School Employees Benefits Board  
March 3, 2022  
9:00 a.m. – 11:00 a.m.

Attendance by Zoom Only

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

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TAB 1
AGENDA

School Employees Benefits Board
March 3, 2022
9:00 a.m. – 11:00 a.m.

Aligning with Governor's Proclamation 20-28, all Board Members and public attendees will only be able to attend virtually

TO JOIN ZOOM MEETING – SEE INFORMATION BELOW

<table>
<thead>
<tr>
<th>Time</th>
<th>Item</th>
<th>Presenter</th>
</tr>
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<tbody>
<tr>
<td>9:00 a.m.*</td>
<td>Welcome and Introductions</td>
<td>Lou McDermott, Chair</td>
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<tr>
<td>9:05 a.m.</td>
<td>Meeting Overview</td>
<td>Dave Iseminger, Director ERB Division</td>
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<tr>
<td>9:10 a.m.</td>
<td>Follow Up from Retreat</td>
<td>Dave Iseminger, Director ERB Division</td>
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<td>9:15 a.m.</td>
<td>2022 Legislative Session Update</td>
<td>Cade Walker, Executive Special Assistant, ERB Division</td>
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<td>9:35 a.m.</td>
<td>2022 Supplemental Budget Update</td>
<td>Tanya Deuel, ERB Finance Manager</td>
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<tr>
<td>9:50 a.m.</td>
<td>Eligibility and Enrollment Policy Development</td>
<td>Emily Duchaine, Regulatory Analyst Policy, Rules, &amp; Compliance Section ERB Division</td>
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<td>10:05 a.m.</td>
<td>UMP Pharmacy Benefit Management (PBM) Update</td>
<td>Jenny Switzer, Senior Moda Account Manager Portfolio Management &amp; Monitoring Section, ERB Division</td>
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<td>10:20 a.m.</td>
<td>2024 Uniform Dental Plan (UDP) Benefit Design Introduction</td>
<td>Ellen Wolfhagen, Senior Account Manager Portfolio Management &amp; Monitoring Section, ERB Division</td>
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<tr>
<td>10:45 a.m.</td>
<td>Public Comment</td>
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<tr>
<td>10:55 a.m.</td>
<td>Closing</td>
<td>Lou McDermott, Chair</td>
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<tr>
<td>11:00 a.m.</td>
<td>Adjourn</td>
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*All Times Approximate

The School Employees Benefits Board will meet Thursday, March 3, 2022. Due to COVID-19 and out of an abundance of caution, all Board Members and attendees will attend this meeting virtually.

The Board will consider all matters on the agenda plus any items that may normally come before them.

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

To provide public comment by email, direct e-mail to: board@hca.wa.gov.

Join Zoom Meeting

https://zoom.us/j/93251945400?pwd=bk03U3RVUHRYk5pQ3ZEbG9DcnduUT09

Meeting ID: 932 5194 5400
Passcode: 202490
One tap mobile
+12532158782,,93251945400#,,,,,*202490# US (Tacoma)
+13462487799,,93251945400#,,,,,*202490# US (Houston)

Dial by your location
    +1 253 215 8782 US (Tacoma)
    +1 346 248 7799 US (Houston)
    +1 669 900 6833 US (San Jose)
    +1 301 715 8592 US (Washington DC)
    +1 312 626 6799 US (Chicago)
    +1 929 205 6099 US (New York)
Meeting ID: 932 5194 5400
Passcode: 202490
Find your local number: https://zoom.us/u/acag9KVIcp
# SEB Board Members

<table>
<thead>
<tr>
<th>Name</th>
<th>Representing</th>
<th>Address</th>
<th>Phone</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lou McDermott, Deputy Director</td>
<td>Chair</td>
<td>Health Care Authority</td>
<td></td>
<td><a href="mailto:louis.mcdermott@hca.wa.gov">louis.mcdermott@hca.wa.gov</a></td>
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<tr>
<td></td>
<td></td>
<td>626 8th Ave SE</td>
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<td></td>
<td></td>
<td>PO Box 42720</td>
<td>360-725-0891</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>Olympia, WA 98504-2720</td>
<td></td>
<td><a href="mailto:lmcdermott@hca.wa.gov">lmcdermott@hca.wa.gov</a></td>
</tr>
<tr>
<td>Kerry Schaefer</td>
<td>Employee Health Benefits Policy and Administration</td>
<td>1405 N 10th ST</td>
<td></td>
<td><a href="mailto:SEBBoard@hca.wa.gov">SEBBoard@hca.wa.gov</a></td>
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<tr>
<td></td>
<td></td>
<td>Tacoma, WA 98403</td>
<td>253-227-3439</td>
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<td>C 253-227-3439</td>
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<td>Vacant</td>
<td>Employee Health Benefits Policy and Administration</td>
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<tr>
<td>Dawna Hansen-Murray</td>
<td>Classified Employees</td>
<td>9932 Jackson ST</td>
<td></td>
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<tr>
<td></td>
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<td>Yelm, WA 98597</td>
<td>360-790-4961</td>
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<tr>
<td>Dan Gossett</td>
<td>Certificated Employees</td>
<td>603 Veralene Way SW</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Everett, WA 98203</td>
<td>425-737-2983</td>
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**SEB Board Members**

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<tr>
<th>Name</th>
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<tbody>
<tr>
<td>Pamela Kruse</td>
<td>Certificated Employees</td>
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<tr>
<td>6440 Lake Saint Clair DR SE</td>
<td></td>
</tr>
<tr>
<td>Olympia, WA 98513</td>
<td></td>
</tr>
<tr>
<td>V 360-790-0995</td>
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<tr>
<td>Marysville School District</td>
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<tr>
<td>4220 80th ST NE</td>
<td></td>
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<tr>
<td>Marysville, WA 98270</td>
<td></td>
</tr>
<tr>
<td>V 360-965-0010</td>
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<thead>
<tr>
<th>Amy McGuire</th>
<th>Employee Health Benefits Policy</th>
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<tr>
<td>Knox 111 Administrative Center</td>
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<tr>
<td>111 Bethel Street NE</td>
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<tr>
<td>Olympia, WA 98506</td>
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<tr>
<th>Alison Poulsen</th>
<th>Employee Health Benefits Policy</th>
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<tr>
<td>12515 South Hangman Valley RD</td>
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<tr>
<td>Valleyford, WA 99036</td>
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**Legal Counsel**

<table>
<thead>
<tr>
<th>Name</th>
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<tbody>
<tr>
<td>Katy Hatfield, Assistant Attorney General</td>
<td></td>
</tr>
<tr>
<td>7141 Cleanwater Dr SW</td>
<td></td>
</tr>
<tr>
<td>PO Box 40124</td>
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</tr>
<tr>
<td>Olympia, WA 98504-0124</td>
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<tr>
<td>V 360-586-6561</td>
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<tr>
<td><a href="mailto:Katy.Hatfield@atg.wa.gov">Katy.Hatfield@atg.wa.gov</a></td>
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2/22/22
SEB BOARD MEETING SCHEDULE

2022 School Employees Benefits (SEB) Board Meeting Schedule

The SEB Board meetings will be held at the Health Care Authority, Sue Crystal Center, Rooms A & B, 626 8th Avenue SE, Olympia, WA 98501.

January 27, 2022 - 9:00 a.m. – 4:00 p.m.
March 3, 2022 - 9:00 a.m. – 2:00 p.m.
April 7, 2022 - 9:00 p.m. – 2:00 – p.m.
May 5, 2022 - 9:00 a.m. – 2:00 p.m.
June 2, 2022 - 9:00 a.m. – 2:00 p.m.
June 23, 2022 - 9:00 a.m. – 2:00 p.m.
July 7, 2022 - 9:00 a.m. – 2:00 p.m.
July 21, 2022 - 9:00 a.m. – 2:00 p.m.
July 28, 2022 - 9:00 a.m. – 2:00 p.m.

*Meeting times are tentative

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

7/16/21
TAB 2
ARTICLE I

The Board and Its Members

1. Board Function—The School Employees Benefits Board (hereinafter “the SEBB” or “Board”) is created pursuant to RCW 41.05.740 within the Health Care Authority; the SEBB’s function is to design and approve insurance benefit plans for school district, educational service district, and charter school employees, and to establish eligibility criteria for participation in insurance benefit plans.

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 41.05.740. A Board member whose term has expired but whose successor has not been appointed by the Governor may continue to serve until replaced.

4. Board Composition—The composition of the nine-member Board shall be in accordance with RCW 41.05.740. All nine members may participate in discussions, make and second motions, and vote on motions.

5. 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 Director or his or her designee shall serve as Chair of the Board and shall conduct meetings of the Board. The Chair shall have all powers and duties conferred by law and the Board’s By-laws. If the regular Chair cannot attend a regular or special meeting, the Health Care Authority Director may designate another person to serve as temporary Chair for that meeting. A temporary Chair designated for a single meeting has all of the rights and responsibilities of the regular Chair.

2. Vice Chair of the Board—In December 2017, and each January beginning in 2019, the Board shall select from among its members a Vice Chair. If the Vice Chair position becomes vacant for any reason, the Board shall select a new Vice Chair for the remainder of the year. The Vice Chair shall preside at any regular or special meeting of the Board in the absence of a regular or temporary Chair.

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 shall be conducted in accordance with the Open Public Meetings Act, Chapter 42.30 RCW, but the Board may enter into an executive session as permitted by the Open Public Meetings Act.

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 24 hours prior to the meeting date or as otherwise required by the Open Public Meetings Act. Agendas may be sent by electronic mail and shall also be posted on the HCA website. An audio recording (or other generally-accepted electronic recording) shall be made of each meeting. HCA staff will provide minutes summarizing each meeting from the audio recording. Summary minutes shall be provided to the Board for review and adoption at a subsequent Board meeting.

6. **Attendance**—Board members shall inform the Chair with as much notice as possible if unable to attend a scheduled Board meeting. Board staff preparing the minutes shall record the attendance of Board members in the minutes.

ARTICLE V  
Meeting Procedures

1. **Quorum**—Five voting members of the Board shall constitute a quorum for the transaction of business. No final action may be taken in the absence of a quorum. The Chair may declare a meeting adjourned in the absence of a quorum necessary to transact business.

2. **Order of Business**—The order of business shall be determined by the agenda.

3. **Teleconference Permitted**—A Board member may attend a meeting in person or, by special arrangement and advance notice to the Chair, by telephone conference call or video conference when in-person attendance is impracticable.
4. Public Testimony—The Board actively seeks input from the public at large, from enrollees served by the SEBB 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 Board members present and eligible to vote, or in the case of a proposed amendment to the By-laws, a 2/3 majority of the Board.

6. Representing the Board’s Position on an Issue—No Board member may endorse or oppose an issue purporting to represent the Board or the opinion of the Board on 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, but the prohibition of proxy votes does not prevent a temporary Chair designated by the Health Care Authority Director from voting.

8. State Ethics Law and Recusal—Board members are subject to the requirements of the Ethics in Public Service Act, Chapter 42.52 RCW. A Board member shall recuse himself or herself from casting a vote as necessary to comply with the Ethics in Public Service Act.

9. 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 Newly Revised. Board staff shall ensure a copy of Robert’s Rules is available at all Board meetings.

10. 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.

ARTICLE VI
Amendments to the By-Laws and Rules of Construction

1. Two-thirds majority required to amend—The SEBB 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
2022 Legislative Session Update

Cade Walker, Executive Special Assistant
Employees and Retirees Benefits (ERB) Division
March 3, 2022
Number of 2022 Bills Analyzed by ERB Division

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<tr>
<th>Priority</th>
<th>ERB Lead</th>
<th>ERB Support</th>
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<tr>
<td>High Priority</td>
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<td>22</td>
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<tr>
<td>Low Priority</td>
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<td>91</td>
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As of 2/23/22
2022 Legislative Session – ERB High Lead Bills

- **Origin Chamber – Policy**
  - 2/3: 9 bills
  - 2/7: 3 bills
  - 2/15: 2 bills
  - 2/24: 4 bills
  - 2/28: 0 bills
  - 3/4: 1 bill

- **Opposite Chamber – Policy**
  - 2/24: 4 bills

- **Opposite Chamber – Fiscal**
  - 2/28: 0 bills

- **Opposite Chamber – Rules/Floor**
  - 2/15: 2 bills

- **Governor**
  - 3/4: 0 bills

Last day of regular session - March 10
Topical Areas of Introduced Legislation

PEBB/SEBB Programs

• HB 1052 (2021) – Performance guarantees
  o Reintroduced and passed to Senate

• 1757/5562 – ESD employee health care

Retirees

• 1911/5700 – Plan 2 members/insurance
  o Plan 2 members included in definition of “separated employee” in RCW 41.05.011
Topical Areas of Introduced Legislation (cont.)

**Rx**
- 1713/5610 – Rx drug cost sharing
- 1813 – Pharmacy Choice
- 5794 – Behavioral health Rx drugs

**Durable Medical Equipment (DME)**
- 1854 – Hearing instruments coverage

**Insurance**
- 1688 – Out-of-network charges
- 5704 – ARNP reimbursement rate
Topical Areas of Introduced Legislation (cont.)

Medical Services
• 1688/5618 – Biomarker testing
• 1939 – Colonoscopy coverage
• 1730/5647 – Fertility services
• 5702 – Donor breast milk coverage
Questions?

Cade Walker, Executive Special Assistant
Employees and Retirees Benefits Division

cade.walker@hca.wa.gov
TAB 4
2022 Supplemental Budget Update
SEBB

Tanya Deuel
ERB Finance Manager
Financial Services Division
March 3, 2022
Proposed Funding Rate

Per employee per month

Adequate to maintain current level of benefits

No significant concerns with funding rates and underlying assumptions
# SEBB Proposed Funding Rates

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<thead>
<tr>
<th>Governor Proposed</th>
<th>Senate Proposed</th>
<th>House Proposed</th>
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<tr>
<td><strong>Funding Rate</strong></td>
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<td><strong>Funding Rate</strong></td>
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*Remains unchanged*
Proposed Budget Similarities
(Governor, Senate, and House Proposed Budgets)

$600K
Customer Service Staff - Funding for 4.5 FTEs is requested to address customer service responsiveness and program complexity within Portfolio Management.

$1.4M
Procurement Resources - Funds are requested to maintain, enhance, and replace contracts with the SEBB Program.

$350K
Mental Health Parity - Funding to complete an analysis of mental health benefits in the Uniform Medical Plan and implement necessary changes to comply with federal requirements.

$970K
IT Maintenance and Operations - 5.0 FTEs to support basic maintenance and operations, and capacity for future enhancements to the SEBB My Account system.
$250,000 is provided for HCA to conduct a study of the Uniform Medical Plan administration. By June 30, 2023, HCA must prepare a report that includes:

- Administrative services provided prior to 2010, those that have been procured since and what elements could be provided by HCA or through discrete provider contracts
- Compare the administrative costs before and after the use of the current contract
- Assumptions on claims’ impacts and performance guarantees
- An implementation plan for HCA to resume administration of all or some of the administrative services at the end of the current contract
Questions?

Tanya Deuel, ERB Finance Manager
Financial Services Division
Tanya.Deuel@hca.wa.gov
TAB 5
(6) The school employees’ benefits board shall [...] 

(c) Authorize premium contributions for a school employee and the employee's dependents in a manner that encourages the use of cost-efficient health care systems. For participating school employees, the required school employee share of the cost for family coverage premiums may not exceed three times the premiums for a school employee purchasing single coverage for the same coverage plan; 

(d) Determine the terms and conditions of school employee and dependent eligibility criteria, enrollment policies, and scope of coverage. At a minimum, the eligibility criteria established by the school employees' benefits board shall address the following: 

(i) The effective date of coverage following hire; 

(ii) The benefits eligibility criteria, but the school employees' benefits board's criteria shall be no more restrictive than requiring that a school employee be anticipated to work at least six hundred thirty hours per school year to be benefits eligible; and 

(iii) Coverage for dependents, including criteria for legal spouses; children up to age twenty-six; children of any age with disabilities, mental illness, or intellectual or other developmental disabilities; and state registered domestic partners, as defined in RCW 26.60.020, and others authorized by the legislature;
Beginning January 1, 2020, all school districts, represented employees of educational service districts, and charter schools shall commence participation in the school employees' benefits board program established under RCW 41.05.740. All school districts, represented employees of educational service districts, charter schools, and all school district employee groups participating in the public employees' benefits board plans before January 1, 2020, shall thereafter participate in the school employees' benefits board program administered by the authority. All school districts, represented employees of educational service districts, and charter schools shall provide contributions to the authority for insurance and health care plans for school employees and their dependents. These contributions must be provided to the authority for all eligible school employees eligible for benefits under RCW 41.05.740(6)(d), including school employees who have waived their coverage; contributions to the authority are not required for individuals eligible for benefits under RCW 41.05.740(6)(e) who waive their coverage.
Uniformed Services Employment and Reemployment Rights Act (USERRA)

Title 20 Chapter IX Part 1002 Subpart D Health Plan Coverage § 1002.168

If the employee's coverage was terminated at the beginning of or during service, does his or her coverage have to be reinstated upon reemployment?

(a) If health plan coverage for the employee or a dependent was terminated by reason of service in the uniformed services, that coverage must be reinstated upon reemployment. An exclusion or waiting period may not be imposed in connection with the reinstatement of coverage upon reemployment, if an exclusion or waiting period would not have been imposed had coverage not been terminated by reason of such service.
Introduction of Proposed Resolution

SEBB 2022-01  School Employees Returning to Work From Active Duty
When a school employee who is called to active duty in the uniformed services under USERRA loses eligibility for the employer contribution toward SEBB benefits, they regain eligibility for the employer contribution toward SEBB benefits the day they return from active duty. Health plan coverage will begin the first day of the month in which they return from active duty.
Proposed Resolution SEBB 2022-01
Example #1

Example: Steve works at Roosevelt Middle School. He returned to his job on May 11, 2022, after six months of active duty. When Steve went on active duty, he was eligible for the employer contribution toward SEBB benefits.

• When are employer paid coverages reinstated?
  Employer paid coverages are reinstated May 1.
Proposed Resolution SEBB 2022-01
Example #2

Example: Penny works at Olympia High School. She returns to her job on Monday, April 25, after eighteen months of active duty. When Penny went on active duty, she was eligible for the employer contribution toward SEBB benefits.

• When are employer paid coverages reinstated? Employer paid coverages are reinstated April 1.
Next Steps

• Incorporate Board feedback in the proposed policies

• Submit feedback by March 18, 2022

• Bring recommended proposed policy resolution to the Board for action at the April 7, 2022 Board Meeting
Questions?

Emily Duchaine, Regulatory Analyst
Policy, Rules, and Compliance Section
Employees and Retirees Benefits Division

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TAB 6
UMP Pharmacy Benefit Management (PBM) Update

Jenny Switzer, Senior Moda Account Manager
Portfolio Management & Monitoring Section
Employees and Retirees Benefits Division
March 3, 2022
Background

• The Northwest Prescription Drug Consortium (the Consortium) is jointly administered through the Washington Prescription Drug Program (WPDP) and the Oregon Prescription Drug Program (OPDP)
  – Both state governments joined together to increase purchasing power in 2006
  – UMP must use the Consortium for its pharmacy benefit (RCW 70.14.060)

• The prior Moda Health contract to administer the Consortium expired on 12/31/21

• After a competitive procurement, Moda was awarded the new contract
  – New contract became effective 1/1/2022
  – 5-year contract with an option to extend the contract in one year increments up to a total of 5 years
Overview of Moda’s Structure

- Moda administers most aspects of UMP’s prescription drug benefit in-house (Blue)

- Moda subcontracts with another pharmacy benefit manager (PBM) to carry out behind-the-scenes functions (Yellow)
Moda and Navitus Roles

Moda’s PBM subcontractor changed from MedImpact to Navitus

- Account team
  - Summary plan description
  - Benefit fair & open enrollment support

- Member Services
  - Customer call center
  - Communications
  - Member portal

- Clinical Services
  - Formulary
  - Prior authorization
  - Utilization management
  - Clinical reviews
  - Appeals

- Reporting/Analytics
  - Standard and ad hoc reports
  - Actuarial services
  - Analytics
  - Plan modeling
  - Claims data file & integration

- Benefit Design
  - Eligibility
  - Benefit administration
  - Configuration
  - Invoicing

- Navitus’ PBM functions
  - Claim processing
  - Pharmacy network
  - Reporting portal
  - Rebates
Benefits of Navitus

- More clinical programs to support the health of members
  - Pharmacoadherence programs
- Costco mail order as a potential 2nd mail order option for benefit year 2023
- Greater options for administrative budget flexibility
  - Per Paid Claims
  - Per Member Per Month (PMPM)
- Increased online reporting access
  - 30 user seats available versus previous 4
- Walgreens added to the pharmacy network
# Member Experience

<table>
<thead>
<tr>
<th>What stayed the same?</th>
<th>What changed?</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Benefit design</td>
<td>• New group ID and BIN numbers</td>
</tr>
<tr>
<td>• Prior authorizations</td>
<td>• ID cards were issued</td>
</tr>
<tr>
<td>• Customer service</td>
<td>• Refreshed member dashboard</td>
</tr>
<tr>
<td>• Complaints and appeals process</td>
<td>• Price check, pharmacy locator, claims history</td>
</tr>
<tr>
<td>• Large pharmacy network</td>
<td>• New address to submit out-of-network claims</td>
</tr>
<tr>
<td>• ~53,000 network locations</td>
<td>• Change in drug designation database resulted in changes in</td>
</tr>
<tr>
<td>• Ardon Health for specialty pharmacy</td>
<td>some generic and brand designations</td>
</tr>
<tr>
<td>• Postal Prescription Services for mail order pharmacy</td>
<td>• CVS/Walgreens’ network change</td>
</tr>
</tbody>
</table>

- Change in drug designation database resulted in changes in some generic and brand designations
## Net Changes to Network Pharmacies

<table>
<thead>
<tr>
<th>County</th>
<th>CVS</th>
<th>Walgreens</th>
<th>Net Pharmacy Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASOTIN</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>BENTON</td>
<td>2</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>CHELAN</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>CLALLAM</td>
<td>0</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>CLARK</td>
<td>2</td>
<td>13</td>
<td>11</td>
</tr>
<tr>
<td>COWLITZ</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>DOUGLAS</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>FRANKLIN</td>
<td>0</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>GRANT</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>ISLAND</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>KING</td>
<td>22</td>
<td>39</td>
<td>17</td>
</tr>
<tr>
<td>KITSAP</td>
<td>2</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>LEWIS</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>PIERCE</td>
<td>7</td>
<td>21</td>
<td>14</td>
</tr>
<tr>
<td>SKAGIT</td>
<td>0</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>SNOHOMISH</td>
<td>6</td>
<td>12</td>
<td>6</td>
</tr>
<tr>
<td>SPOKANE</td>
<td>2</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>THURSTON</td>
<td>2</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>WALLA WALLA</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>WHATCOM</td>
<td>1</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>YAKIMA</td>
<td>0</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>

**Total:** 47 CVS pharmacies, 133 Walgreens pharmacies, 86 net pharmacy increases
Net Changes by Zip Code

Walgreens: +133 locations in WA
CVS: -47 locations in WA
Net gain: 86 locations
# Member Communications

<table>
<thead>
<tr>
<th>Title</th>
<th>Published</th>
<th>Audience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rx OE Brochure</td>
<td>9/16/2021</td>
<td>All members</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Available online or mail by request</td>
</tr>
<tr>
<td>What's Changing Publication</td>
<td>9/16/2021</td>
<td>All subscribers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mailed with welcome packet</td>
</tr>
<tr>
<td>SEBB UMP OE Video (recorded)</td>
<td>9/16/2021</td>
<td>Available on-demand to all members</td>
</tr>
<tr>
<td>Intercom Newsletters</td>
<td>10/12/2021</td>
<td>All SEBB Program subscribers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Email or mail per member preference</td>
</tr>
<tr>
<td>UMP Newsletter</td>
<td>10/15/2021</td>
<td>All SEBB Program subscribers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Email or mail per member preference</td>
</tr>
<tr>
<td>SEBB UMP Webinar (recorded)</td>
<td>11/3/2021</td>
<td>Available on-demand to all members</td>
</tr>
<tr>
<td>WSRxS Welcome Postcards</td>
<td>12/7/2021</td>
<td>New UMP members only</td>
</tr>
<tr>
<td>Quick Start Guides</td>
<td>12/20/2021</td>
<td>All subscribers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mailed with welcome packet</td>
</tr>
<tr>
<td>Welcome Letters</td>
<td>12/20/2021</td>
<td>All subscribers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mailed with welcome packet</td>
</tr>
<tr>
<td>Regence.com web alert</td>
<td>1/1/2022 – 1/31/2022</td>
<td>All members</td>
</tr>
</tbody>
</table>
Additional Communications

• Certificates of Coverage
• Customized letters to targeted members
  • 4,624 letters to SEBB Program members, who had filled a prescription at CVS in previous 8 months, notifying them of change in network status. Included 3 closest network pharmacies to member home address
  • 47,427 letters to SEBB Program subscribers providing advance notice of new pharmacy ID card numbers and how to access claims history online
• Custom Customer Service Recorded Greeting
  • Informed callers they will receive a new card in December and to use it when filling prescriptions in 2022
• SmartHealth Activity Tile
  • 181 SEBB Program members participated in this activity
Implementation Related Member Impacts

- No appeals received related to implementation
- Difference in concurrent drug utilization review (DUR) edits caused some claims to deny for high dose when they had previously been approved
- Some compound claims partially rejected for non-formulary ingredients, such as bulk powders
- Price changes due to drug reference source classifications, Maximum Allowable Cost (MAC) list changes, and changes to network financial guarantees
Questions?

Jenny Switzer, Senior Moda Account Manager
Portfolio Management & Monitoring

Jenny.Switzer@hca.wa.gov
TAB 7
Background

• SEBB fully leveraged PEBB benefits

• Promise to revisit

• No significant changes in benefits by PEBB for 20 years

• 78% of SEBB Program members use Uniform Dental Plan (UDP)
Board Timeline

• March
  – Introduction of options

• April
  – Data on utilization and potential costs

• May
  – Reach consensus on priorities
Remaining Benefit Design Cycle

- Summer/Fall 2022
  - HCA Introduction of budget decision package

- September 2022
  - Budget proposals finalized by Governor

- Spring 2023
  - Biennial budget for FYs 2023-2025 finalized

- Benefit Introduction
  - January 1, 2024 (earliest) or January 1, 2025
Current UDP Plan Design

- Deductible - $50/person – up to $150 family
- Class I (preventive services) – 100% coverage
- Class II (fillings) – 80% coverage
- Class III (crowns, bridges, etc.) – 50% coverage
- TMJ – 70% coverage and $500 lifetime
- Annual *plan* payment - $1,750
# Market Comparison – Plan Coverage

<table>
<thead>
<tr>
<th>Coverage Amount</th>
<th>Uniform Dental Plan</th>
<th>Delta Book of Business</th>
<th>WEA Plan (Pre-SEBB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The amount the Plan pays towards the covered service.</td>
<td>Class I - Preventive Services, 100%</td>
<td>Class I - Preventive Services, 100%</td>
<td>Class I: – Preventive Services, 70% - 100%</td>
</tr>
<tr>
<td></td>
<td>Class II – Restorative (Fillings), 80%</td>
<td>Class II – Restorative (Fillings), 80%</td>
<td>Class II – Restorative (Fillings, Crowns), 70% - 100%</td>
</tr>
<tr>
<td></td>
<td>Class III – Major (Crowns, Bridges, Implants), 50%</td>
<td>Class III – Major (Crowns, Bridges, Implants), 50%</td>
<td>Class III – Major (Bridges, Implants), 50%</td>
</tr>
</tbody>
</table>
2024 UDP Options

- Incentivize preventive services
- Composite materials for fillings
- Annual plan maximum adjustment
- No deductible for children’s benefits
- TMJ lifetime benefit limit adjustment
Incentivize Preventive Services

• Increase Plan percentage coverage (amount plan pays) based on one visit to the dentist

• Can increase by a standard increment per year, based on previous year’s usage, up to a maximum

• Benefits could decrease (for non-use) by standard increment to established floor
Incentive Benefits

• Large employers – Not currently used by larger groups, but interest is increasing

• WEA Plan (Pre-SEBB) – Class I and II, started at 70% plan coverage and increased by 10% per year up to 100% plan coverage
WEA Plan Incentive Example
(Source: WEA Plan Summary, 2018)

How your plan works
Simply visit your dentist at least once in the benefit year to increase your coverage level by 10% for the following year. Repeat until you achieve your maximum benefit levels. Here's an example:

- Current benefit period coverage level
- Use benefits
- One year later coverage goes up 10%
- Use benefits
- One year later coverage goes up 10%

On the other hand, if you do not visit the dentist in the benefit year, your coverage level will decrease by 10% the following year.
Amalgam and Composite Comparison

Materials for posterior teeth restoration:

• Amalgam restorations contain elemental mercury and are less commonly used

• Composite materials provide good durability and resistance to fracture
Composite Materials for Fillings

- Currently considered elective in posterior teeth (stainless steel or prefabricated crowns are covered under Class II)
- Large employers
  - Included in smaller fully insured groups
  - Not included in larger self-insured plans
- WEA (Pre-SEBB) – covers posterior composite fillings (base 70%, subject to increase in incentive plan to 100%); crowns and onlays are covered under Class II
Annual Plan Maximum Adjustment

• Current level is $1,750
• Preventive services count towards plan benefit, even though no cost share
• Same level since 2008
### Annual Plan Maximum Comparisons

<table>
<thead>
<tr>
<th>Annual Plan Maximum</th>
<th>Uniform Dental Plan</th>
<th>Delta Book of Business</th>
<th>WEA Plan (Pre-SEBB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The most the <strong>Plan</strong> will pay during a coverage period, at which point the member will assume the full responsibility for payment of covered services.</td>
<td>$1,750 regardless of network status (PPO, Premier, and Out-of-Network)</td>
<td>43% of Book of Business has a $2,000 maximum</td>
<td>$2,000 PPO, $1,750 Premier, and Out-of-Network</td>
</tr>
</tbody>
</table>
## Market Comparison - Deductibles

<table>
<thead>
<tr>
<th>Annual Deductible</th>
<th>Uniform Dental Plan</th>
<th>Delta Book of Business</th>
<th>WEA Plan (Pre-SEBB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The amount the member must pay before the plan begins to pay for covered services.</td>
<td>No deductible for preventive services $50/individual $150/family</td>
<td>Industry standard - $50/$150 (Waived for Preventive services)</td>
<td>No deductible</td>
</tr>
</tbody>
</table>
Waiving Children’s Deductible

• Reduce financial barriers for pediatric care
• Encourage early preventive visits
• Applies to restorative care as needed
• Develop lifetime habits of good oral care
Differences in Children’s Benefits

Uniform Dental Plan
- Children’s coverage same as adults’
- $50 deductible
- Class II benefits – 80% coverage
- Annual plan maximum of $1,750

WEA Healthy Start
- Covers children up to age 15
- No deductible for children
- Class II benefits – 100% coverage
- No annual plan maximum
Temporomandibular Joint (TMJ) Benefits

• Clinically – disorders that result in pain in the muscles associated with the TMJ, arthritic problems with the TMJ, or an abnormal range of motion of the TMJ

• Surgical benefits are covered medically (requiring pre-authorization)
# TMJ Benefits Comparison

<table>
<thead>
<tr>
<th>Uniform Dental Plan</th>
<th>Delta Book of Business</th>
<th>WEA Plan (Pre-SEBB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>70% up to $500 Lifetime maximum</td>
<td>50% up to $1,000 annual maximum; $5,000 Lifetime maximum</td>
<td>50% up to $1,000 annual maximum; $5,000 Lifetime maximum</td>
</tr>
<tr>
<td></td>
<td>Boeing and Alaska Airlines have NO coverage</td>
<td></td>
</tr>
</tbody>
</table>
TMJ Lifetime Benefits

• Higher percentage coverage than most large employers

• Covers only non-surgical treatment

• Treatment usually consists of retainers and/or spacers
Next Steps

• April meeting
  – Data on utilization
  – Potential cost impacts (small, medium, large)
  – Additional information as requested
Questions?

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