

# **Public Employees Benefits Board Meeting**

**July 10, 2019**

## Public Employees Benefits Board

July 10, 2019

1:30 p.m. – 3:45 p.m.

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

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**TAB 1**

## AGENDA

**Public Employees Benefits Board**  
**July 10, 2019**  
**1:30 p.m. – 3:45 p.m.**

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

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

**Participant PIN Code: 95587891**

1:30 p.m.*	<b>Welcome and Introductions</b>		Sue Birch, Chair	
1:40 p.m.	<b>Meeting Overview</b>		Dave Iseminger, Director Employees and Retirees Benefits (ERB) Division	Information
1:50 p.m.	<b>June 19, 2019 Meeting Follow Up</b>		Dave Iseminger, Director, ERB Division	Information
2:00 p.m.	<b>2020 Premium Resolutions</b>	TAB 3	Tanya Deuel, ERB Finance Manager Financial Services Division	Action
2:30 p.m.	<b>Tobacco Surcharge Policy Resolution</b>	TAB 4	Rob Parkman, Rules and Policy Coordinator, ERB	Action
2:45 p.m.	<b>Long-Term Disability (LTD) Insurance</b>	TAB 5	Kimberly Gazard, Contract Manager, ERB Division	Information/ Discussion
3:00 p.m.	<b>Centers of Excellence Program Update</b>	TAB 6	Marty Thies, Program Manager ERB Division	Information/ Discussion
3:15 p.m.	<b>Public Comment</b>			
3:45 p.m.	<b>Adjourn</b>			

**\*All Times Approximate**

The Public Employees Benefits Board will meet Wednesday, July 10, 2019, at the Washington State Health Care Authority, Sue Crystal Rooms A & B, 626 8<sup>th</sup> 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.

Direct e-mail to: [board@hca.wa.gov](mailto:board@hca.wa.gov). Materials posted at: <http://www.pebb.hca.wa.gov/board/> no later than close of business on July 8, 2019.

## PEB Board Members

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

## PEB Board Members

Name	Representing
Tim Barclay 9624 NE 182 <sup>nd</sup> CT, D Bothell WA 98011 V 206-819-5588 <a href="mailto:tim.barclay@hca.wa.gov">tim.barclay@hca.wa.gov</a>	Benefits Management/Cost Containment
Yvonne Tate 1407 169 <sup>th</sup> PL NE Bellevue WA 98008 V 425-417-4416 <a href="mailto:yvonne.tate@hca.wa.gov">yvonne.tate@hca.wa.gov</a>	Benefits Management/Cost Containment
Vacant*	Benefits Management/Cost Containment
Harry Bossi 19619 23 <sup>rd</sup> DR SE Bothell WA 98012 V 360-689-9275 <a href="mailto:harry.bossi@hca.wa.gov">harry.bossi@hca.wa.gov</a>	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](mailto: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](http://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 8<sup>th</sup> 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**



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](http://www.pebb.hca.wa.gov)

**PEBB MEETING SCHEDULE**

**2020 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 8<sup>th</sup> Avenue SE, Olympia, WA 98501.

January 30, 2020 (Board Retreat) 9:00 a.m. – 3:00 p.m.

March 18, 2020 - Noon – 5:00 p.m.

April 15, 2020 - Noon – 5:00 p.m.

May 28, 2020 - Noon – 5:00 p.m.

June 17, 2020 - Noon – 5:00 p.m.

July 15, 2020 - Noon – 5:00 p.m.

July 22, 2020 - Noon – 5:00 p.m.

July 29, 2020 - Noon – 5:00 p.m.

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

7/2/19



**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**



# 2020 Premium Resolutions

Tanya Deuel  
ERB Finance Manager  
Financial Services Division  
July 10, 2019

# Premium Resolution PEBB 2019-07 KPNW Non-Medicare Premiums

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



# Premium Resolution PEBB 2019-08

## KPWA Non-Medicare Premiums

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

# Premium Resolution PEBB 2019-09

## UMP Non-Medicare Premiums

**Resolved that,** the PEB Board endorses the Uniform Medical Plan employee and Non-Medicare retiree premiums.

# Premium Resolution PEBB 2019-10

## Medicare Subsidy

**Resolved that,** the PEB Board endorses the monthly Medicare Explicit Subsidy of \$183 or 50% of premium, whichever is less.

# Premium Resolution PEBB 2019-11 KPNW Medicare Premiums

**Resolved that,** the PEB Board endorses the Kaiser Foundation Health Plan of the Northwest Medicare premiums.

# Premium Resolution PEBB 2019-12

## KPWA Medicare Premiums

**Resolved that,** the PEB Board endorses the Kaiser Foundation Health Plan of Washington Medicare premiums.

# Premium Resolution PEBB 2019-13

## UMP Medicare Premiums

**Resolved that,** the PEB Board  
endorses the Uniform Medical Plan  
Medicare premiums.

# Premium Resolution PEBB 2019-14 Premera Medicare Premiums

**Resolved that,** the PEB Board  
endorses the Premera Medicare  
premiums.

# Appendix



# 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 2019-12

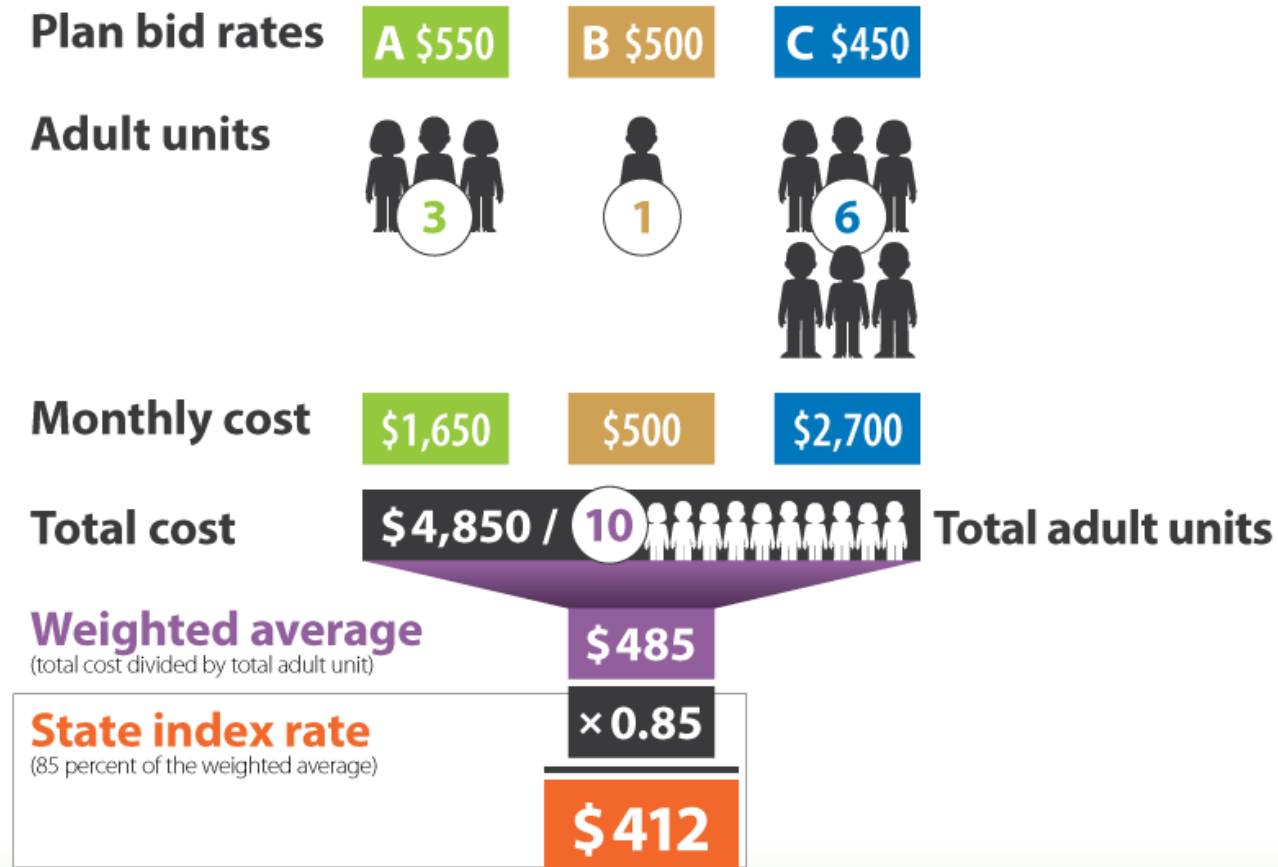
## Medicare Premium

The PEB Board endorses the Kaiser Permanente of Washington Medicare premiums.

# Employee Premiums

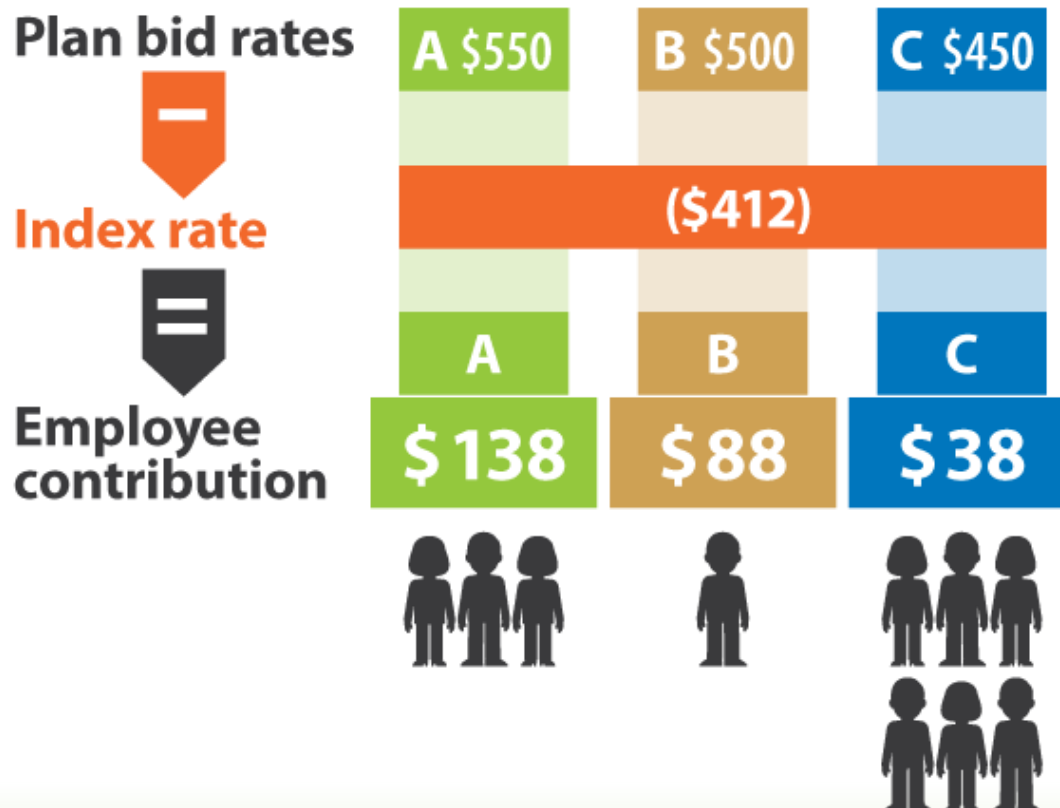
# Calculating the State Index Rate

## Sample Illustration







# Determining Employee Premiums

## Sample Illustration



# Determining Employee Premiums by Tier

## Sample Illustration

Plan		A	B	C
Employee contribution		\$138	\$88	\$38
Tiers	✕			
Tier 1 1 		\$138	\$88	\$38
Tier 2 2 	+\$10	\$286	\$186	\$86
Tier 3 1.75 		\$242	\$154	\$67
Tier 4 2.75 	+\$10	\$390	\$252	\$115

\*Tiers 3 and 4 do not change when you go from one child to more than one child

# Employee / Employer Premium Contributions

	Proposed 2020 Employee Contribution (Single Subscriber)	Proposed 2020 Employer Contribution (aka State Index Rate)	Proposed 2020 Composite Rate
Kaiser NW Classic	\$140	\$571	\$711
Kaiser NW CDHP	\$25	\$571	\$596
Kaiser WA Classic	\$176	\$571	\$747
Kaiser WA Value	\$100	\$571	\$671
Kaiser WA SoundChoice	\$42	\$571	\$613
Kaiser WA CDHP	\$27	\$571	\$598
UMP Classic	\$104	\$571	\$675
UMP Plus	\$69	\$571	\$640
UMP CDHP	\$25	\$571	\$596

- 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

	Subscriber		Subscriber & Spouse		Subscriber & Child(ren)		Subscriber, Spouse/SRDP*, and Child(ren)		2019 to 2020 Change in Subscriber Rate	
	2019	Proposed 2020	2019	Proposed 2020	2019	Proposed 2020	2019	Proposed 2020	%	\$
Kaiser NW Classic	\$143	\$140	\$296	\$290	\$250	\$245	\$403	\$395	-2.1%	(\$3)
Kaiser NW CDHP	\$28	\$25	\$66	\$60	\$49	\$44	\$87	\$79	-10.7%	(\$3)
Kaiser WA Classic	\$165	\$176	\$340	\$362	\$289	\$308	\$464	\$494	6.7%	\$11
Kaiser WA Value	\$88	\$100	\$186	\$210	\$154	\$175	\$252	\$285	13.6%	\$12
Kaiser WA SoundChoice	\$35	\$42	\$80	\$94	\$61	\$74	\$106	\$126	20.0%	\$7
Kaiser WA CDHP	\$25	\$27	\$60	\$64	\$44	\$47	\$79	\$84	8.0%	\$2
UMP Classic	\$107	\$104	\$224	\$218	\$187	\$182	\$304	\$296	-2.8%	(\$3)
UMP Plus	\$50	\$69	\$110	\$148	\$88	\$121	\$148	\$200	38.0%	\$19
UMP CDHP	\$25	\$25	\$60	\$60	\$44	\$44	\$79	\$79	0.0%	\$0
Subscribers may be subject to the following surcharges										
Tobacco Surcharge	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25		
Spousal Surcharge	N/A	N/A	\$50	\$50	N/A	N/A	\$50	\$50		

- 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

	Subscriber		Subscriber & Spouse		Subscriber & Child(ren)		Subscriber, Spouse/SRDP*, and Child(ren)		2019 to 2020 Change in Subscriber Rate	
	2019	Proposed 2020	2019	Proposed 2020	2019	Proposed 2020	2019	Proposed 2020	%	\$
Kaiser NW Classic	\$711	\$716	\$1,415	\$1,426	\$1,239	\$1,249	\$1,944	\$1,959	0.8%	\$5
Kaiser NW CDHP	\$604	\$609	\$1,196	\$1,207	\$1,063	\$1,072	\$1,597	\$1,612	0.8%	\$5
Kaiser WA Classic	\$733	\$752	\$1,461	\$1,499	\$1,279	\$1,312	\$2,006	\$2,060	2.5%	\$19
Kaiser WA Value	\$656	\$676	\$1,307	\$1,346	\$1,144	\$1,179	\$1,794	\$1,849	3.0%	\$20
Kaiser WA SoundChoice	\$603	\$618	\$1,200	\$1,232	\$1,051	\$1,079	\$1,648	\$1,692	2.5%	\$15
Kaiser WA CDHP	\$600	\$610	\$1,189	\$1,210	\$1,057	\$1,075	\$1,587	\$1,616	1.6%	\$10
UMP Classic	\$675	\$680	\$1,344	\$1,354	\$1,177	\$1,186	\$1,845	\$1,860	0.8%	\$5
UMP Plus	\$618	\$645	\$1,230	\$1,285	\$1,077	\$1,125	\$1,689	\$1,765	4.4%	\$27
UMP CDHP	\$601	\$608	\$1,190	\$1,206	\$1,057	\$1,072	\$1,588	\$1,611	1.2%	\$7
Subscribers may be subject to the following surcharges										
Tobacco Surcharge	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25		
Spousal Surcharge	N/A	N/A	\$50	\$50	N/A	N/A	\$50	\$50		

- Rounded to the nearest dollar
- State-Registered Domestic Partner (SRDP)

# Medicare Retiree Rates

# Medicare Retiree Rates

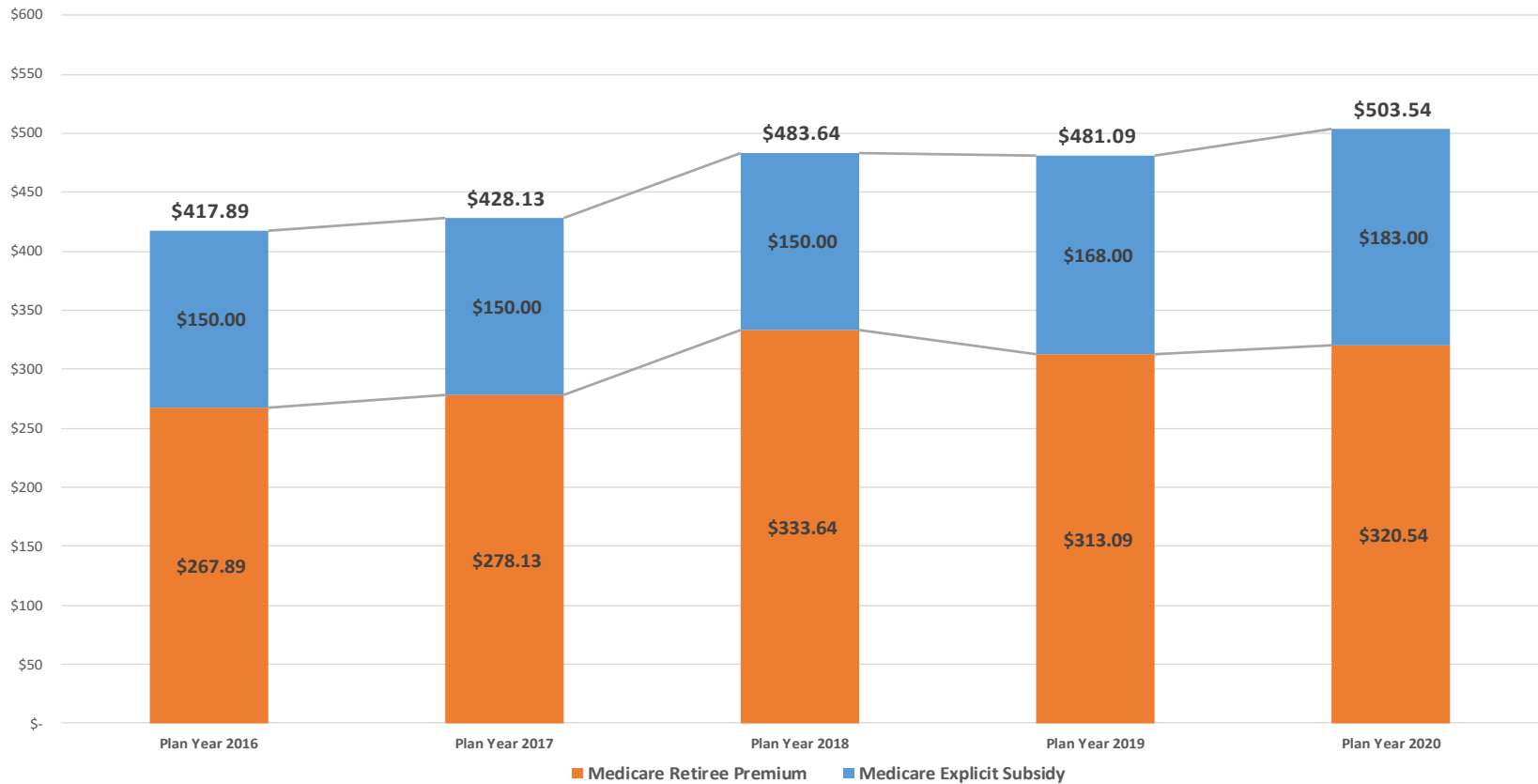
	Single Subscriber Premium (after Explicit Subsidy)	Medicare Explicit Subsidy	Composite
Kaiser NW Senior Advantage	\$173.91	\$168.85	\$342.75
Kaiser WA Medicare Advantage & Classic	\$174.55	\$169.49	\$344.04
UMP Classic Medicare	\$320.54	\$183.00	\$503.54
Premera Medicare Supplement Plan F Retired	\$112.84	\$107.78	\$220.61
Premera Medicare Supplement Plan F Disabled	\$188.47	\$183.00	\$371.47
Premera Medicare Supplement Plan G Retired	\$97.56	\$92.50	\$190.06
Premera Medicare Supplement Plan G Disabled	\$162.31	\$157.25	\$319.56

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

# Medicare Retiree Premiums

	Single Subscriber Premium (after Explicit Subsidy)		2019 to 2020 Change in Subscriber Premium	
	2019	2020	%	\$
Kaiser NW Senior Advantage	\$169.80	\$173.91	2.4%	\$4.10
Kaiser WA Medicare Advantage & Classic	\$167.91	\$174.55	4.0%	\$6.64
UMP Classic Medicare	\$313.09	\$320.54	2.4%	\$7.45
Premera Medicare Supplement Plan F Retired	\$112.16	\$112.84	0.6%	\$0.68
Premera Medicare Supplement Plan F Disabled	\$199.00	\$188.47	-5.3%	(\$10.53)
Premera Medicare Supplement Plan G Retired	NA	\$97.56	NA	NA
Premera Medicare Supplement Plan G Disabled	NA	\$162.31	NA	NA

# Impact of Medicare Explicit Subsidy



*\*Chart based on UMP Classic*

# Questions?

Tanya Deuel, ERB Finance Manager,  
Financial Services Division

[tanya.deuel@hca.wa.gov](mailto:tanya.deuel@hca.wa.gov)

Tel: 360-725-0908

**TAB 4**





# Tobacco Surcharge Policy Resolution

Rob Parkman, Policy and Rules Coordinator  
Policy, Rules, and Compliance Section  
Employees and Retirees Benefits Division  
July 10, 2019

# PEB Board Policy Resolution

PEBB 2019-06 Tobacco use surcharge

# ESHB 1109 (Budget Bill)

Section 212 - FOR THE STATE HEALTH CARE AUTHORITY—  
PUBLIC EMPLOYEES' BENEFITS BOARD AND EMPLOYEE  
BENEFITS PROGRAM

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

# Policy Resolution PEBB 2019-06 Tobacco Use Surcharge

**Resolved that,** beginning January 1, 2020, the tobacco use surcharge will be \$25 per month for a subscriber with a member, thirteen years and older, enrolled on their medical plan that uses tobacco products.

# Next Steps

Incorporate policy resolution into PEBB  
Program rules.

# Questions?

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

[rob.parkman@hca.wa.gov](mailto:rob.parkman@hca.wa.gov)

Tel: 360-725-0883

# Appendix

# Proposed Policy Resolution PEBB 2019-06 Tobacco Use Surcharge (as presented June 19, 2019)

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.



**TAB 5**



# Long-Term Disability (LTD) Insurance

Kimberly Gazard  
Contract Manager  
Employees & Retirees Benefits Division  
July 10, 2019

# Agenda

- LTD one-time enrollment update
- Follow up on data questions

# LTD One-Time Enrollment Opportunity

- The One-Time LTD Open Enrollment (OE) took place in March 2019
- Changes made during the March 2019 OE are effective May 1, 2019
- PEBB Program members were given a one-time OE opportunity to enroll in supplemental LTD, or to reduce their waiting period, without providing evidence of insurability (EOI)
  - There is no harm to members who did not participate in the one-time LTD OE
  - Members had the option to select 90, 120, 180, 240, 300, or 360 days as their waiting period
  - 30/60 waiting periods were not available as an option due to the Washington Paid Family & Medical Leave (benefits beginning in 2020)

# Employee Supplemental LTD Enrollment Results

	Total eligible subscribers	Prior to OE	After OE	Increase
Enrollment	138,555	40,089	47,690*	19%

\*as of July 1, 2019

Enrollment changes can be keyed up to 90 days after a form is submitted by the employee. Keying for the LTD one-time OE occurred until June 29, 2019.

# March 2019 Open Enrollment Results

	New Supplemental LTD Enrollment	Total Supplemental LTD Enrollment
State Agency	4,203	21,251
Higher Education	2,965	22,919
K-12	34	396
Other Employers	399	3,124
<b>Total</b>	<b>7,601</b>	<b>47,690</b>

- These numbers are as of July 1, 2019 and does not include individuals who reduced or changed their waiting period.

# Benchmarking Our LTD Participation

	Prior to OE	After OE	Other Public Entities
Supplemental LTD	28%	34.4%	25% – 35%

- The Standard typically sees between 25% - 35% participation rates for similarly situated public-sector clients and plans

# Follow up on data questions



# The number of approved LTD claims

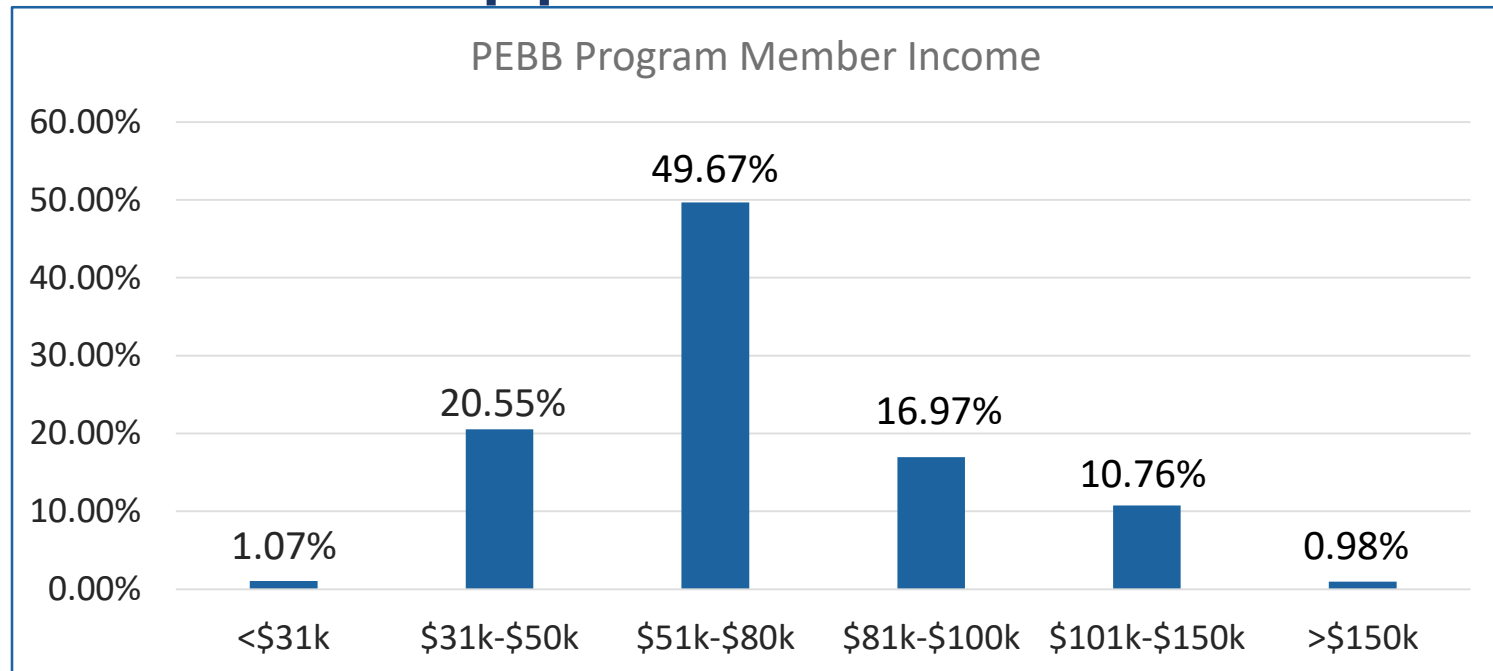
- 1/1/2014 – 12/31/2018
  - Total of 9,509 claims
    - Basic Plan
      - Paid \$13,129,694 in claims
    - Supplemental (voluntary) Plan
      - Paid \$84,608,432 in claims
- For 2018 Plan Year
  - Total of 403 claims
    - Basic Plan
      - Paid \$2,419,284 in claims
    - Supplemental (voluntary) Plan
      - Paid \$17,860,195 in claims

# Approved LTD claims resulting in being permanently disabled

- For the past 5-year period
  - 1,950 or 41.5% of claims have closed due to the member reaching the end of their benefit period.

Note: this includes the mental health limitation claims as well, of which there were 893 claims for the period.

# Income of Employees enrolled in Supplemental LTD



## Chart caveats:

- Does not include higher education salary information
- Salary reported may not reflect the most up-to-date salary info
- As of June 30, 2019

# Questions?

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**TAB 6**



# Centers of Excellence Program Update

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July 10, 2019

# Centers of Excellence Program: Total Joint Replacements (COE-TJR)

# Background

- Clinical Standards: The Bree Collaborative (2011)
- Legislature directs the Health Care Authority (HCA) to increase value-based purchasing (2014)
- PEB Board approves resolution for the Centers of Excellence (COE) Program (2016)
- First benefit go-live (TJR): January 1, 2017



# TJR: Benefit Design

## Incentivizing members toward quality

- Low to no out-of-pocket costs, including:
  - Surgery and associated inpatient services
  - Implant and Durable Medical Equipment (DME)
  - Case management
  - Transportation and accommodations
- 90-day warranty for specific complications

# The COE-TJR Team

## Center of Excellence: Virginia Mason

- Experience in Total Joint Replacement (TJR) bundling
- Comprehensive, patient-focused approach to providing care
- History of high quality, low complication rate
- Established best practices using Bree criteria

## Third-Party Administrator: Premera

- Intake, customer service, referrals, travel, logistics
- Patient experience surveys
- End-to-end member-focused concierge facilitation

# Member Volume

Year	Referrals to COE	Surgeries	Adverse Outcomes
2017	122	95	\$0.00
2018	86	71	\$0.00
2019*	37	26	\$0.00
<b>TOTAL</b>	<b>245</b>	<b>192</b>	<b>\$0.00</b>

*\*2019 numbers reflect activity through mid-June.*

# 2018 Comments from UMP Members

- “It was an **amazing experience**. It was great and went better than I expected.”
- “I think it’s wonderful: it went so very well. **I’m very impressed.**”
- “Everything went great. Everyone was really professional. **It was just awesome. I wish all hospitals could be as good.**”
- “**The best thing was a \$0 balance on my hospital bill.** I am able to walk without pain and bend my knees.”
- “I’m very happy where everything is at right now. I thought the admin end of it was handled very well. **I don’t know what you could do to make it better, everything went smoothly.**”

# 2018 Member Survey Results

## Premera:

84% Response Rate, Scored 1-10\*

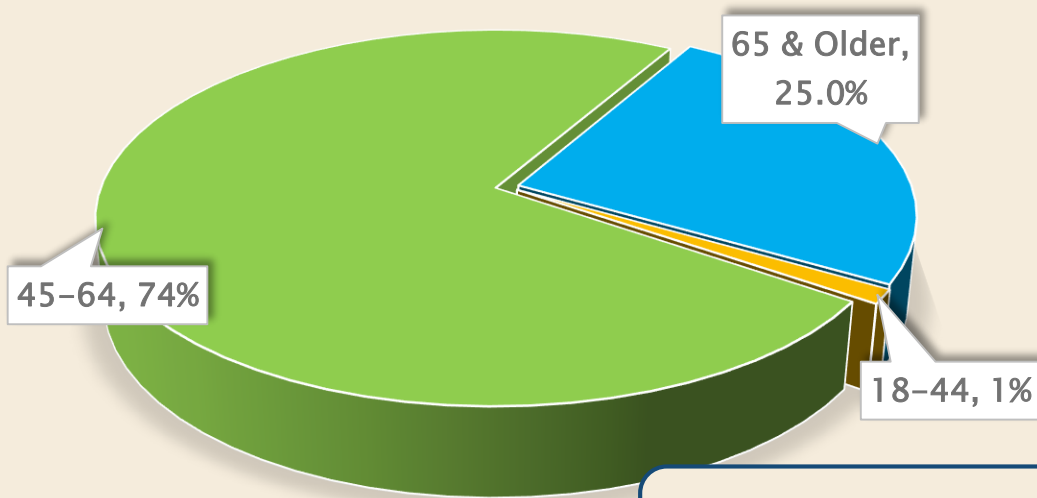
- My Case Manager was courteous and helpful **100%**
- The travel arrangement met my needs **90%**
- I felt ready for my surgery **98%**

## Virginia Mason as Center of Excellence:

- I understood my recovery plan **97%**
- If I have another TJR, I'd use the COE again **97%**
- I'd recommend the program to family, friends **97%**
- **Overall satisfaction with total experience: 97%**

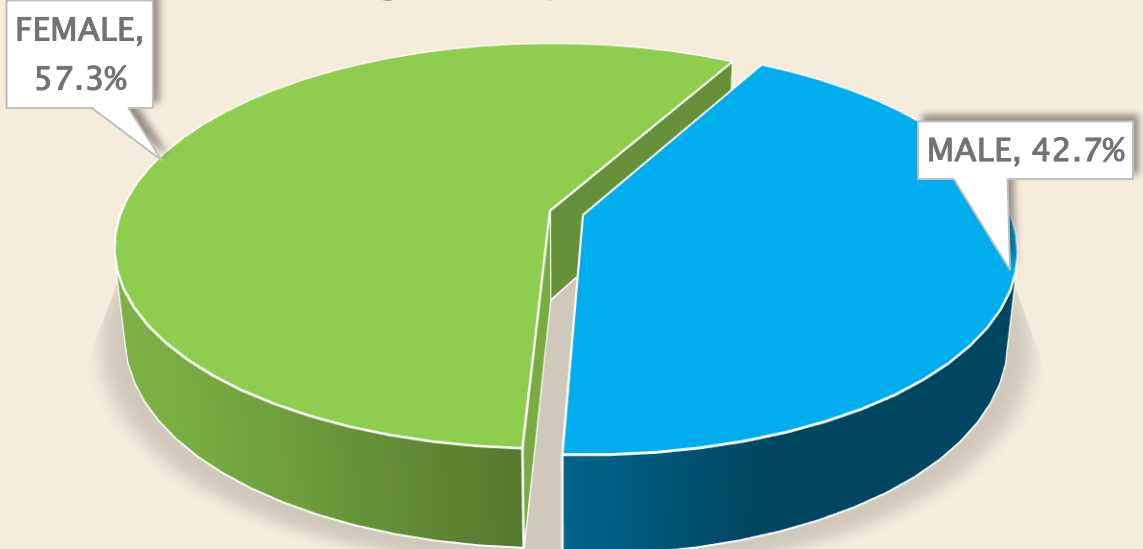
\*Percentage of respondents scoring 8-10

COE-TJR Surgeries by AGE, 2017-2018



## Age & Gender

COE-TJR Surgeries by GENDER, 2017-2018



# 2017-2019 Member Savings

(192 TJR Surgeries thru mid-June 2019)

- Average TJR Out-of-Pocket, 2017-2019: \$ 1,000.00
- Out-of-Pocket, most COE-TJR Participants: \$ 0.00
- **Approximate Member Savings: \$192,000.00**

# Cost Comparison with non-COE TJRs

(after 166 COE Surgeries, Billed and Paid)

## Plan Claim Savings:

- In 2017 and 2018, **UMP saved more than 15% per COE surgery** compared to joint replacements performed elsewhere



# Centers of Excellence Program: Spine Care

# Centers of Excellence Program: Spine Care

- Procurement Timeline, 2018
  - RFP released in February
  - Responses due in April
  - Contracts signed in October
  - Benefit launch to members was January 1, 2019

# Spine Care Centers of Excellence

- Similar to COE-TJR
  - Voluntary program
  - Members using the COE will have little to no out-of-pocket costs
  - Travel (if appropriate) will be covered
  - Requires participant to have a care companion
  - Meet Bree criteria for appropriateness and fitness for surgery
- Differences from TJR
  - Lumbar fusion is a lower utilization procedure
  - Two treatment paths: surgery or evaluation only

# Spine Care Centers of Excellence (*cont.*)

- Two Centers of Excellence
  - Capital Medical Center/Olympia Orthopedics
  - Virginia Mason Medical Center
- Stats through mid-June:
  - 18-19 members engaged in the process any given week
  - 18 Evaluation-only bundles completed
  - 1 surgery completed, 1 scheduled

# Centers of Excellence: Future

- Consider expanding Spine Care Bundle to offer back surgeries in addition to Lumbar Fusion
- 3<sup>rd</sup> Bundle considerations:
  - Bariatrics
  - Oncology Treatment Planning

# Questions?

## More Information:

<https://www.hca.wa.gov/ump/ump-administration/centers-excellence-coe>

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