WA Medicare Advantage &amp; Classic</td>
<td>$167.91</td>
<td>$174.55</td>
</tr>
<tr>
<td>UMP Classic Medicare</td>
<td>$313.09</td>
<td>$320.54</td>
</tr>
<tr>
<td>Premera Medicare Supplement Plan F Retired</td>
<td>$112.16</td>
<td>$112.84</td>
</tr>
<tr>
<td>Premera Medicare Supplement Plan F Disabled</td>
<td>$199.00</td>
<td>$188.47</td>
</tr>
<tr>
<td>Premera Medicare Supplement Plan G Retired</td>
<td>NA</td>
<td>$97.56</td>
</tr>
<tr>
<td>Premera Medicare Supplement Plan G Disabled</td>
<td>NA</td>
<td>$162.31</td>
</tr>
</tbody>
</table>
Impact of Medicare Explicit Subsidy

*Chart based on UMP Classic*
Dental, Life, and Long-Term Disability
## Dental Premiums

<table>
<thead>
<tr>
<th>Plan</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uniform Dental Plan</td>
<td>$45.87</td>
<td>$47.01</td>
</tr>
<tr>
<td>DeltaCare</td>
<td>$39.53</td>
<td>$39.53</td>
</tr>
<tr>
<td>Willamette Dental Group</td>
<td>$44.45</td>
<td>$44.45</td>
</tr>
</tbody>
</table>

- Premiums are paid 100% by the employer for all tiers
Life, AD&D, and LTD Premiums

• Basic Life, AD&D, and LTD
  • Employer funded
  • No rate change for 2020

• Optional Life and LTD
  • Employee funded
  • No rate change for 2020
Proposed Resolutions
Proposed Resolution PEBB 2019-07
Non-Medicare Premium

The PEB Board endorses the Kaiser Foundation Health Plan of the Northwest employee and Non-Medicare retiree premiums.
Proposed Resolution PEBB 2019-08
Non-Medicare Premium

The PEB Board endorses the Kaiser Permanente of Washington employee and Non-Medicare retiree premiums.
Proposed Resolution PEBB 2019-09
Non-Medicare Premium

The PEB Board endorses the Uniform Medical Plan employee and Non-Medicare retiree premiums.
Proposed Resolution PEBB 2019-10
Medicare Premium

The PEB Board endorses the monthly Medicare Explicit Subsidy of $183 or 50% of premium, whichever is less.
Proposed Resolution PEBB 2019-11
Medicare Premium

The PEB Board endorses the Kaiser Foundation Health Plan of the Northwest Medicare premiums.
Proposed Resolution PEBB 2019-12
Medicare Premium

The PEB Board endorses the Kaiser Permanente of Washington Medicare premiums.
Proposed Resolution PEBB 2019-13
Medicare Premium

The PEB Board endorses the Uniform Medical Plan Medicare premiums.
Proposed Resolution PEBB 2019-14
Medicare Premium

The PEB Board endorses the Premera Medicare premiums.
Next Steps

We will ask the Board to take action on these premium resolutions at the July 10, 2019 meeting.
Questions?

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Financial Services Division

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Employees and Retirees Benefits (ERB) Division

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TAB 4
Eligibility & Enrollment
Policy Development

Rob Parkman, Policy and Rules Coordinator
Policy, Rules, and Compliance Section
Employees and Retirees Benefits Division
June 19, 2019
Introduction of Policy Resolutions

PEBB 2019-06  Tobacco use surcharge
(4) The board shall collect a surcharge payment of **not less than** twenty-five dollars per month from members who use tobacco products.
Considerations

• Median surcharge among large employers is $50/month
• Currently, ~3% of PEBB Program members pay the tobacco surcharge
  – CDC estimates ~15% of Americans smoke
• Little to no evidence that surcharges are effective in causing smokers to quit
• Other methods that have been shown to work:
  – Tobacco taxes
  – Smoke free laws
  – Tobacco control programs
  – Making tobacco cessation treatment accessible
Proposed Policy Resolution PEBB 2019-06
Tobacco Use Surcharge

Beginning January 1, 2020, the tobacco use surcharge will be $25 per month for a subscriber with a member enrolled on their medical plan that uses tobacco products.
Next Steps

• Incorporate Board feedback in the proposed policy
• Bring a recommended policy resolution to the Board to take action on at the July 10, 2019 Board Meeting
Questions?

Rob Parkman, Policy and Rules Coordinator
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Employees and Retirees Benefits Division
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Emerging Medications

Ryan Pistersi, PharmD, MS
Assistant Chief Pharmacy Officer
Clinical Quality and Care Transformation
June 19, 2019
Spinal Muscular Atrophy

- Spinal muscular atrophy (SMA) is a rare neuromuscular disorder that is characterized by muscle weakness
  - Occurs in approximately 4-10 patients per 10,000 live births
- There are 5 types of SMA (Type 0 to Type 4) that depends on the age in which symptoms appear and copies of SMN2 gene
  - Type 0: manifests in pregnancy, death within weeks to months after birth
  - Type 1: never able to sit unsupported, death usually before 2\textsuperscript{nd} birthday
  - Type 2: symptoms appear between 3 to 15 months, 70% alive at 25 years
  - Type 3: may require using a wheelchair in adulthood; normal life expectancy
  - Type 4: ambulation usually maintained throughout life; normal life expectancy
- Approximately 60% of all births are Type 1 while 30% are Type 2. Type 0 and Type 4 are the most uncommon forms of SMA.
Spinraza (nusinersen)

• Spinraza was the first medication approved for the treatment of SMA on December 23, 2016
  – Previously, only supportive care was used for patients with SMA
  – Requires 6 doses in the first year, then 3 doses every subsequent year
  – Costs approximately $750,000 in first year, $375,000 every other year

• Studied in symptomatic (Type 1) and pre-symptomatic (Type 2 and Type 3) patients ages 12 and younger
  – In one trial, 51% of Type 1 patients receiving Spinraza achieved motor milestones whereas 0% of placebo achieved motor milestones
  – Of the 73 patients who received Spinraza, 6 were able to sit independently and 1 was able to stand

• Very few patients have received this medication in UMP
Zolgensma (onasemnogene abeparvovec)

• Zolgensma is the first gene therapy approved for the treatment of SMA
  – Approved for patients less than 2 years of age with certain mutations in SMN1 and sufficient copies of SMN2

• One published clinical trial studied Zolgensma in patients with Type 1 SMA
  – Clinical trial studied 15 patients who received Zolgensma
  – Published data includes survival, ventilation status, sitting independently, healthcare utilization, adverse events, among others
  – All patients were alive at 20 months compared to 8% of historical control
  – Following end of 2 year trial, 40% of patients now use Spinraza
  – 15 year follow-up study ongoing, interim results not published
Zolgensma (onasemnogene abeparvovec) (cont.)

• Ongoing studies in SMA Type 2
  – Different route to administer the drug than other trials
  – Currently no results available on presymptomatic patients, but there are currently phase III studies in late-onset SMA (to be completed by April 2023)

• Novartis has announced that the price of Zolgensma will be about $2.13 million per dosing kit
  – Novartis is working with payers to set up a pay-over-time option that splits the payments over 5 years
  – Use of more than 1 dosing kit has not been evaluated
UMP Budget Impact

• The anticipated combined budget impact of this new drug for UMP is approximately $2.13 million once every 3-4 years
  – Incidence of SMA type 1 is one per 10,000 live births
  – UMP averages approximately 2,500 live births per year

• Total of 26 new drugs reviewed in 2019 is anticipated to be $4.40 million
Questions?

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