School Employees Benefits Board Meeting

March 5, 2020
School Employees Benefits Board
March 5, 2020
9:00 a.m. – 12:30 p.m.
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 5, 2020**  
**9:00 a.m. – 12:30 p.m.**  
**Sue Crystal Rooms A & B**

**Cherry Street Plaza**  
**626 8th Avenue SE**  
**Olympia, WA 98501**

**Call-in Number: 1-866-374-5136**  
**Participant PIN Code: 60995706**

<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
<th>Speaker(s)</th>
<th>Type</th>
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<tbody>
<tr>
<td>8:30 a.m.</td>
<td>Coffee and Light Refreshments</td>
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<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>David Iseminger, Director Employees &amp; Retirees Benefits (ERB) Division</td>
<td>Information</td>
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<tr>
<td>9:10 a.m.</td>
<td>Approval of August 29, 2019 Minutes</td>
<td>Lou McDermott, Chair</td>
<td>Action</td>
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<tr>
<td>9:15 a.m.</td>
<td>Follow Up from January 27, 2020 Meeting</td>
<td>David Iseminger, Director Employees &amp; Retirees Benefits (ERB) Division</td>
<td>Information/Discussion</td>
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<tr>
<td>9:20 a.m.</td>
<td>Legislative Update</td>
<td>Tanya Deuel, ERB Finance Manager, Financial Services Division</td>
<td>Information/Discussion</td>
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<td></td>
<td>• 2020 Supplemental Budget</td>
<td>Cade Walker, Special Assistant ERB Division</td>
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<td></td>
<td>• Bills</td>
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<td>9:55 a.m.</td>
<td>Parliamentary Procedure</td>
<td>Michael Tunick, Assistant Attorney General</td>
<td>Information/Discussion</td>
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<td>10:15 a.m.</td>
<td>Break</td>
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<td>10:30 a.m.</td>
<td>HCA Legislative Report on Consolidating PEBB and SEBB Programs</td>
<td>Marcia Peterson, Manager Benefits Strategy &amp; Design Section ERB Division</td>
<td>Information/Discussion</td>
</tr>
<tr>
<td>10:45 a.m.</td>
<td>SEBB Program Appeals Update</td>
<td>Mike Brown, Section Manager Office of Legal Affairs Division of Legal Services</td>
<td>Information/Discussion</td>
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<tr>
<td>11:15 a.m.</td>
<td>SEBB Program Implementation: Medical Flexible Spending Arrangement (FSA) and Dependent Care Assistance Program (DCAP)</td>
<td>Marty Thies, Account Manager Portfolio Management &amp; Monitoring Section, ERB Division</td>
<td>Information/Discussion</td>
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<tr>
<td>11:35 a.m.</td>
<td>Stakeholder Training Update</td>
<td>Jesse Paulsboe, Manager Outreach and Training Unit, ERB Division</td>
<td>Information/Discussion</td>
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<td>Time</td>
<td>Item</td>
<td>Room</td>
<td>Presenter</td>
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<td>11:50 a.m.</td>
<td><strong>Annual Rate Process and Resolution SEBB 2020-03</strong></td>
<td>TAB 10</td>
<td>Megan Atkinson, Chief Financial Officer, Financial Services Division</td>
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<td>12:00 p.m.</td>
<td><strong>Public Comment</strong></td>
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<tr>
<td>12:30 p.m.</td>
<td><strong>Adjourn</strong></td>
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*All Times Approximate*

The School Employees Benefits Board will meet Thursday, March 5, 2020, at the Washington State Health Care Authority, Sue Crystal Rooms A & B, 626 8th AVE 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: SEBboard@hca.wa.gov.

# SEB Board Members

<table>
<thead>
<tr>
<th>Name</th>
<th>Representing</th>
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<tbody>
<tr>
<td>Lou McDermott, Deputy Director</td>
<td>Chair</td>
</tr>
<tr>
<td>Health Care Authority</td>
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<tr>
<td>626 8th Ave SE</td>
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<tr>
<td>PO Box 42720</td>
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<tr>
<td>Olympia, WA 98504-2720</td>
<td></td>
</tr>
<tr>
<td>V 360-725-0891</td>
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<tr>
<td><a href="mailto:louis.mcdermott@hca.wa.gov">louis.mcdermott@hca.wa.gov</a></td>
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<tr>
<td>Vacant</td>
<td>Employee Health Benefits Policy and Administration</td>
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<tr>
<td>Pete Cutler</td>
<td>Employee Health Benefits Policy and Administration</td>
</tr>
<tr>
<td>7605 Ostrich DR SE</td>
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<tr>
<td>Olympia, WA 98513</td>
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<td>C 360-789-2787</td>
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<tr>
<td>Dawna Hansen-Murray</td>
<td>Classified Employees</td>
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<tr>
<td>9932 Jackson ST</td>
<td></td>
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<tr>
<td>Yelm, WA 98597</td>
<td></td>
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<td>C 360-790-4961</td>
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<tr>
<td><a href="mailto:dawna.hansen-murray@hca.wa.gov">dawna.hansen-murray@hca.wa.gov</a></td>
<td></td>
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<tr>
<td>Dan Gossett</td>
<td>Certificated Employees</td>
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<tr>
<td>603 Veralene Way SW</td>
<td></td>
</tr>
<tr>
<td>Everett, WA 98203</td>
<td></td>
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<tr>
<td>C 425-737-2983</td>
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<tr>
<td><a href="mailto:dan.gossett@hca.wa.gov">dan.gossett@hca.wa.gov</a></td>
<td></td>
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<tr>
<td>Katy Henry</td>
<td>Certificated Employees</td>
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<tr>
<td>230 E Montgomery AVE</td>
<td></td>
</tr>
<tr>
<td>Spokane, WA 99207</td>
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<tr>
<td>V 509-326-4046</td>
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<tr>
<td><a href="mailto:katy.henry@hca.wa.gov">katy.henry@hca.wa.gov</a></td>
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# SEB Board Members

<table>
<thead>
<tr>
<th>Name</th>
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<tbody>
<tr>
<td>Terri House</td>
<td>Classified Employees</td>
</tr>
<tr>
<td>Marysville School District</td>
<td>4220 80th ST NE Marysville, WA 98270</td>
</tr>
<tr>
<td>V 360-965-0010</td>
<td><a href="mailto:terri.house@hca.wa.gov">terri.house@hca.wa.gov</a></td>
</tr>
<tr>
<td>Wayne Leonard</td>
<td>Employee Health Benefits Policy and Administration</td>
</tr>
<tr>
<td>Assistant Superintendent of Business Services</td>
<td>Mead School District</td>
</tr>
<tr>
<td>Alison Poulsen</td>
<td>Employee Health Benefits Policy and Administration</td>
</tr>
<tr>
<td>12515 South Hangman Valley RD</td>
<td>Valleyford, WA 99036</td>
</tr>
<tr>
<td>Legal Counsel</td>
<td></td>
</tr>
<tr>
<td>Katy Hatfield, Assistant Attorney General</td>
<td>7141 Cleanwater Dr SW</td>
</tr>
</tbody>
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2/25/20
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, 2020 - 9:00 a.m. – 3:30 p.m.
March 5, 2020 - 9:00 a.m. – 3:30 p.m.
April 2, 2020 - 9:00 p.m. – 3:30 – p.m.
May 7, 2020 - 9:00 a.m. – 3:30 p.m.
June 4, 2020 - 9:00 a.m. – 3:30 p.m.
June 24, 2020 - 9:00 a.m. – 3:30 p.m.
July 16, 2020 - 9:00 a.m. – 3:30 p.m.
July 23, 2020 - 9:00 a.m. – 3:30 p.m.
July 30, 2020 - 9:00 a.m. – 3:30 p.m.

If you are a person with a disability and need a special accommodation, please contact Connie Bergener at 360-725-0856
TAB 2
SCHOOL EMPLOYEES BENEFITS BOARD BY-LAWS

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
Call to Order
Lou McDermott, Chair, called the meeting to order at 9:00 a.m. Sufficient members were present to allow a quorum. Board self-introductions followed. TV Washington (TVW) was in attendance live webcasting the meeting (www.tvw.org).

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

Approval of May 16, 2019 Meeting Minutes
Patty Estes moved and Dan Gossett seconded a motion to approve. Minutes approved as written by unanimous vote.

Approval of June 12, 2019 Meeting Minutes
Patty Estes moved and Dan Gossett seconded a motion to approve. Minutes approved as written by unanimous vote.
Approval of July 18, 2019 Meeting Minutes
Patty Estes moved and Dan Gossett seconded a motion to approve. Minutes approved as written by unanimous vote.

Approval of July 25, 2019 Meeting Minutes
Patty Estes moved and Dan Gossett seconded a motion to approve. Minutes approved as written by unanimous vote.

Approval of August 1, 2019 Meeting Minutes
Patty Estes moved and Dan Gossett seconded a motion to approve. Minutes approved as written by unanimous vote.

School District Optional Benefits
Cade Walker, Executive Special Assistant, ERB Division. Slide 3 – What are we talking about? Today we’re talking about optional benefits. In RCW 28A.400, there is a term that describes optional benefits. When referring to optional benefits in the SEBB Program, we’re referring to those benefits offered that are separate and distinct from the SEB Board benefits. The term describes benefits offered by school districts that are separate, distinct from the mandatory and supplemental benefits authority under the SEBB Program.

Slide 4 – SEBB Program Benefits Authority. You have worked for two years creating benefits. SEB Board authority is to offer health benefits, including medical, dental, vision, prescription drug coverage, all forms of life insurance including but not limited to, whole and term life insurance, accidental death and dismemberment in all its forms, liability in all its forms. An example would be home and auto insurance. Disability, medical flexible spending arrangements, the DCAP or Dependent Care Assistance Program. Those benefits are within the prevue of the Board to offer under the SEBB Program.

Dave Iseminger: To clarify, some things are the Board’s authority and some are the agency’s authority. FSA and DCAP are under the agency’s authority. The agency’s and the Board’s authorities come together to become the Program’s authority. The agency’s authority is exclusive, just as RCWs are specific to the Board’s authority. Going forward, you know we brought to you and you passed a term life insurance benefit. If there is a desire for a whole life insurance benefit, HCA will do the procurement, bring you information, and you can decide if you want to establish that product line. There may be other benefits of interest to you. There is time in the future to keep working on expanding benefit offerings within your authority.

Cade Walker: Slide 5 – School District Optional Benefits – Authority. With that particular statute, we have developed a review process. The statute is not in our usual RCW 41.05 statute we’re accustomed to looking through. This is found in the school district statute, RCW 28A.400.280(2). The germane part is school districts are not allowed to offer benefits that are within the SEB Board’s authority, meaning not what the SEB Board is offering, but what is within the authority of the Board to offer. A prime example is a short-term disability benefit. The SEB Board decided not to offer that benefit to the SEBB population due to the new Paid Family and Medical Leave Program and the lack of adequate carrier products. However, it is within the SEB Board’s authority, thereby school districts do not have that authority to offer a short-term
disability product. The preclusion is to the districts not being allowed to offer benefits that are within that authority, which we know is broad and allows the Board to offer a wide range of products within the authority listed in statute, as well as the Health Care Authority’s purview to offer FSA and DCAP benefits.

Starting this December and every December moving forward, the districts have an obligation to provide a list of the optional benefits they are offering to their employees. There will be an evaluation to ensure the benefits do not conflict with the SEB Board’s authority to offer benefits and to ensure there’s no competition between SEB Board Program offerings and school district optional benefit offerings.

In the last bullet on Slide 5, I’ve highlighted in different colors, “The School Employees Benefits Board shall review the optional benefits offered by districts and: (a) Determine if the optional benefits conflict with school employees benefits board’s plans offering authority and, if not (b) evaluate whether to seek additional benefit offerings authority from the Legislature.” If it is determined that districts are perhaps offering a benefit with a lot of uptake, the Board could evaluate and make a determination whether to seek that authority that is not already with the SEB Board to offer that benefit. A prime example could be pet insurance. The SEB Board does not have authority, nor does the Health Care Authority, to offer a pet insurance product. Let’s assume there is substantial interest in providing pet insurance to school employees. The Board can seek authority from the Legislature to have that expanded authority granted under the statute so the Board can then evaluate, complete a procurement, and offer pet insurance to the school employee population.

Slide 6 - SEB Board Responsibility. The SEB Board needs to review optional benefits and determine whether there’s a conflict. We are working on a process to do that. HCA will compile information, list benefits offered by districts outside of the Program’s authority, and ask the Board to make a determination whether or not to seek legislative approval to provide that benefit.

Lou McDermott: Is there a meeting scheduled in December to do this activity?

Dave Iseminger: There is no meeting in December. We get the information in December and Cade will describe the agency process of how HCA will put the information together to bring to the Board, in January if possible. The deadline statutorily for the districts to provide the information is December 1.

Lou McDermott: Logistically, the districts come into the SEBB Program in September. Are we thinking they’ve already offered benefits so it is after-the-fact? Or is this for the following year?

Dave Iseminger: There are 295 districts and there’ll be at least two ways the 295 districts provide benefits. Sometimes there may be benefits already being offered or others may have anticipatory benefits.

Cade Walker: Slides 7 and 8 – Review Process. We know that by December 1 of every year, starting in 2019, districts need to provide to HCA for review their optional benefits offered to their employees in their districts. The Program will review the additional benefits and present the analysis to the SEB Board for consideration and
further evaluation if necessary. We anticipate this may occur at the January 2020 SEB Board Meeting.

Eventually, we will provide responses back to the districts about whether the optional benefit conflicts with SEB Board authority, and if the district is not permitted to offer that benefit to its employees. However, we want to be clear that’s not the same as saying we will be reviewing and approving any optional benefits offered by the school district. We are saying we don’t believe it conflicts with the Program’s authority. That is the end of the analysis. It’s not an endorsement. It’s not sponsoring the optional benefit or otherwise authorizing a benefit. I want to make sure it is clear not only for the Board but for the districts that we don’t have authority to do anything other than to confirm a benefit doesn’t conflict with the Program’s authority. That’s the end of our analysis on those additional optional benefits for the review period.

There are districts that have significant questions about optional benefits. HCA is working hard to interpret the words of the statute and to understand the scope of this process. What is the responsibility of the SEB Board, the SEBB Program, and the districts?

**Dave Iseminger:** Why December 1? There is no perfect time for this process to be set up, but the statute says December 1. We recognize December 1 is in the middle of a school year, and just because SEBB benefits are on a calendar year, it doesn’t mean non-SEBB optional benefits would be on a calendar year. There is the question of timing. HCA is already aware of instances where benefits may clearly conflict with the Board’s authority. We are working on communicating with the districts we’re aware of to ensure they have an understanding this is about the Board and the Program’s offering authority, not the actual benefits offered in the SEB Board’s benefits portfolio.

Page 11 in the Appendix is a one-page document that provides context and information to districts. After today’s meeting, we’ll provide the districts a copy of this presentation and that document again. HCA is evaluating different options as we find instances where a specific benefit is directly conflicting. An example we are aware of is a potential insurance entity that is trying to market a whole life insurance benefit to districts indicating the SEB Board only offers a term life insurance, so it’s okay for them to offer whole life. That is not true. The SEB Board authority could include whole life insurance. The agency is talking with the Attorney General’s Office and evaluating different options to determine the different tools in our toolbox to protect the SEBB Program’s authority.

The importance of monitoring the benefits provided by the districts is to help protect the purchasing power and the erosion of that purchasing power of the SEBB Program. If it’s determined there is a desire for a whole life insurance benefit, HCA will do a procurement for a whole life insurance benefit and bring that to the Board as an option to add into the portfolio. This area is becoming more active as we learn about the different products being marketed to school districts.

**Lou McDermott:** Dave, if the statute gets opened up during session and there are any modifications to it, we might want to consider the December 1 date.
**Sean Corry:** If districts have insurance in place now, for example, whole life policies on a voluntary purchase basis, must that end? What's to happen with existing programs at school districts under our purview? We don't provide them but we could? Must they end? How does that work?

**Cade Walker:** The statute says the school districts are not allowed to provide or offer optional benefits that conflict with the SEB Board's offering authority. We are still getting legal opinion on the enforcement mechanism to enforce the requirement that school districts not offer certain benefits. Besides the purchasing power concern, there is an equity issue for districts to ensure we're leveling the benefit playing field for all districts. We will inform districts if they are in violation of statute for having additional optional benefits offered through their district that conflict with the SEB Board's authority.

**Dave Iseminger:** Sean, it's important to remember the way the statute was changed in 2017. It takes away the benefit's offering authority for districts. This was an exception to taking away of benefits offering jurisdiction and opened up a crack in that line in the concrete. The statute, as passed in House Bill 2242, said no benefits offering authority after December 31, 2019. In the 2018 legislation, this was added as, “except there's this piece when it's outside of the Board's authority.” The underlying provision is after December 31, 2019 there is no offering authority with the exception of this carve out.

**Patty Estes:** I think, in the future, the enforcement piece was what I was trying to work through. How are we letting them know? What can we enforce? How are we enforcing that? It will be good once we figure out those questions.

**Cade Walker:** Agreed. The Board does have authority to assess penalties on districts. As we consider the options, we have to enforce the statute. Those could be options that are on the table and bring to the Board for your consideration on how to ensure that we're preserving that Program's authority.

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**Long-Term Disability (LTD) Benefit Strategy**

**Beth Heston,** Procurement Manager, ERB Division. Slide 2 – Today I'll share the timeline for improving the basic LTD benefit.

Slide 3 – Basic and Supplemental 2020 LTD Design. This slide shows the details about the 2020 plan. The basic LTD maximum monthly benefit is $400, which is 60% of the first $667 of predisability earnings, or monthly gross income. For the supplemental benefit, the buy-up allows for $10,000 per month, which is 60% of the first $16,667 of monthly gross income.

Slide 4 – Timeline for Decision Making. This timeline includes a request in the supplemental operating budget in the 2020 legislative session.

Slide 5 – 2021 LTD Basic Benefit Design. Today we are asking for direction from you. Based on if funding is approved in the 2020 supplemental operating budget, you can make the final decision next year during Board season. We know people want a full 60% employer-paid benefit, but we also know the cost is prohibitive. There is a range of
options. If the authorizing environment won’t accept a full 60%, what does the Board want to set as the incremental improvement goal?

**Dave Iseminger:** As we provide information for the Governor’s supplemental budget process, we’ll describe a range of options; but our question today is about what’s that middle step option. We’ll describe what the funding would be to go to a standard employer-paid benefit of 60% of salary and include something that’s a middle ground in case there’s not the appetite or financial wherewithal. We don’t want to make it an all or nothing proposal.

**Beth Heston:** Slide 6 – Washington School Districts – Income, lays out the school employee salary range. Unfortunately, it’s done in rather large increments. There are those under $31,000 a year, $31,000 to $50,000 a year, $50,000 to $80,000 a year, $80,000 to $100,000, and $100,000 to $150,000. The majority of people are under $50,000. The $50,000 to $80,000 bracket is our largest group.

Slide 7 – SEBB Employer-Paid Basic LTD Plan Design, gives insight into the range of incremental improvements of the Basic LTD, starting from the current maximum monthly benefit of $400, up to the maximum monthly benefit of $10,000. The rows on the left side are labeled Annual Salary Covered and Benefit Percentage because that’s pretty much unchanged, Maximum Monthly Benefit, PSPM Cost (Per Subscriber Per Month Cost), and Total Annual Cost. The PSPM row is the amount needed in addition to the current PSPM. My question to you is what does the Board believe the target should be?

**Dave Iseminger:** I’ll give you one more piece of context. We had a similar discussion with the PEB Board. In bringing you benefits packages for the SEBB Program, we built off the structure of the PEBB Program. In our discussion with the PEB Board and their incremental range, if a 60% benefit wasn’t on the table, they indicated the range of $1,000 to $2,500 would be the ideal incremental step. Another important piece I have alluded to is when HCA provides funding benefit change recommendations for the Legislature and Governor’s Office to consider, they will look at both programs and the cost to make a change in both programs.

HCA will also prepare a report in the next year about what it would look like if both programs consolidated into one program. HCA would look at benefit changes and the cost for both programs to keep the programs fairly aligned.

For LTD, the steps to increase the PEBB Program benefit are more expensive than the SEBB Program. In the current plan, both programs are spending the same $2 per subscriber per member (PSPM). The PEBB Program is getting a $240 a month basic benefit. The SEBB Program is getting a $400 a month basic benefit. The money goes further because of the occupational differences between the employees covered in the two programs. Keep in mind it’s an additional $13 million for the PEBB Program. It’s at least double the numbers on Slide 7 when you talk about both programs. It’s more than double because the cost is greater for the PEBB Program.

**Lou McDermott:** Are we saying the PSPM does not include the basic but the total annual cost does?
**Dave Iseminger:** Correct. The PSPM row is the additive amount. The total annual cost is the true total amount. For example, if you pick $1,500, it costs about $10.2 million. You have to subtract the $3.3 million currently spent and the incremental difference is $7 million. We’ve had feedback on this slide. We’ve presented it so many times though, we didn’t want to restructure that piece.

We are interested in hearing your thoughts about an incremental step because we would like to include insight from both Boards about what a preferred incremental step would be as additional context for the authorizing environment.

**Lou McDermott:** Was there any consideration of submitting the decision package with just the range and let the chips fall where they may? Let them do what they want? Or is it preferable for the Board to select an amount?

**Dave Iseminger:** We can do it either way. We wanted to give the Board the opportunity to provide feedback on the benefit design debate because the SEB Board authority includes benefit design on top of eligibility. If there is not a specific consensus, we would describe that the SEB Board had concerns about maintaining a current $400 benefit, is highly interested in a 60% benefit, and things moving in that direction would be appreciated and welcome from the Board’s perspective. If that’s the description we have, that’s what we would describe. If there’s something more specific, we would describe that as well.

**Lou McDermott:** For the Board’s consideration, if you submit a decision package and ask for a specific amount, it can be a yes or no, depending on if it fits in their budget. They don’t look at other options. If you give them flexibility, they may provide an option. I think a better strategy is to give them flexibility by providing a range.

**Alison Poulsen:** I would concur on a range in the decision package. I think is consistent with the Board’s perspective. Moving from a $400 to a $1,500 benefit, and $1,500 to $2,500 feels like a good range. I'm aware of the budget constraints on the state Legislature. Thinking through the politics of it is probably as important as what that number is. From my personal perspective, if it went from $400 to $1,500 to $2,500, that feels like a really good increase and strengthening of that offering.

**Lou McDermott:** Without getting technical, keep in mind that number is mitigated by federal funds. As agencies draw down federal funds, it dampens the General Fund State (GFS) impact. There are agencies, like HCA, when we pay our bill to the PEBB Program, half of that money is coming from the federal government due to Medicaid match. That number is actually smaller than it looks. It’s still that much money but it’s less GFS than it looks. I think we’re about a 40% draw down from the feds across our benefits. I’m hearing $1,500 feels like a good amount.

**Sean Corry:** I would urge us to consider asking the Legislature for 60% benefit and leave it at that. Having a success by increasing the benefit by $500 or $1,000 doesn’t do it for the people who become disabled and are stuck. Thank you.

**Wayne Leonard:** In looking at ranges, I’m not that familiar with how many of our staff had claims; but I think the $50,000 salary, with the $2,500 benefit, is currently an entry level salary for a teacher around the state. Maybe a little high in some places, a little
low in others. The $30,000 salary might be more comparable for some of the full time, lower paid classified staff. That range is probably okay. I would err on asking for at least enough to cover 60% for an entry level teaching position.

**Patty Estes:** Looking at where we have the majority and we have 69% income for school employees under $80,000, I think that $2,500 will cover most everyone. To Wayne’s point, I think it gets to entry level teachers, and even some of those with a bit of seniority. I think us little guys are the ones where $400 a month is a drop in the bucket for somebody who’s making $16,000 a year. When you start increasing your income, those needs definitely change, especially if you are in a long-term disability situation. Could we ask for 60% or this range? We could present that to the legislature and see if we can do 60% or can this range? I think that would satisfy Sean’s point and just about anything else.

**Lou McDermott:** For clarification, we’re not going to present anything to the Legislature. We submit our decision packages to the Governor’s Office and the Governor fits it in his budget. We support whatever budget he comes up with. As we go into the legislative process, if he’s allocated those resources, we work with the Legislature through the process.

**Dave Iseminger:** Patty, you’ve described what we’ve been envisioning. We want to make it very clear that 60% of salary is more of an industry standard and highlight that would be the desirable target while recognizing with all the different aspects of the state budget, it might be a multiyear process. It would be at least a positive step in that direction. With 60% being industry standard, what would it take to get there.

**Terri House:** I want to piggyback on what Patty said. The $31,000 mentioned at the higher end of classifieds is very few of the classified employees. Most employees make around $19,000-$20,000 per year on the nine-month side. Those making $31,000, or a little bit more, are 12-month classified employees that are fewer in number. I agree with Patty when she says we have to look out for the little guy.

**Dan Gossett:** I think we all have a desire to take a great leap forward. But I think we need to think about small steps. That’s what it comes down to. I like the range that PEBB has suggested, going there as an incremental steps as we move forward to fix this problem with long-term disability.

**Dave Iseminger:** Dan, I appreciate that comment. I think it’s important to remember that the PEBB Board benefit, which was piggybacked off of structurally to make the SEB Board benefit, is from 1977. We’re talking about a 42-year inflationary compounding situation and it may take multiple steps to address a four-decade structural benefit issue.

**Contractor Implementation Process**

**Lauren Johnston,** SEBB Senior Account Manager, ERB Division. Slide 2 – 3 – Completed Activities as of August 20, 2019. Four contractors have successfully completed eligibility and enrollment file testing. This file includes enrollment information carriers need to ensure members receive the correct benefits on their selected plans.
A number of carriers have completed certificates of coverage booklets members will receive, which are the contract between the employee and their plan. They outline benefits available to them.

MetLife had their Life and AD&D policy approved by the Office of the Insurance Commissioner (OIC).

Four carriers have completed their microsites. Microsites are smaller versions of a website that are SEBB Program specific. The microsites are required to have both a public access, as well as a member-specific access. The member can log in and see information specific to their claims, their annual limits (deductible and out-of-pocket maximum).

**Dave Iseminger:** There is a public side where the member can do a provider search, view certificates of coverage and summary benefit comparison documents.

**Lauren Johnston:** There is also the medical provider search tools. The majority are live now. The member could search certain networks for their provider for any of the medical or vision carriers. The caveat to that is the UMP website tool will be accessible for SEBB Program specific plans on September 1. Last summer the SEBB Board passed a resolution that said the provider networks are the same for both the PEBB and SEBB Programs. Technically, if I were a school employee, I could go to the UMP PEBB website today and look up a provider to see what networks they are in.

**Lou McDermott:** Lauren, has that been communicated with the SEBB Program members?

**Lauren Johnston:** I believe this is the first time we will walk through the process and show the Board what it looks like.

**Dave Iseminger:** We have not yet done a widespread media campaign about the accessibility of the provider searches. HCA has emphasized to school employees there will be major content updates on the Health Care Authority’s website next Tuesday. We will then begin the media blitz about this information. “Where are the search engine tools” is one of the top questions we are getting. We will work quickly next week to get the word out about these provider search tools.

**Lauren Johnston:** A few carriers have completed their SmartHealth activity tiles. Some tile examples are, “have you had your annual dental check up?” For vision it could be, “have you had your annual eye exam?” Some SmartHealth activity tiles will be available October 1, but they are not carrier specific. The carrier-specific tiles will go live January 1, 2020.

Slides 4 – 5 – Current Activities. We continue to review the remaining Certificates of Coverage (COCs). Their scheduled completion is September 10. September 3 additional microsites are scheduled for completion.

HCA continues to work on a virtual benefits fair, open enrollment communications, and marketing materials that will be available through the online benefits fair for members.
October 1. Later in September, members will start receive different information and communications about what benefits they have available.

Dave Iseminger: I want to highlight the communication piece. The carriers are required to run their materials through the Health Care Authority when invoking the SEBB Program’s name, SEB Board’s name, or the Health Care Authority’s name. It’s a massive amount of communication review for the team, in addition to producing the Health Care Authority’s own communications.

Lauren Johnston: Carriers continue to work with SEBB Organizations on supplemental billing. An example is MetLife setting up payroll deductions and list billing processes for Life and AD&D. How many paychecks does a member have, are they paid once or twice a month, what is their premium and deduction? MetLife, The Standard, and Navia are all doing similar tasks in that area.

HCA is preparing for SEBB Program benefits fairs. We have 20 HCA hosted benefits fairs and our carriers are also invited to district-based benefits fairs.

Lou McDermott: Are all 20 benefits fairs in person or are some webinars?

Lauren Johnston: The 20 are in person.

Dave Iseminger: HCA created a virtual benefits fair. Jesse Paulsboe introduced the concept in a presentation at an earlier Board Meeting. It’s an online lobby and has an introductory video. There are booths for each carrier. It’s a standalone electronic benefits fair that has materials. We asked carriers to prioritize the top few questions they think will be asked along the way to make it a realistic experience. It will also have links over to the microsites and copies of the COCs. There are videos for members to see more about the products. It’s a single virtual benefits fair portal integrated and linked between the Alex tool we presented at a previous Board Meeting and SEBB My Account. About 30 districts are doing district-based fairs.

Lauren Johnston: Our carriers continue to increase their provider networks and set up benefit systems for their plan designs. This includes things like the CAM therapy (chiropractors, acupuncturists, and massage therapists); limits depending on each plan; cost shares, deductibles, and out-of-pocket maximums.

Slide 6 – Future Activities. All plans will be filing their certificates of coverage with the Office of the Insurance Commissioner. They will also be receiving the initial production enrollment and eligibility files. Navia and MetLife will receive theirs prior to open enrollment and the others will receive theirs after they receive enrollment data in November.

Toll free numbers will be activated early September and throughout the month, but no later than September 30.

Dave Iseminger: The HCA’s SEBB Program Open Enrollment Guide went to the printer yesterday. We will go through the proofing process in the next day or two. Once it’s being printed, we will post it to the website. Inside the cover are phone numbers and a list of who to call for what topics. They’re dedicated call line numbers publicly
available for the first time once it’s on the website. The Enrollment Guide will be mailed to residences in September.

**Lauren Johnston**: Slides 7 – 8 – Provider Disruption Report. A number of questions have been raised asking what the provider disruption is going to look like from the school district’s current carriers to the SEBB Program carriers. We looked at this a couple of ways. First, if a member has Aetna or United Health now, whether or not they would be able to access a provider within one of the carriers under the SEBB Program. We also included data of whether or not current providers would be accessible under the new plans. Based on the 2017-2018 K-12 historical provider data, we looked at providers with a Washington State zip code. 90.4% of K-12 providers are in Regence, UMP, or Premera’s networks under the SEBB Program.

**Sean Corry**: Tell us about the 10%. I presume it’s not even across the state. Are there pockets where there’s a much different percentage difference than what we’re seeing, 10% on average?

**Lauren Johnston**: I don’t recall seeing that in the report. I think it’s that providers in Aetna, United Health, or the Providence Health Plan network are not in the Premera or UMP network.

**Dave Iseminger**: Sean, I think you’re asking is it concentrated in a specific county. After Lauren finishes her presentation, she’ll go check the report to see if there’s anything she can bring back to us before the end of the meeting. I think the Board is interested in this topic. We can update via email if we’re able to give insight today.

**Lou McDermott**: I’d be interested in county by county. I realize it rolls up to 90.4%, but county by county would be interesting.

**Lauren Johnston**: Based on these findings, we do not feel this indicates there will be widespread provider disruption. But school employees should always verify their provider is in the different networks they’re interested in enrolling.

**Dave Iseminger**: I just remembered this number off the top of my head that approximately 25,000 school employees and dependents are currently in Aetna plans. I don’t know the number for United. A fair amount of those in either Aetna or United plans should be able to find their providers within the networks in the SEB Board benefits portfolio.

**Lauren Johnston**: Something else to consider is because this is historical data, there are always provider network changes. Providers retire, they move out of state, etc. There will always be fluctuation in members accessing providers.

**Lou McDermott**: We used the 2017-18 Aetna and United numbers. Did we compare that to the other carriers 2017-18 numbers, or did we compare to the current provider numbers?

**Lauren Johnston**: We compared it to the 2020 provider files. That’s why I mentioned the fluctuation in the networks.
Kaiser Northwest and Kaiser Washington did the provider disruption report themselves. K-12 members currently enrolled in a Kaiser Northwest or Kaiser Washington core plan will have no provider disruption as long as they select a SEBB Program KP Northwest or KP Washington Core plan.

K-12 members enrolled in a KP Washington Core plan today and also select the KP Washington SoundChoice plan may have minimal provider disruption for members who live in the Spokane area because the SoundChoice network is a smaller network than the KP Washington Core network.

K-12 members currently enrolled in KP Washington’s Options Access PPO plan today will have no provider disruption if they remain on one of those SEBB Program KP Washington Option Access PPO plans.

Lou McDermott: Lauren, I’m hearing there are provider lookup tools, but at the end of the day, call your provider to verify they will be in the new SEBB Program network.

Lauren Johnston: I would recommend members call the plan. Sometimes providers don’t realize they’re no longer in someone’s network.

Appendix. These slides are provider search tool links. Slide 11 – KPNW Provider Search Link. This is the direct link, or you can go to KP.org. Click on the “Doctors and Locations” link and it will take you to the “Find doctors and locations.” Enter whatever information you want and it’ll show you if your provider’s in the network.

Slide 12 – KPWA Provider Search Links. KP Washington is very much the same as KPNW. We’ve provided both the SoundChoice and the Core provider search tool links. Depending on which network you select, you go through either of those links and determine if your provider is in that network. Click on “Find a provider.” Because these may be members not yet enrolled, do a quick search and then select either SoundChoice or the Core network, plug in your location, the location of your provider, or the category or name of your provider. It’ll pull up the information.

Dave Iseminger: We won’t go through every slide, but this was a good illustration. Lauren put this appendix together knowing that TVW might be here. There are members of the public paying attention and looking at Board materials. As we get more communication out, we wanted to have a roadmap providing step-by-step instructions of what to do carrier by carrier. This will start to fill in that void of information related to provider search directories. Lauren will provide special highlights.

Lauren Johnston: Slide 13 – 14 – KPWA Options Provider Search Links. KPWA Options members can use Kaiser Core network providers or additional in-network providers. The additional provider networks are found through the First Choice Health network of the First Health Network. Depending on where you are accessing care, you’ll want to pay attention because those two networks are offered in different places and that’s how you find your provider.

Slide 15 – Premera Provider Search Link. Peak Care EPO members can access an in-network provider through either the MultiCare Connected Care Heritage Signature network or the Tahoma network. If you are looking for a chiropractor, massage
therapist, or an acupuncturist, you will only find those in-network providers under the Tahoma Network. They are not available with MultiCare.

Slide 16 – SEBB Uniform Medical Plan Provider Search Links. These links will be available September 1, 2019.

School Employees SmartHealth Wellness Program

Justin Hahn, Washington Wellness Program Manager, ERB Division. Slides 2 – 3 – 2019 SEBB SmartHealth Launch. During the SEBB Program’s open enrollment October 1 through November 15, 2019, SEBB Program subscribers can qualify for a $50 wellness incentive by completing the SmartHealth well-being assessment. The $50 incentive will be distributed January 2020 as a medical plan deductible reduction, or a deposit into a health savings account if the subscriber enrolls in UMP High Deductible.

Slide 3 – To complete the well-being assessment, you register for SmartHealth on the website and complete the assessment. SEBB Program members can continue to use their SmartHealth benefit beyond open enrollment. It starts October 1, 2019 and ends December 31, 2019.

Slides 4 – 6 – 2019 SmartHealth Registration. Effective October 1, 2019, a subscriber can go directly to the SmartHealth website and register under the red “Get Started” button.

Lou McDermott: Justin, is this part of the communications that are going out?

Justin Hahn: Yes. Slides 5 and 6. There are several ways to get to SmartHealth. You can access via the SmartHealth webpage. Eligible SEBB Program subscribers can log into SEBB My Account, select a medical plan, and click on the “Supplemental Coverage” button. The last part of that description says “SmartHealth.” Click on SmartHealth and it takes you to an overview of SmartHealth and a link how to register and get into SmartHealth.

Slide 7 – SEBB SmartHealth Promotion. This slide is an overview of where SmartHealth is mentioned, where we directly communicate about it in person or in writing. We used Intercom (the SEBB Program newsletter) and the SEBB SmartHealth webpage. We acquired promotional items to help advertise. We will attend benefits fairs around the state. Staff attended the WEA representative assembly, the Charter School Conference, a WASBO conference, and the PSE Annual Convention to provide outreach. There will be other opportunities ahead for outreach.

SmartHealth is mentioned in the School Employee Initial Enrollment Guide with a full page dedicated to how you register, earn incentives, etc. HCA created two videos, “Why SmartHealth Matters” and “How SmartHealth Works” demonstration.

HCA plans additional communications including: SEBB Organization benefits administrator emails, SEBB Program wellness representative emails, and SEBB Program voluntary distribution email list with approximately 60,000 addresses.

Slides 8 – 9 – What is the SmartHealth WBA? SmartHealth uses a whole-being approach designed to increase well-being, tracked annually through an employee well-
being assessment. Once you have registered, click on the “Complete my well-being assessment” tile. Key life areas of physical, emotional, work, and financial well-being represented in 34 different life dimensions. These include managing stress and anxiety, sleep, energy level, job satisfaction, back health, financial well-being, etc. There are approximately 200 questions that fit into those 34 dimensions and four life areas. It shows employees their strengths and weaknesses tracked year over year.

The WBA results are used to tailor individual activity suggestions to maximize the participant’s well-being. Suggestions are made based on responses, hopefully to nudge you in the right direction. HCA and the employer can only see aggregate level employee well-being data to use for activity tile planning and well-being goal setting, things like that. The employer and HCA never see individual WBA results.

Slide 10 – WBA Results. Once the WBA is complete, you see a page similar to this slide, which tells you how you’re doing year over year, how you compare to the SmartHealth population, and hopefully you’re doing better than the year before and better than the overall. If you’re not, that’s okay, too. It shows your top three strengths and top three things to work on.

Slide 11 – 2019 SEBB SmartHealth Tiles. For the 2019 initial open enrollment, these are examples of potential tiles: “Welcome School Employees,” “What’s Your Why,” etc. There will be additional tiles as well.

Break

Lou McDermott: Dave, you have insight from Lauren you want to share with the Board?

Dave Iseminger: This is one of the reasons we host the Board Meetings at HCA. If there are real time questions, staff can run back and provide some insights. Lauren gave me a bit more insight about provider disruption that I wanted to share with the Board. The first piece is that there are no observable pockets within the state. It’s pretty evenly distributed. What we were discussing is the most likely scenario where there would be more provider disruption would be those three counties where UMP is the only option because the analysis a review of where providers would be in both the Premera and UMP networks. Approximately 1% of school district employees live in either San Juan County, Klickitat County, or Douglas County, but don’t work in a district that borders county lines, or Klickitat County that borders Oregon, is the most likely scenario.

Lauren gave me a couple data points. The provider analysis was based on the NPI, a unique provider code. There’s an acknowledgement that some of the data’s a little dirty. It’s not as comprehensive as one would think. About 4,300 providers weren’t matched. That’s the high water mark. If the data were cleaner, that could be lower. Also highlighting that between Regence and Premera, there are 27,000 more providers that will be available between the Premera and UMP networks that didn’t look like they were providers network options that individuals have today in K-12.

One other area that likely could have provider disruption is something coinciding with the SEBB Program. KP Washington has historically been in San Juan County but they
are not going to be in San Juan County as of 2020. They didn’t file there in the individual market and that’s why they couldn’t be in the provider network here. In 2019, they are in San Juan County so San Juan County school employees that have KP Washington will experience a provider disruption independent of the SEBB Program launch.

**SEBB Continuation Coverage Implementation**

Renee Bourbeau, Manager, Benefits Accounts, ERB Division. Slide 2 – Project Overview – provides information about how our areas will support the transition of continuation coverage, including COBRA enrollees, into SEBB continuation coverage for the 2020 plan year.

HCA will provide complete administration of continuation coverage, including COBRA. We do not plan to outsource any component of the administration. HCA will communicate with members, mail the *SEBB Continuation Coverage Election Notice* in letters, invoice, and collect member payments, provide customer service through a 1-800 line, verify eligibility, and enroll eligible members into coverage.

Our operational teams include Outreach and Training, Communications, and Customer Service. These teams will support the continuation coverage process through their respective work. We are experienced with this process. We have been administering continuation coverage, including COBRA for the PEBB Program, for decades. We are pleased to work with our new SEBB Program subscribers.

Slide 3 – SEBB Program Operational Support. The team started work on the continuation coverage implementation early this year. To date, their work includes the following: the Outreach and Training Team drafted guidance and tools for benefits administrators and started training them in August on this process. The Communications Team drafted member communications and FAQs, including the *SEBB Continuation Coverage Election Notice* and other materials. Customer Service hired staff to replace existing vacancies. Newly hired staff will be dedicated to work on continuation coverage for verification review and member enrollment.

Customer Service will implement a new phone menu option in October on their 1-800 line. The new option will guide the callers to the correct staff faster rather than asking them to navigate through a series of options to talk with a representative.

Slide 4 – Implementation Process. Today we will share information about the transitional implementation process for persons currently on continuation coverage through their SEBB Organizations on December 31, 2019. Starting in 2020, once employees lose their eligibility, benefits administrators will terminate their coverage in SEBB My Account. Most termination reasons will trigger a *SEBB Continuation Coverage Election Notice* mailing to terminated employees and their enrolled dependents. Customer Service staff will review the returned forms for eligibility and enroll eligible members into coverage.

Alisa Richards, Customer Service Operations Manager, ERB Division. Slide 5 – COBRA and Continuation Coverage Interim Process. I’m going to provide a high level overview of the interim process for administering COBRA and continuation coverage for
members currently enrolled with their organization. Because we do not have information for currently enrolled COBRA and continuation coverage members, we’ll have a manual process to capture these members and their dependents. We’re working with the benefit administrators to request enrollment information for the SEBB Organization’s currently enrolled members. This consists of specific data elements needed in order to mail the SEBB Continuation Coverage Election Notice and verify eligibility for members as we receive their completed forms. The information requested from these Organizations includes elements such as demographic information, the qualifying event, type of coverage, start and end dates, and end date through which their current coverage is paid. Once we receive that data, we will use the demographic information provided to mail out the SEBB Continuation Coverage Election Notice.

This mailing process will be automated in January; but until then, we’ll have to collect the member’s renewal enrollment information from the Organizations to send out notices and give members time to submit their forms for HCA to process. Members will have 60 days after their coverage ends on December 31 to submit their forms. We have already begun work with the SEBB Organizations on this interim process.

Slide 6 – Interim Process Status. The Outreach and Training Team started training the benefits administrators in August and will continue through September. As part of their two-day training, they will provide information about the transition process. The benefit administrators will be able to contact the Outreach and Training Unit for any additional questions about how this process will work.

On August 7, we sent the first request to the SEBB Organizations and asked that they provide their currently enrolled members by September 13 so that we could start mailing the SEBB Continuation Coverage Election Notices, which will begin in October. In early December, we will send a second request for enrollees’ information in order to capture any new enrollees who enroll in coverage between August 1 and December 1. In early January, we’ll send the last request to SEBB Organizations to capture any members who became eligible to enroll in continuation coverage between December 2 and December 31, or employees and dependents who lost coverage based on SEBB Program eligibility rules effective January 1, 2020. This group would include non-state registered domestic partners or dependents not eligible based on SEBB Program rules.

Throughout this project, HCA will follow up with the SEBB Organizations who did not respond to our request to ensure we get all requested enrollee information. HCA will mail the first batch of SEBB Continuation Coverage Election Notices to names received the first week of October. We want to ensure enrollees have time to complete and return their forms within the required timeframe for enrollment. We will continue to mail packets as we receive new enrollees’ names from the districts.

Slide 7 – Customer Service. As subscribers have questions about enrolling in SEBB Program continuation coverage, or need assistance with filling out the form, they can contact the Customer Service line for assistance or visit our in-person lobby services. As forms are received, the Customer Service team will verify eligibility and enroll eligible members into coverage. Eligible subscribers who are enrolled will get a confirmation letter and ineligible subscribers will receive a denial letter explaining why they’re not eligible with appeal rights. If Customer Service staff need more information from the subscriber, they will call the subscriber to request information over the phone. If they’re
unable to reach them over the phone, or they need additional documentation, staff will send them a letter with that request so we can complete their enrollment.

**Dave Iseminger:** I want to add one clarification. Enrolling in continuation coverage is a manual paper process. There is not, in the initial launch of SEBB My Account, online enrollment options for continuation coverage.

**Alisa Richards:** Slide 8 – Timeline for Continuation Coverage Implementation shows the timeline to complete this implementation by January 2020.

**Lou McDermott:** Dave, is there any anticipation of receiving a large number of appeals if people don’t do what they’re supposed to do? Are we ready for that?

**Dave Iseminger:** We have contingency planning in several areas. We talked about how paper forms would come in. We haven’t isolated it just to COBRA; but we talk about contingency planning with regards to paper that could come into this agency or to the districts, and we’ve been conscientious about COBRA being one of those places. We have different components in place to be able to manage different levels of paper that might come in. Right now we administer COBRA on the PEBB Program side for about 1,500 individuals. We are unclear whether we should anticipate a similar number for the SEBB Program or upwards of double that number. We’ve used the PEBB Program as our proxy for planning, staffing, and contingency models.

**SEBB Training and Benefits Fairs Update**

**Jesse Pauksboe**, Outreach and Training Manager, ERB Division. Slides 2 - 3 – SEBB Two-Day Benefit Administrator Training – August 1 – September 26. This slide is an overview of the two-day training. The primary purpose is to provide training to the benefits administrators on eligibility, benefits, SEBB My Account, websites for benefits administrators and employees, appeals process, and continuation coverage options for employees who lose coverage. As of today, we’ve completed eight of the ten training events for August. We will conduct a second round of training during September.

At last count, we have 247 SEBB Organizations registered to attend the training in August. 51 SEBB Organizations are scheduled to attend the training in September. 12 SEBB Organizations have not registered for training. In total, 96% of SEBB Organizations have registered representing 99.86% of the eligible employee population. If the remaining 12 Organizations do not register for training, It will impact approximately 380 employees out of 150,000. My team continues to make regular efforts to reach out to the unregistered Organizations.

Should a SEBB Organization be unable to attend or send a representative to a training event, O&T is developing an online recorded version of the two-day training. While this recorded version doesn’t provide the same level of interactivity as the in-person trainings, it will cover the same material. The presentation is scheduled to release in the next day or two.

Slide 4 – SEBB Two-Day Benefit Administrator Training (Day 1), shows an additional breakdown of the overall participants. Not including today’s trainings, 407 attendees have been trained, 181 SEBB Organizations out of 310, just shy of 60% complete. That’s 78.64% of the total employee population. As we complete the last two events for
this month, we forecast that approximately 80% of SEBB Organizations trained in August.

At the conclusion of both day one and two, attendees complete a survey to provide feedback on the series of modules taught during the classes. When asked if the attendee strongly agrees, agrees, or disagrees with the assertions of the training such as trainer knowledge, resource accessibility, and comprehension of the various administrative responsibilities, 42% strongly agreed in favor of the assertion, 55% agreed, and 3% disagreed. The majority of concerns fall within the area of eligibility worksheets, specifically the requirement of notifying employees of eligibility or non-eligibility. This is a concern we’re currently addressing with the development of a user friendly, less labor-intensive method of notification.

Sean Corry: This has come up in conversations the past couple of days related to Seattle, for example. My understanding is the intent has been that any change in work status, regardless of whether it affects eligibility for coverage or eligibility for COBRA coverage, needs to be reported. So a change from FTE from 0.6 to 0.7, for example, which does not affect eligibility or coverage, would have to be reported. Seattle had, in the last year, I think the number was 11,000 changes in eligibility, but 84%, 85% of that did not affect benefits. My general question is, how are you thinking about the requirement to report changes of status that don’t affect eligibility. It doesn’t seem to make sense why you’re doing that.

Dave Iseminger: We were asked this question and received feedback in a couple of different venues, some directly from school districts, multiple of the larger school districts, but not just the larger school districts. When we codify administrative policies that get into even more granular detail beyond the rules, one of those talks about the notification process in that rulemaking activity, and in that venue there has been this feedback.

HCA has recently been discussing this topic and I’m hesitant to get into specifics because I don’t want to make promises about how things would or wouldn’t be addressed. We know districts are thinking about “clearly eligible” employees. There are employees they believe are “clearly not eligible” and then there are the in-between employees. The worksheet is about six pages and we are looking at ways to streamline individual shorter eligibility versions for “clearly eligible” employees.

Certain information needs to be conveyed to people. It seems counterintuitive, but in the PEBB Program, we have appeals for people deemed benefits eligible and who are upset that they didn’t receive a notification so they could waive benefits. It is important if you’re deemed eligible to receive a notification because there are impacts, especially if you don’t participate in the system as you are defaulted into coverage.

Sean, you specifically asked about individual instances where their work pattern changes but it doesn’t impact eligibility. That is another area we’re looking at. I don’t want to make strong commitments about what exactly is changing. But it is an active area Jesse’s team and our rules team is working on. They will bring recommendations to our steering team to see if there are opportunities for transitional relief on the implementation piece.
Lou McDermott: Our next meeting is in January. Can communication go out to the Board of where we land on this so we understand?

Dave Iseminger: We can provide an email update. About a quarter of the districts had concerns related to the eligibility worksheets just on this data point alone. We are actively working through this and getting different data points from districts and suggestions on how to address it.

Jesse Paulsboe: Slide 5 - SEBB Two-Day Benefit Administrator Training (Day 2) is on the administrative functions of SEBB My Account. 53% strongly agreed, 43% agreed, and 4% disagree with the training. HCA worked through the technical bugs affiliated with launching a brand new program and the various technological capabilities of the venues themselves.

Dave Iseminger: In the beginning of the trainings, IT had more issues with SEBB My Account specifically as you got to the last data point, transferring employees. I understand that is one reason why there were more disagree statements in that piece. They were using a testing environment, not a production environment. And in IT world, those are very different environments. They have different capacities, different purposes. But the IT team sprang into action and made changes within the testing environment to increase the stability and bandwidth. As time went by, fewer people have said disagree to that last question. IT issues were particularly present in the very first training in Renton, which had many large school districts attending.

Jesse Paulsboe: Slide 6 – SEBB In-Person Benefits Fairs. This slide is the latest list of benefits fairs through November.

Slides 7 – SEBB Virtual Benefits Fair. For those unable to attend an in-person benefits fair, there will be a virtual benefits fair available. The virtual benefits fair is an online interactive website. The goal is to make learning about benefits and plans available to the subscribers and their families as easy and user friendly as possible. The virtual benefits fair offers 24/7 access to SEBB Program benefits information.

Slides 8 – 9. These slides are our attempt to make the virtual benefits fair a familiar location. What you see visually is what you would see if you went to a benefits fair in person. You’re greeted at the lobby, you enter the benefits hall, which is divided by categories: medical, dental, vision. From there you’ll see different booths offering the various benefits. When you select a booth, you will see the individual vendors’ information, their videos and plan overviews. Their contact information is included. If someone wants more detail, they can visit the vendor’s microsite.

The Alex tool is also available at this point. It provides a comprehensive understanding of the different plan options offered to them, just as if they had gone to a benefits fair in person. Additionally, at this point, once you have all the information you need, there is the enroll button, which sends the subscriber to SEBB My Account.

The virtual benefits fair is being optimized for the mobile experience. That, in conjunction with the Ask Alex tool, in SEBB My Account, offers a comprehensive experience from learning about your benefits all the way through enrollment. It goes online October 1.
SEBB My Account Testing
Jerry Britcher, Chief Information Officer, ETS Division. Slide 1 – SecureAccess Washington® (SAW) for SEBB My Account. One component of SEBB My Account environment is how users actually get into it. By state policy, we’re required to use what’s called SecureAccess Washington® which is the front end portal for both subscribers and benefits administrators. The main difference between subscribers and benefits administrators is benefits administrators uses what’s called multifactor authentication. Their process has one extra step. They have access to all employee data for their school district, which needs to be extra secured. Technically, we would have done that for even individual school employee accounts, but SecureAccess Washington® is not ready to support 150,000 subscribers in a seven-week period. We are initiating testing today and tomorrow, related to the full SecureAccess Washington® and its ability to handle the volumes we expect. The good aspect about it is that SAW is not involved very long in the process. Once they authenticate, it drops into the background and they’re just dealing with our website. The real volume is our website and not SAW.

Slide 3 – SEBB Program IT Components. This slide depicts the process flow into the application. You have SecureAccess Washington® up front for authentication; SEBB My Account, which is the environment that both the benefits administrators and subscribers will use; and then Pay1, our database and system of record, on the back end. All the data submitted through SEBB My Account is transferred into Pay1 as the final solution. Pay1 sends the data files to the carriers.

Slide 4 – SEBB My Account for Subscribers. This slide is a high level list of what subscribers can do through SEBB My Account.

Lou McDermott: Jerry, will they be able to update their address?

Jerry Britcher: No. School districts want address changes to go through the districts to ensure the school district and the SEBB My Account environment match. If they were able to change it in SEBB My Account, they’d have to follow up with the school district to make sure it’s changed on their end.

Dave Iseminger: HCA was sympathetic to that request because that’s also how state agencies work. You can’t change your address with an individual state agency for PEB Board benefits services. You go through the central payroll system and it propagates out into various state systems. Higher education is similar in that way, too.

Sean Corry: Is there some place an employee would see the old address and make the person realize it’s wrong? If someone wants to then change the address, is there a popup or some notification to go through the district?

Dave Iseminger: Yes, you see it on the SEBB My Account screen. It’s grayed out and says it’s locked, and to change it, contact your payroll benefits officer or benefits administrator.

Jerry Britcher: Slide 5 – Pay1. Pay1 is HCA’s system of record. It’s the system we use to send files to carriers. It’s interfaces with our state’s accounts payable account
and receivable system, which makes payments from the state. Payments don’t flow out of Pay1. They actually come out of a system called AFRS.

Slide 6 – SEBB My Account for Benefits Administrators. This slide covers, at a high level, the various functions available to benefits administrators for their work within SEBB My Account. There is a need for the primary administrator to be able to go in and add individuals for their school district who can do administrative type functions.

Slide 7 – SEBB My Account Testing. There were two aspects to SEBB My Account testing, internal testing and external testing. Technicians and Employees and Retirees Benefits Division staff did the internal training. External testing involved benefits administrators and subscribers from school districts. For internal testing, we had five technical staff and 30 non-technical HCA staff. People from accounting, customer service, legal, etc. For the external testing, 55 different SEBB Organizations participated. 94 benefits administrators and 52 potential subscribers because there’s some overlap between the benefits administrators and subscribers.

Slide 8 – IT Testing – External. There were multiple phases of testing. Beta testing was the initial phase verifying the usability of the system – “does it makes sense.” Eligibility file testing included school districts under the Washington School Information Processing Cooperative (WSIPC) umbrella. We had 100% success with the files the school districts can generate by using their solution. All systems used by school districts have been tested, but not necessarily every school district.

API testing was an automated exchange between SEBB My Account and the district’s own native system. API was configured to support a SEBB My Account endpoint that could be reached and “talked to” by external interfaces in SEBB Organizations. Only Seattle and Tacoma districts have tested API. Others districts expressed an interest, but the cutoff date for API testing has passed.

**Dave Iseminger:** WSIPC is looking at future possibilities of API testing for the districts they serve. Some school districts that participated in the Beta testing raised concerns. I think they expected to test a completed product. The testing was done in production mode. If they had a concern we could address in the development process, there was still a window to do that.

**Jerry Britcher:** You may recall I mentioned part of our methodology for development was agile development, where you offer a product, the consumer tests the product, and suggest changes. The next iteration includes the suggested changes, if possible. That is what happened with the Beta testing.

Slide 9 – External Testing Results. 105 users logged in. 82% of the subscribers and 85% the business administrators said it was intuitive. Of those who participated, over 80% in both categories stated it was intuitive. The biggest pain points were logging in. Training was in a test environment and some testers already had a SecureAccess Washington® IDs, which did not work in the test environment.

**Sean Corry:** For the 15% who said it was not intuitive, did you get feedback as to why? Were their frustrations associated with the pain points, logging in, slowness, spinning of
the wheel, that kind of things? Not part of the intuitive process. That seemed separate from 15% who complained.

**Jerry Britcher:** I would agree that the spinning wheel aspect would not necessarily fall into “it’s not intuitive.” The other major issue was because we were still in the development aspect and hadn’t gone through all of our testing. We were finding bugs in the process and some of those bugs generated a spinning wheel. I’m not aware of specific issues around not being intuitive other than the flow. There were a limited number of individuals with ideas about the flow or the wording. We documented all of those as part of change requests for the system.

**Dave Iseminger:** There was one comment about SEBB My Account’s stepper at the top of the page. It has step one, step two, step three, step four. Testers were having trouble understanding the flow of the dashboard at the top versus the stepper and which one you should use. They weren’t in the same order, for example. There was a suggestion to make sure the dashboard aligned with the stepper order. You enroll dependents, you complete dependent verification process, you select plans. The comments were not consistent.

**Lou McDermott:** Sean, there were other opportunities to demo internally. Some of the Executive Team tested it and identified a few components they didn’t think were intuitive and those were updated in the process. It has had a thorough review and we tried to make it as smooth as possible.

**Jerry Britcher:** Another note on the beta testing is there was good information from the testers that not only helped support improvement of the application, but also information for the Contact Center that will be available the last week of September. Through the open enrollment period, that will help support the subscribers using the system.

Slide 10 – SEBB IT Testing – Internal. There’s a succession of testing. We wrapped up with performance testing because that’s where the most concern was expressed. Performance testing speaks to how many people you can push through the system at once. The analogy I would use is you have a crowd waiting to get into a stadium. People go through the gates and then to different areas of the stadium. What we designed was to get 5,000 people through any one door in that stadium in a one-second period, with the overall ideal of 25,000 people in the stadium at any one point in time. We tested and literally fit 150,000 users in a one-hour period into that stadium.

We have more work to do around the subscriber piece, but for purposes of September 3 and the benefits administrators, we’ve completed that testing and we’re good. We literally tested 300 benefits administrators submitting their eligibility file at once. It was able to do that. The reality of 300 benefits administrators submitting at once is pretty small. We’re trying to make this as painless as possible.

We’ve also been working through end-to-end testing, which covers the various pieces through the end-to-end testing. We’re finishing up regression testing now, which is basically the changes made due to bugs, etc. We have to make sure those changes didn’t change anything upstream and cause problems.
Slide 11 – Performance Testing. We just wrapped this up. This list is the things we’re testing through the performance testing. These are the doors in the stadium. We are testing each door to make sure we can fit 5,000 concurrent users through any door in a one-second response time.

Slide 12 – Internal Testing Results. The performance testing is the metrics I was talking about. What we found through the regression testing, we rank every bug we find on a severity of one through four. One means it’s impacting the systems operation, four is cosmetic and doesn’t impact the function of the system. The bugs we found for September 3 go live have all been severity three. They’re very low on the totem pole and they’ll be fixed prior to September 3. None of them are impacting system functionality at this point.

We met with the state’s Chief Information Officer and reviewed where we’re at now. They felt this was one of the best run projects they’ve ever seen. That should give you confidence.

Lou McDermott: I think the stability of the project, as well, not having any turnover in key positions really helps. You and your staff have done an amazing job.

SEBB My Account Contact Center
Alissa Richards, Customer Service Operations Manager, ERB Division. Slide 2 – Overview. With over 150,000 potential subscribers trying to enroll in a new system, there may be some technical challenges. To help support our members and benefit administrators, we will have a Contact Center available on September 23.

The vendor we’re using is Faneuil, who has years of experience providing call center support services. The Contact Center for SEBB My Account support will be located in Sacramento with up to 35 agents available to assist our members.

Slide 3 – Contact Center Resources. The Health Care Authority will provide access to a preproduction SEBB My Account environment similar to a testing environment and does not have real member information. The Contact Center agents will see the same screens in SEBB My Account as the caller, but without eligibility information. In addition to the pre-production environment, HCA will provide training resources to Faneuil such as online navigation training videos, a list of possible system logged errors with resolution, and instructions for registering a new user in SecureAccess Washington® (SAW). We successfully completed an in-person train-the-trainer session with Faneuil on August 21.

Slide 4 – Faneuil Contact Center. Subscribers may contact their benefits administrator first with questions about navigating SEBB My Account. The benefits administrators will be able to refer subscribers to the Contact Center for assistance. The subscriber will also have the Contact Center number in their enrollment guide and may contact them directly. If they have eligibility related questions, the Contact Center would refer them back to their benefits administrator.

Slide 5 – Member Support Offered to Employees. The Faneuil Contact Center will support subscribers directly with the following: technical support such as registering as a new user in SecureAccess Washington®, SAW and SEBB My Account, navigational
assistance in both SAW and SEBB My Account. Faneuil will walk users through the following: how to upload documents; the screens to select a plan; how to add dependents in SEBB My Account; refer to Washington Technology Solution (WATECH) for SAW account issues, such as password resets, or if they forgot their username; and refer callers back to their benefits administrators for eligibility related questions. Faneuil will not help determine which plan to select or review eligibility.

Dave Iseminger: During SAW, Faneuil will also help you prove you’re not a robot. There may be some inherent frustration there, and the Contact Center will help make sure people realize that sometimes, for whatever reason, it may take multiple times. That’ll be a reassurance as well. I can personally never figure it out. Inevitably, the image barely straddles a line and you don’t know if you’re supposed to click both or not. Apparently, I am too literal because I have to make several attempts. Faneuil will provide that reassurance because that’s one of the points we think will be the biggest choke or frustration because we know that people just interpret those grids image differently.

Alisa Richards: Slide 6 – Hours of Operation. From September 23 through September 30, the Contact Center hours will be Monday through Friday, 8 a.m. to 5 p.m. and will be available to assist benefits administrators during that time. On October 1 through November 15, the hours will increase to Monday through Friday 7 a.m. to 9 p.m., with extended hours on November 15 to 11:59 p.m. They will also be available on Saturdays October 1 through the end of open enrollment. Saturday hours are 10 a.m. to 4 p.m. HCA will work closely with the Faneuil Contact Center to monitor the amount of calls, as well as the reason for those calls. The total number of agents available may change based on those volumes. Additional agents can be added if volumes are higher than anticipated.

Public Comment
Fred Yancey: Thank you Mr. Chair and members of the Board. I’m here today on behalf of the Principals Association. Let me commend the outreach and communication system put in place to help the transition occur. I’m really excited. I find it potentially very user friendly and timely in the sense of a lot of information out early instead of waking up the day before and having to decide. I’m very pleased and I appreciate the efforts of the agency.

The agency has a challenge of making sure school districts get information out to all its employees. I get calls all the time because I’m a contract lobbyist for these associations from individual members. The most recent ones have been from principals saying, “what about my benefits?” I’ve looked on the Q&A section on the website and their questions fall into two basic realms. This is just feedback. Number one is, what is the definition of a benefit? You talk about insurance, health, life, dental, all of those. But is it an annuity, which is a benefit, is that reportable to HCA? Is the travel allowance? There’s a whole host of other benefits that many administrators get that are broader than just pet insurance, which is the example given most often on your Q&A, which I’ve never had an administrator request pet insurance as a benefit, but just FYI.

Dave Iseminger: Just FYI, there are districts that currently offer pet insurance.
Fred Yancey: Anyway. No comment. The other most frequent question I get because it is not clearly stated, is my district in the past has paid 100% of my benefits. They paid 100% for my medical, I’m an administrator now, speaking. Can they do that now? And of course, the answer’s no, but it’s not very clearly stated as such on the Q&A side. So it’s just information. Hopefully there’s a clear definition of benefits. If I’m at a district level and I have to report to the SEB Board or HCA the benefits I offer, is it the whole host of benefits or is it just a selection? Thank you again and I appreciate the work you’re doing.

Lou McDermott: Thank you for the feedback.

Wrap Up
Scott Palafox: This is the 23rd meeting of this very exciting program. When you think about how much time we have invested in this program, it seems like a relatively limited amount of time, thinking how huge this program is. This has been a program that’s been in discussion for many decades. And here we are, two days away from benefit administrators dabbling into an enrollment system we created within 11 months. We’re a little over 30 days before SEBB Program subscribers will be able to elect benefits that they probably hadn’t seen before throughout their career. We’re a couple months way from this becoming a reality. You, as a Board Member, have done a lot for this program and we appreciate the work you have done.

I want to talk about some of the highlights you’ve heard over all these presentations the last 23 months just to give you a little bit of reflection of what you’ve done. 23 meetings into this and I think back on that October 2017 meeting where I was trying to get information out of you and engage in conversations with you through a very quiet and reserved group. But look where you’re at today, very involved!

Here we are today. You’ve challenged us. I think the thing I reflect on the most in these two years of having meetings with you, is the fact that we understand our roles and responsibilities. The relationship we have with you as a Board. You’re the ones making those tough decisions. We present information to you, you don’t like the information we have, we go back to the drawing board and come back to you with information that will help you make your decisions. That is phenomenal. Going from that quietness two years ago to now very engaging and challenging us to make sure we come back with the right information for you.

We spent over 100 hours of Board Meetings together; and most of that, captured on those great minutes that Connie has put forth, which means that if we spent 100 hours together, she’s spent four or five hundred of that amount in the minutes that she had to put together. So great job to Connie.

Dave Iseminger: There are 980 pages of minutes counting the ones approved today. Hopefully this gets to 20 pages and we’ll say the first two years took 1,000 pages to document.

Scott Palafox: You adopted 75 resolutions. Almost half of those resolutions being eligibility and enrollment. We have engaged with five new vendors and contractors for the benefits we’re offering. There were over 25 contracts where we reengaged in conversations. There are 17 medical plan options. If we think about our sister program,
the PEBB Program, that’s compared to nine plans we offer on that side. Tons of communications from post cards to newsletters to toolkits, an employee enrollment guide that’s coming out here soon, and over 200 FAQs.

Jerry talked about the IT function, both the front end and the back end. We’re prepared for open enrollment. Twenty benefits fairs are coming. A virtual benefits fair that we haven’t had before on the PEBB Program side. Great idea for us next year. We have Alex, the tool that’s going to help employees decide on perhaps what benefits to choose from. And then the premiums. We’ve heard some touching stories of how this program has made an impact already. We have individuals who’ll be able to pay as little as $13 for a medical plan. I think the more catching piece is a full family. We have a plan as low as $39. But no more than $348 for a medical plan.

All of this, keeping in perspective, I think both you and I, Board Members and us at the Health Care Authority, never lost sight of what I think we created as our own triple aim, to provide quality health care at an affordable cost with a wide range of options. I think keeping that perspective in mind has got us to where we’re at today.

With that said, I think since you have made your votes and adopted premiums that came forth to you last month, you’ve heard a lot from folks. As touching as the stories we’ve heard thus far, I think Dave has others that he wants to share with you to give you perspective of what you’ve done as a Board in getting this program to where it is today.

**Dave Iseminger**: Like Scott said, this is the beginning of stories and impacts. We’re going to hear many more of these over the next several months, particularly as school employees see their first paychecks in January. I think there’s some skepticism that their paycheck will reflect what the chart says on the page because some of the numbers are so different, especially for families. But as we’ve been hearing these stories, inevitably with the size of this program, there are some bumps in the road. The last 30 days has not been a cakewalk. Some of the stories we’ve been hearing have helped staff keep their eyes on the prize as we hit a little speedbump. We haven’t hit any mountains. I have some examples we’ve heard about.

The first one personally resonated with me because I remember the beginning of the SEB Board’s journey, back in February 2017, when the Legislature was considering a PEBB Program consolidation version for school employees. There was a particular testimony on that bill where a mother got up and talked about her daughter who had been with her would-be husband, if they could get married. They had two kids, a house, a whole life together, but they weren’t married. She said the reason they couldn’t get married is because their combined income would make her would-be husband ineligible for the premium tax subsidy on the exchange, and they couldn’t afford in their district to add him as a dependent. The sole reason for them not getting married was health insurance cost and dependent coverage. That same woman reached out and let us know her daughter’s getting married because the SEBB Program is happening, because they can afford to add him to her coverage. They will be married in the state of Washington because of the work of this Board.

Another example, as the premiums have started -- Connie’s going to hand out tissues for the record. [laughter] As premiums were posted, people started to understand what the premium cost would be. There’s a vice principal with two kids looking at going
to college, I won’t say what district, who realized they’re going to pay $1,500 less a month in insurance costs. That changes the outlook on what they’ll be able to do to provide their children with support in enrolling in higher education in our state.

Another example I’ve heard about is a dual income family where suddenly one person came down with a very significant cancer diagnosis. Now there’s a sole breadwinner in the family. They are very worried about continuity of care, but they see the options they have before them will allow them to stay with their provider and get the care they need for cancer. And at the same time, that individual will be paying $800 less a month. When losing one of the income streams for your family, and then seeing $800 of that restored each month, that makes a world of difference in their ability to feel confident that they’re caring for their family when they’re also going through a cancer diagnosis situation.

Those are just a couple of the stories. And yes, we are hearing some stories about individuals who are going to pay more. That is certainly going to happen because of the way local pooling has happened around the state, what the enrollment mix is in any individual school district. But as people have heard about the impact it’s having on families, many of them have said that it’s okay with me then. Not everyone, and certainly with the size of this program and the breadth of it, agrees with all aspects of it. But many individuals, as they’ve heard about the impacts it’s going to have on families in the state, have said, “Okay, I can pay a little more because I realize how much less others are going to pay.”

I did a Facebook Live event with school employees about a week and a half ago. About 2,500 people viewed it. At any given point, there were 150 asking questions. They were very engaged. The only question I couldn’t answer was, “Where is Glaucoma covered in my benefits?” A little too granular, but I’ll know that for September 18. Some of the comments, as you go through that video, are people saying, “I’m going to save $400. I’m going to save $500, I’m going to save $600 a month.” You start to extrapolate the additional disposable income that families in the state will have come January, and the impact that will have on our state as a whole.

I wanted to highlight a few of the stories we’ve heard. We’re going to hear more of them but this really is a profound impact for so many parts of the state. We have all been part of it, the Health Care Authority, the Board, the Legislature, the Governor’s Office. It’s been 30 years in the making. We’re 32 days away from open enrollment and it really is incredible to be here at this point in time with the work that’s behind us. There’s more work to come. There will be iterative processes, but I want to make sure we take a moment to recognize all of the work you’ve done and the place we are for school employees in the state.

Scott Palafox: With that said, I think it’s important for us, as we close out this journey and get ready for what’s coming in the next couple months, to thank a lot of folks for all the work that’s been put into this Program to get it to where it’s at today. First of all, I think we have to start with the Legislature for giving us the confidence as an agency to administer this program. Certainly Chair McDermott and Board Members, thank you for your roles and responsibilities, for accepting those roles and responsibilities, and getting the program to where it’s at today. It was some very tough decisions and sitting in the audience, there were days I was glad I was sitting in the audience because those
decisions were very tough. You found that to be the case and we thank you and appreciate the work you’ve done.

I want to thank Connie and her staff for getting this room set up and taking it down at the end of each meeting and Pat for being here to record and TVW for always being here when they can to share the message of the SEBB Program with folks that aren’t able to be here to participate. We’re extremely grateful for the other divisions within this agency that helped support us as a program. From our clinical staff with Dr. Transue and Ryan Pistoresi, our pharmacist, and you may recall Dr. Lessler even engaged in a conversation with you. Our HCA Chief Communications Officer, Amy Blondin, has been here. We have our finance folks, Megan Atkinson and her staff Tanya Deuel, Kim Wallace, and Kayla Hammer. In IT, Jerry Britcher and his staff have done a fantastic job. We work closely with him each and every day to get this up and running for you.

Katy Hatfield, our Assistant Attorney General, has been tremendous, as well as our legal staff, Tristin Sullivan Lippa, who talked about the Cafeteria Plan. Our contracts people, phenomenal. They helped us get these procurements out the door, sometimes with risk, but we did it and got it done. You remember the first meeting with Kari Karch from our Planning and Performance Division who was engaged in a conversation with you to see what you were looking for. And then, our Employees Resources Division, our HR facilities, and the receptionists who give you your badges. Setting up these rooms is obviously a big task at hand.

Dave Iseminger: And hiring 50 staff in this building. The turnover, just the staff evolution and the HR aspects of hiring and bringing people into the building to be part of the program.

Scott Palafox: Then I take it down to the division level. You’ve seen a lot of folks from our division presenting to you. For some, it was their first time presenting in front of a group. Sometimes you see moral support and sometimes you don’t. [laughter] It has no reflection on the work they did. It was their first time and they’ve done a fantastic job. The amount of weekends and evening hours and time invested in this and people working on vacations. Even when they’re not feeling as good as they should, they’re out there trying to get the job done. I’m going to run through a quick list of names. I hope I didn’t miss anybody: Alisa Richards, Barb Scott, Renee Bourbeau, Beth Heston, Cade Walker, James Koch, Kimberly Gazard, Jesse Paulsboe, John Bowden, Justin Hahn, Lauren Johnston, Marcia Peterson, Marty Thies, Michael Arnes, Matthew Toney, Molly Christie, Rob Parkman, Rochelle Andrake, Ryan Ramsdell, and Shawna Lang. All staff in this division helped in so many ways.

I want to thank everybody for the work you’ve done, and obviously, my colleague, Dave. Lou and I had reflections on the work that he’s done and what we could have done. Could we have done it? By no means could we have gotten to the place he did. Maybe because his mind is much younger than ours. Nevertheless, he has gotten us here. When it’s in his mind, it’s in his mind. You have to sit there and gather a piece of paper and figure out, okay, I see where you’re going with this. Brilliantly laid out, strategically focused. Everything put into a pattern so the next action results in the action to happen prior. Lots of good work by this guy and I commend him for a job well done.
So thank you to everybody again as we close out this year of Board Meetings. I think it’s deserving of a standing ovation and a round of applause for all the work we’ve done.

[applause]

Dave Iseminger shared potential agenda items for the January 2020 meeting.

Lou McDermott: Well, folks, in my 27-year career, this has been a highlight to sit on this end, to be a part of the Board, but to also be a part of the agency and see the work inside and out. I know the sacrifices, I know the trials and tribulations that even Board Members have had about being able to continue their duties and stay on, wanting to ride this out, but yet having issues they were dealing with. I know that was going on with staff as well. We tried to get Dave to take it a little easier, too! We’re getting across the finish line and it’s been a great ride and it makes me proud to be a public servant. We’ll see you next year.

Next Meeting
January 27, 2020
9:00 a.m. – 3:30 p.m.

Meeting adjourned at 11:50 a.m.
| TAB 4 |
Legislative Update:
2020 Supplemental Budget

Tanya Deuel
ERB Finance Manager
Financial Services Division
March 5, 2020
Proposed Funding Rates

- Per employee per month
- Adequate to maintain current level of benefits
- No significant concerns with funding rates and underlying assumptions
# SEBB Funding Rate

## Governor’s Proposed
<table>
<thead>
<tr>
<th>Funding Rate</th>
<th>Timespan</th>
</tr>
</thead>
<tbody>
<tr>
<td>$994</td>
<td>Jan 20 – June 20</td>
</tr>
<tr>
<td>$1,056</td>
<td>July 20 – Aug 20</td>
</tr>
<tr>
<td>$1,029</td>
<td>2020-21 School Year</td>
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## Senate Proposed
<table>
<thead>
<tr>
<th>Funding Rate</th>
<th>Timespan</th>
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<tbody>
<tr>
<td>$994</td>
<td>Jan 20 – June 20</td>
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<tr>
<td>$1,056</td>
<td>July 20 – Aug 20</td>
</tr>
<tr>
<td>$1,014</td>
<td>2020-21 School Year</td>
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## House Proposed
<table>
<thead>
<tr>
<th>Funding Rate</th>
<th>Timespan</th>
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<tbody>
<tr>
<td>$994</td>
<td>Jan 20 – June 20</td>
</tr>
<tr>
<td>$1,056</td>
<td>July 20 – Aug 20</td>
</tr>
<tr>
<td>$1,000</td>
<td>2020-21 School Year</td>
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</table>
Proposed Budget Similarities
(Governor’s, House, and Senate Proposed Budgets)

$234,000
**Audit Capabilities** – Annual Staffing to support audit functionality.

$15,000
**K-12 Non-Medicare Risk Pool** – One-time funds to implement changes to the risk pool arrangement for retired and disabled school employees.

$18.2 Million
**Third Party Administrator Fees** – Increased biennial spending authority to align with the increased self-insured medical and dental enrollment.
Proposed Budget Differences

**Diabetes Request for Information**
One-time administrative funding to complete an RFI related to diabetes management program.

- **Governor’s Budget**: $75,000
- **Senate Budget**: $0
- **House Budget**: $75,000

**ESSB 6189 Funding**
Funding to implement prohibiting dual enrollment in PEBB and SEBB coverage and directs HCA to analyze impacts of changing a variable funding rate for school employees who waive medical coverage.

- **Governor’s Budget**: $0
- **Senate Budget**: $0
- **House Budget**: $1,705,000
Questions?

Tanya Deuel, ERB Finance Manager
Financial Services Division
Tanya.Deuel@hca.wa.gov
Legislative Update: Bills

Cade Walker
Executive Special Assistant
Employees & Retirees Benefits (ERB) Division
March 5, 2020
Number* of 2020 Bills Analyzed by ERB Division

<table>
<thead>
<tr>
<th>Impact Level</th>
<th>ERB Lead</th>
<th>ERB Support</th>
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<tr>
<td>High Impact</td>
<td>25</td>
<td>55</td>
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<tr>
<td>Low Impact</td>
<td>73</td>
<td>99</td>
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<tr>
<td>Total</td>
<td>98</td>
<td>154</td>
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*As of 2/24/2020
## Legislative Update – ERB high lead bills

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<thead>
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<th>Date</th>
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<th>Bills</th>
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<td>2/7</td>
<td>Origin Chamber - Policy</td>
<td>10</td>
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<tr>
<td>2/11</td>
<td>Origin Chamber - Fiscal</td>
<td>3</td>
</tr>
<tr>
<td>2/19</td>
<td>Origin Chamber - Rules/Floor</td>
<td>7</td>
</tr>
<tr>
<td>2/28</td>
<td>Opposite Chamber - Policy</td>
<td>1</td>
</tr>
<tr>
<td>3/2</td>
<td>Opposite Chamber - Fiscal</td>
<td>2</td>
</tr>
<tr>
<td>3/6</td>
<td>Opposite Chamber - Rules/Floor</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Governor</td>
<td>0</td>
</tr>
</tbody>
</table>

**Cut-offs**

Last day of the regular session: **3/12/20**
SEBB Program Impact Bills

- **HB 2208/SB 6144** – Implementation credits and performance standards.

- **HB 2458/SB 6479** – Optional benefits offered by school districts.
SEBB Program Impact Bills – Eligibility

- **ESSB 6189** – Eligibility for school employees’ benefits board coverage.

- **SB 6290** – Contribution to and eligibility for school employee benefit plans.
- **SB 6296** – Health care benefits for public school employees
- **HB 2771** – Clarifying contributions to and eligibility for SEBB coverage
Topical Areas of Introduced Legislation

• Provider/health carrier credentialing
• Pharmacy
  • Diabetes medication (E2SHB 2662; SSB 6113)
  • Rx tourism (SB 6111)
  • Rx importation (SB 6110)
• Substance Use Disorder
• Expanded DME coverage
  • Hearing aides
  • Prosthetics/orthotics
Questions?

Cade Walker, Executive Special Assistant
Employees and Retirees Benefits Division

cade.walker@hca.wa.gov
TAB 5
ROBERT’S RULES OF ORDER
- PARLIAMENTARY PROCEDURE -

Presented to the PEB and SEB Boards
March 2020
By Michael R. Tunick, Assistant Attorney General
General Overview of Parliamentary Procedure and How Robert’s Rules Fit In

Meeting Basics

Motions, Debate, Amendments, Voting

Types of Motions
Principles of parliamentary procedure:

1. One subject at a time
2. Every subject gets fully debated
3. Rights equal to every other board member
4. Majority rule
5. Respect
AUTHORITIES GOVERNING THE BOARD
(FROM HIGHEST TO LOWEST IN PRIORITY)

- Law: certain rules are prescribed by applicable law
  - Open Public Meetings Act
  - Ethics in Public Service Act
  - Laws specific to the Board, *e.g.*, RCW 41.05.055 (PEBB); RCW 41.05.740 (SEBB)

- Bylaws/Charter: Governing the structure and operation of the organization

- Rules of Order:
  - Special Rules of Order: Specific to your organization
  - Parliamentary Authority: General book of rules (*e.g.*, Robert’s Rules)

- Common Practice or Custom: Not in written rule (*e.g.*, introducing a resolution at one meeting and voting at the next meeting)
INFORMAL PROCEDURES IN SMALL BOARDS

With smaller boards (typically fewer than twelve members), such as the PEB Board and SEB Board, more informal procedures may be followed:

- Member may raise hand to obtain floor instead of standing
- The Chair and members may remain seated when speaking or voting
- Members may speak more than twice during debate
- Subjects may be discussed informally even if no motion is pending
- Chair may participate in debate, make motions, and vote without giving up the chair
MEETING BASICS

- **Presiding Officer**
  - Chair, or if not present, temporary chair or Vice-Chair (SEBB) or person designated Chair Pro-Tem (PEBB)

- **Quorum (or not)**
  - Five is the minimum number of members who must be present to conduct business

- **Agenda/Order of Business**
  - Order of Business is determined by the agenda, which is circulated prior to meeting

- **Minutes**
  - Minutes summarize significant action taken by the Board. At subsequent meetings, the minutes of prior meetings get approved

- **Presentations to the Board**
  - The agenda may include presentations to the Board by HCA staff
Six steps to motion practice:

1) Motion is made – Formal proposal made by a member at a meeting that the group take certain action

2) Seconded – Another member must second a motion to bring it before the entire group.

3) Chair “States” the Question – Repeats the exact words of the motion or resolution.

4) Debate – Discussion of the merits of a pending motion or resolution.

5) Chair “Puts” the Question – After debate has closed, the Chair “puts” the motion or resolution to a vote.

6) Chair Announces Result.
MOTION PRACTICE

- Types of Motions
  - Main Motion

Secondary Motions
- Amend
- Lay on, or take from, the Table
- Point of Order
- Parliamentary Inquiry
MOTION TO AMEND

- Methods of Amending
  - *Insert* – “I move to insert . . .” or “I move to amend by inserting . . .”
  - *Strike* – “I move to strike . . .” or “I move to amend by striking . . .”
  - *Strike and insert* – “I move to strike out the words ‘[X, Y, Z]’ and insert the words ‘[T, U, V, W.]’”
Original Sample Pending Motion:
“I move that we buy a new sign.”

You Want the Motion to Read:
“That we buy a new sign not to exceed $50 dollars.”

You Would Say:
“I move to amend by adding the phrase ‘not to exceed $50 dollars’ at the end of the motion.”
Original Sample Pending Motion:
“I move that we buy a new sign."

You Want the Motion to Read:
“That we buy a new sign."

You Would Say:
“I move to amend by striking out the word ‘new.’"
Original Sample Pending Motion:
"I move that we buy a new sign."

You Want the Motion to Read:
"That we buy a new sign billboard."

You Would Say:
"I move to amend by striking out the word ‘sign’ and inserting the word ‘billboard.’"
Restrictions on Making Amendments:
- Germane
- Cannot defeat main motion
- No third-degree amendments

The Amendment Process:
- Debate is limited to the desirability of the amendment not the merits of the motion being amended
- Voting determines whether the text of the main motion is changed not whether the main motion is adopted
### OTHER SECONDARY MOTIONS

<table>
<thead>
<tr>
<th>Lay on Table</th>
<th>Take from Table</th>
</tr>
</thead>
<tbody>
<tr>
<td>clear the floor for more urgent business</td>
<td>continue consideration of the tabled question</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Point of Order</th>
<th>Parliamentary Inquiry</th>
</tr>
</thead>
<tbody>
<tr>
<td>call attention to violation of the rules</td>
<td>obtain information on parliamentary procedure</td>
</tr>
</tbody>
</table>
THE END

- Any Questions?

Michael R. Tunick, Assistant Attorney General
Attorney General’s Office
Michael.Tunick@atg.wa.gov
HCA Legislative Report on Consolidating PEBB & SEBB Programs

Marcia Peterson, Manager
Benefit Strategy & Design Section
March 5, 2020
Legislative Charge

The Health Care Authority must:

• study the potential cost savings and improved efficiency in providing insurance benefits to the employers and employees participating in the public employees' and school employees' benefits board systems that could be gained by consolidating the systems.
Legislative Charge (cont.)

The consolidation options studied must:

• **maintain separate risk pools** for Medicare-eligible and non-Medicare eligible employees and retirees,

• **assume a consolidation date of January 1, 2022,** and

• **incorporate the experiences** gained by the health care authority during the initial implementation and operation of the school employees' benefits board program.
Legislative Charge (cont.)

The study must:

• be submitted to the committees of the house of representatives and the senate overseeing health care and the omnibus operating budget by November 15, 2020.
2019 - 2020 Timeline

- October - February: Identify & evaluate program differences
- March - June: Review enrollment experience & develop consolidation roadmap
- July - August: Draft report review cycles
- November 15: Submit report
Key External Events

2020
- Legislative Session (short) ends in March
- Collective Bargaining during Summer (impacts plan years 2022 and 2023)
- Report Due in November

2021
- Legislative Session (long)
- Budget biennium begins July 1
Report Discussion Topics

- Plan offerings
- Impacts of Collective Bargaining
- How premiums are calculated
- Tier structures
- Invoicing cycles
- Board Composition
Questions?

Marcia Peterson, Manager
Benefit, Strategy, and Design Section
Employees and Retirees Benefits Division

Marcia.peterson@hca.wa.gov
TAB 7
SEBB Eligibility and Enrollment Appeals
Steady State Process

• New SEBB Program appeals process designed to complete most appeals within 10 days
• Previous PEBB Program appeals process was built on a 30-day platform
• Employees begin process by contacting their Benefits Administrator for most issues
• If the Benefits Administrator is unable to resolve, subscriber has 30 days to appeal to HCA
Transition to Steady State Appeals Processing

• Appeals postmarked by February 29 will continue to be reviewed by HCA

• Beginning March 1, most subscribers appealing to the Health Care Authority (HCA) will receive a letter from HCA directing them to contact their Benefits Administrator

• Benefits Administrator’s to perform all duties expected of them during steady state appeals process

• If Benefits Administrators are unable to resolve a subscriber issue, subscriber has ability to appeal to HCA for additional review
SEBB Program Appeals

• HCA has received approximately 7,700 appeals as of February 25, 2020
  o Approximately 1,250 appeals since February 18

• Three Primary types of appeals
  o Dependent Verification (about 27.7% of total received)
  o Dental plans (about 40.6% of total received)
  o Other plan enrollment corrections (about 31.7% of total received)

• Estimating that a minimum 80% of the appeals have been fully adjudicated, keyed, and a member letter mailed
Questions?

Mike Brown, Section Manager  
Office of Legal Affairs  
Division of Legal Services  
Michael.brown@hca.wa.gov
TAB 8
SEBB Program Implementation: Medical Flexible Spending Arrangement & Dependent Care Assistance Program (FSA & DCAP)

Martin Thies, Account Manager
Employees & Retirees Benefits
March 5, 2020
Overview

• Refresh the Board regarding:
  o Medical Flexible Spending Arrangements (FSA)
  o Dependent Care Assistance Program (DCAP)
  o Advantages & Disadvantages

• SEBB Implementation & Enrollment
  o Numbers
  o Savings Estimates

• What’s Next
Authority & Benefits

• **Salary Reduction Plan:**
  HCA is tasked with implementing and administering a *salary reduction plan* whereby school employees can select "*before tax*” benefits funded through their voluntary payroll deductions:

  - **Medical Flexible Spending Arrangement (FSA)**
    - Employees pay for eligible out-of-pocket medical expenses
    - $2,700/year for 2020, with annual IRS COLAs

  - **Dependent Care Assistance Program (DCAP)**
    - Employees pay for eligible dependent care expenses
    - $5,000/year maximum payroll deduction (no COLAs)
How a Medical FSA Works

• Annually, employees elect a pre-tax amount to defer from their pay, up to a limit set by the Plan Sponsor

• On the first day of the Plan Year, the TOTAL annual deferral amount is available for use

• The employee uses an FSA debit card, or submits after-purchase claims to the FSA vendor, and is reimbursed for those expenses

• Annually, unclaimed funds are forfeited to the plan sponsor
Grace Period & Carry Over

In 2005 & 2013 respectively, the IRS adopted FSA design elements to mitigate the danger of forfeiting unused FSA funds:

- A grace period of up to 2½ months after the end of the plan year to incur costs and claim FSA funds
- A carry over, whereby unspent funds (up to $500) can be carried over and be available for the next plan year

The SEBB Program Medical FSA includes the 2½ month grace period*

*A plan sponsor can offer one or the other, or neither, but not both.
Dependent Care Assistance Program (DCAP)

- Employees elect an annual pre-tax amount to defer from their pay, up to IRS limit ($5,000)
- Expenses reimbursed only up to the amount contributed at any time during the plan year
- Only for expenses incurred during plan year
- No carry over or grace period: “use it or lose it”
Pros and Cons

• **Cons:**
  - Deferred earnings could be forfeited
  - Reduced taxable earnings impacts Social Security calculations

• **Pros:** Employees owe less income tax
  - Assuming maximum deferrals @ a 12% tax rate:
    - FSA: $2,700 x 12% = $324
    - DCAP: $5,000 x 12% = $600
    - FICA savings ($7,700 x .0765) = $589
  - **Total Employee Savings:** $1,513

  - Likewise, SEBB Organizations are not liable for payroll taxes on deferred income (7.65%)
FSA/DCAP Logistics

• Employees sign-up for account(s) with the program administrator, Navia Benefit Solutions
• Deductions are set-up by the SEBB Organization
• Pay period deferrals go to the HCA
• Employees use debit card or file a claim
• Navia pays the claims and bills HCA for the funds as they are used
• Forfeitures used to offset plan costs and some monthly administrative costs
SEBB Program Implementation

Challenges:
• 300+ school districts using different vendors
• Diverse non-calendar plan years
• Incongruent Design: carry over and grace period

Communications:
• Both benefits administrators and employees
• Initial Enrollment Guide, emails, fact sheets, tool kits, FAQs, welcome letters
• Benefits Fairs: actual and virtual through Alex online
• Live and recorded webinars
## Inaugural SEBB Program Enrollment: FSA

<table>
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<tr>
<th>Description</th>
<th>Value</th>
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</thead>
<tbody>
<tr>
<td><strong>FSA: 10,485 Subscribers</strong></td>
<td></td>
</tr>
<tr>
<td>Total Deferrals</td>
<td>$16 million</td>
</tr>
<tr>
<td>Average Deferral</td>
<td>$1,520</td>
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<tr>
<td>Income Tax Savings (@ 12%)</td>
<td>$1.9 million</td>
</tr>
<tr>
<td>Employee FICA Savings</td>
<td>$1.2 million</td>
</tr>
</tbody>
</table>

Inaugural SEBB Program Enrollment: DCAP

DCAP: 1,666 Subscribers

- Total Deferrals: $7 million
- Average Deferral: $4,200
- Income Tax Savings @ 12%: $848,400
- Employee FICA Savings: $541,000

*862 subscribers enrolled in Medical FSA and DCAP)
Inaugural SEBB Program Enrollment

- 31 districts enrolled 100 or more employees
- 140 districts enrolled 10 or less
- 260 districts have at least 1 enrollment

Total Income Tax Savings: $2.76 million
Total Employee FICA Savings: $1.76 million
SEBB Organization FICA Savings: $1.76 million
Total Estimated Savings (2020): $6.28 million
2020 Debrief After Open Enrollment

• Complexities of this first transitional year
• Dominant emphasis on medical, dental, vision
• Anticipating an increase in 2021 enrollments
• Debrief continues
• Working through a few dozen appeals
Going Forward

• Since Plan Year 2014, our administrator is Navia Benefit Solutions, based in Renton

• Currently conducting a Request for Information (RFI) to gather industry information and data
  o Rates
  o How administrators engage with plan sponsors
  o Administrator marketing opportunities
  o Implementation strategies and timeframes

• Likely to be followed by a Request For Proposal
Questions?

More Information:
http://pebb.naviabenefits.com/

Martin Thies, Ph.D., Account Manager
Employees & Retirees Benefits
martin.thies@hca.wa.gov
Benefits Administrator Training: Pre-OE
(August – September 2019)

- The Outreach and Training (O&T) Unit conducted 19 trainings for the Benefits Administrators (BAs) prior to the first annual Open Enrollment.

- The primary goal was to ensure BAs could perform SEBB Program-related administrative responsibilities for their respective organizations during the first annual open enrollment. Topics included:
  - Initial eligibility determinations (630 hour rule) and benefits
  - Dependent verification
  - SEBB My Account functionality
  - Billing
  - COBRA/Continuation coverage
  - Appeals process
  - Website for BAs
  - Answer general questions

These in-person, two-day training events were conducted across the state for more than 600 Benefits Administrators.
Benefits Administrator Assistance: FUZE
(December 2019 – February 2020)

• After the first annual Open Enrollment, O&T focused on addressing FUZE correspondence received from SEBB Organizations.

• The primary questions received were:
  o Enrollment-related discrepancy resolution
  o SEBB My Account troubleshooting
  o Appeals-related

• Due to the high volume of FUZE correspondence received during this time (more than 10,000), all O&T staff, including trainers, were available to assist in responding to BAs on evolving issues.
Benefits Administrator Training: Webinars
(February – May 2020)

- As the SEBB Program begins to stabilize and transition into a steady state, O&T will continue training BAs with a series of webinars from February through April 2020.
- Topics will include:
  - Feb 21: Appeals Process – (Transition to Steady-State)
  - March 6: SEBB My Account Training (SMA changes and new permissions)
  - March 20: Making Changes and Additions (Special Open Enrollments)
  - April 1: Termination/Loss of Eligibility
  - April 17: Eligibility Training (Newly-Eligible Employees)
  - May 1: Summer Break Topics

- O&T will lead off with the webinar series from Organization BAs.
- They will be recorded for viewing at a later date if needed.
Benefits Administrator Training: Workshops
(June – August 2020)

• Starting May 2020, O&T plans to conduct a series of in-person workshops across the state for SEBB Organization BAs (similar locations to initial BA training).

• The workshops will focus on preparing SEBB Organizations for the upcoming school year.

• Additionally, O&T trainers will work with BAs directly and will discuss tips, techniques, and lessons learned since the implementation of the SEBB Program (dates and locations TBD).
Questions?

More Information:
https://www.hca.wa.gov/sebb-benefits-admins

Jesse Paulsboe, Manager
Employer Outreach & Training Unit
Employees and Retirees Benefits Division
Jesse.paulsboe@hca.wa.gov
TAB 10
Annual Rate Process

Megan Atkinson
Chief Financial Officer
Financial Services Division
March 5, 2020
SEB Board Authority

- RCW 41.05.740 (School Employees’ Benefits Board) – the board has the final authority on authorizing employee premium contributions

- Until the board takes action, the rate development and premium setting process is not complete

- The board can clarify what information it will consider in setting premiums
Resolution SEBB 2020-03
Rate Development Procedure

Resolved that, beginning with the rate development process in 2020 (to set employee premium contributions for plan year 2021) and annual rate development processes thereafter, the SEB Board will not review or consider unsolicited revised rates after proposed employee premium contributions are published publicly by the Health Care Authority on its website.
Questions?

Megan Atkinson, Chief Financial Officer
Financial Services Division
Megan.Atkinson@hca.wa.gov