

School Employees Benefits Board Meeting

April 3, 2025

School Employees Benefits Board

April 3, 2025

9:00 a.m. – 12:15 p.m.

Attendance In-person or by Zoom

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

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TAB 1

School Employees Benefits Board
April 3, 2025
9:00 a.m. – 12:15 p.m.

This meeting will be hybrid with attendance options either in person or via Zoom. Masks are optional.

TO JOIN ZOOM MEETING – SEE INFORMATION BELOW

9:00 a.m.*	Welcome and Introductions		Lou McDermott, Chair	
9:05 a.m.	Meeting Overview		David Iseminger, Director Employees & Retirees Benefits (ERB) Division	Information/ Discussion
9:10 a.m.	Approval of Meeting Minutes • March 6, 2025	TAB 3	Lou McDermott, Chair	Action
9:20 a.m.	Legislative Update and Budget Update	TAB 4	Cade Walker, Section Manager Employees & Retirees Benefits (ERB) Division Tanya Deuel, ERB Finance Manager Finance Services & Health Care Purchasing Administration Division	Information/ Discussion
10:20 a.m.	Break			
10:30 a.m.	2025 Annual Rulemaking Briefing	TAB 5	Stella Ng, Policy & Rules Coordinator Employees & Retirees Benefits (ERB) Division	Information/ Discussion
10:50 a.m.	Benefits 24/7 Update	TAB 6	Brett Mello, Chief Information Officer Enterprise Technology Services (ETS) Division	Information/ Discussion
11:05 a.m.	SEBB Program Annual Renewal Process	TAB 7	Christine Davis, Procurement Manager Employees & Retirees Benefits (ERB) Division	Information/ Discussion
11:35 a.m.	General Public Comment			
12:10 p.m.	Closing			
12:15 p.m.	Adjourn		Lou McDermott, Chair	

*All Times Approximate

The School Employees Benefits Board will meet Thursday, April 3, 2025 at the Washington State Health Care Authority, Sue Crystal Rooms A & B, 626 8th Avenue SE, Olympia, WA. Attendance for this meeting can be in person or via Zoom. Masks are optional.

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

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

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

Materials are posted at <https://www.hca.wa.gov/about-hca/school-employees-benefits-board-sebb-program/meetings-and-materials> by close of business on Monday, March 31, 2025.

Join Zoom Webinar Meeting

Meeting attendees will only be able to activate their audio and/or video during the public comment period at the end of the meeting. At public comment, participants will need to raise their virtual hand and only after being recognized by HCA staff will the participant see the ability to turn on their audio/video options.

<https://us02web.zoom.us/j/83891975223?pwd=PckEQrqlclYui3s5xd2vRSaeFSwan4.1>

SEB Board Members

Name	Representing
Lou McDermott, Deputy Director Health Care Authority 626 8 th Ave SE PO Box 42720 Olympia, WA 98504-2720 V 360-725-0891 louis.mcdermott@hca.wa.gov	Chair
Kerry Schaefer 1405 N 10 th St Tacoma, WA 98403 C 253-227-3439 SEBBoard@hca.wa.gov	Employee Health Benefits Policy and Administration
Omeid Heidari Box 357262 1959 NE Pacific St Seattle, WA 98195 SEBBoard@hca.wa.gov	Employee Health Benefits Policy and Administration
Dawna Hansen-Murray 15535 104 th Place SE Yelm, WA 98597 C 360-790-4961 SEBBoard@hca.wa.gov	Classified Employees
Myra Johnson 6234 S Wapato Lake Dr Tacoma, WA 98408 V 253-297-4344 SEBBoard@hca.wa.gov	Certificated Employees

SEB Board Members

Name

Representing

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Employee Health Benefits Policy
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Legal Counsel

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2/26/25



STATE OF WASHINGTON
HEALTH CARE AUTHORITY

626 8th Avenue SE • PO Box 45502 • Olympia, Washington 98504-5502

SEB BOARD MEETING SCHEDULE

2025 School Employees Benefits (SEB) Board Meeting Schedule

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

January 23, 2025 (Board Retreat) - starting at 9:00 a.m.*

March 6, 2025 - starting at 9:00 a.m.

April 3, 2025 - starting at 9:00 a.m.

May 8, 2025 - starting at 9:00 a.m.

June 5, 2025 - starting at 9:00 a.m.

June 18, 2025 - starting at 9:00 a.m.

July 9, 2025 - starting at 9:00 a.m.

July 16, 2025 - starting at 9:00 a.m.

July 23, 2025 - starting at 9:00 a.m.

July 30, 2025 - starting at 9:00 a.m.

*Meeting times are tentative

If you are a person with a disability and need a special accommodation, please contact the Employees and Retirees Benefits (ERB) Board Operations Manager at 360-725-9484.

06/14/2024

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: July 01, 2024

TIME: 11:12 AM

WSR 24-14-100

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. Opportunity for public testimony at Board meetings shall also be made available immediately before the Board’s vote on a resolution. At the direction of the Chair, opportunities for public testimony may also be made available at other times during Board meetings. 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

Draft
School Employees Benefits Board
Meeting Minutes

March 6, 2025
Health Care Authority
Sue Crystal Rooms A & B
Olympia, Washington
9:00 a.m. – 12:00 p.m.

The Briefing Book with the complete presentations and an audio recording of the meeting can be found at:

<https://www.hca.wa.gov/about-hca/programs-and-initiatives/school-employees-benefits-board-sebb-program/meetings-and-materials>

Members Present in Olympia

Lou McDermott
Kerry Schaefer
Pamela Kruse
Alison Poulsen
Lara Christopherson

Members Present via Zoom

Myra Johnson
Dawna Hansen-Murray
Terri House
Omeid Heidari

Members Absent

None

SEB Board Counsel

Katy Hatfield, AAG

Call to Order

Lou McDermott, Chair, called the meeting to order at 9:03 a.m. Sufficient members were present to allow a quorum. Board members and the public were able to attend either in person or virtually via Zoom.

Meeting Overview

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

Approval of Meeting Minutes

Alison Poulsen moved, and Pamela Kruse seconded a motion to approve the July 10, 2024 meeting minutes. Minutes were approved as written by unanimous vote.

Pamela Kruse moved, and Alison Poulsen seconded a motion to approve the January 23, 2025 meeting minutes. Minutes were approved as written by unanimous vote.

Legislative Update

Cade Walker, Policy, Rules, and Compliance Section Manager in the Employees and Retirees Benefits Division provided an update on the latest news about bills from the current legislative session. The update included bill analyses by the ERB Division, ERB lead high priority bill status, agency requested legislation, and current legislation tracked by the division.

Budget Reduction Options

Tanya Deuel, ERB Finance Manager in the Finance Services and Health Care Purchasing Administration and **Dave Iseminger**, Director of the Employees and Retirees Benefits Division presented on the agency's ongoing budget reduction scenario work in order to help address the state budget deficit. The presentation included an overview of the revenue forecast, the spending freeze, reduction targets, and budget reduction instructions as well as SEBB Program funding information, HCA's budget reduction option submission topics, and Governor Ferguson's February 27 budget reduction proposal. The presentation also included an appendix that contained the Governor Directive 24-19, OFM direction to agencies on 2025-27 budget reduction proposals, Governor Ferguson's budget priorities for 2025-27, and agency-identified reduction scenarios for fiscal year 2025 and 2025-27 biennium.

Benefits 24/7 Update

Brett Mello, Chief Information Officer in the Enterprise Technology Services (ETS) Division and **Jean Bui**, Deputy Director of the Employees and Retirees Benefits Division gave an update on the Benefits 24/7 system. The update included an introduction to the new Chief Information Officer, a recruitment update of key positions, and a 2025 stabilization update.

Open Enrollment Appeals Update

Bonnie Marshall, ERB Staff Attorney in the Office of Legal Affairs section of the Division of Legal Services brought an overview of the SEBB Program appeals from the plan year 2025 open enrollment. The overview included an appeals overview, the appeals process for the SEBB Program, the process for the employer, and the process for the Office of Legal Affairs, as well as information regarding an initial order, a final order, appeals trends, and a snapshot of appeals.

Provider Prior Authorization Process Legislation

Heather Schultz, ERB Medical Director from the Clinical Quality and Care Transformation Division and **Jenny Switzer**, Senior Account Manager from the Employees and Retirees Benefits Division presented on the provider prior authorization process legislation. The presentation included a prior authorization overview and goals, when a prior authorization applies, the benefits of a prior authorization, the oversight of prior authorizations, and information about state and federal legislative activity regarding prior authorizations.

General Public Comment

No members of the public provided comments.

An audio recording for the April 3, 2025 SEB Board meeting can be found at:
<https://www.hca.wa.gov/about-hca/programs-and-initiatives/school-employees-benefits-board-sebb-program/meetings-and-materials>

Next Meeting

April 3, 2025

Starting time 9:00 a.m.

Preview of April 3, 2025 SEB Board Meeting

Dave Iseminger, Director, Employees and Retirees Benefits (ERB) Division, provided an overview of potential agenda topics for the April 3, 2025 Board meeting.

The meeting adjourned at 11:17 a.m.

TAB 4

Legislative Update

Cade Walker
Policy, Rules, & Compliance Section Manager
Employees and Retirees Benefits Division
April 3, 2025

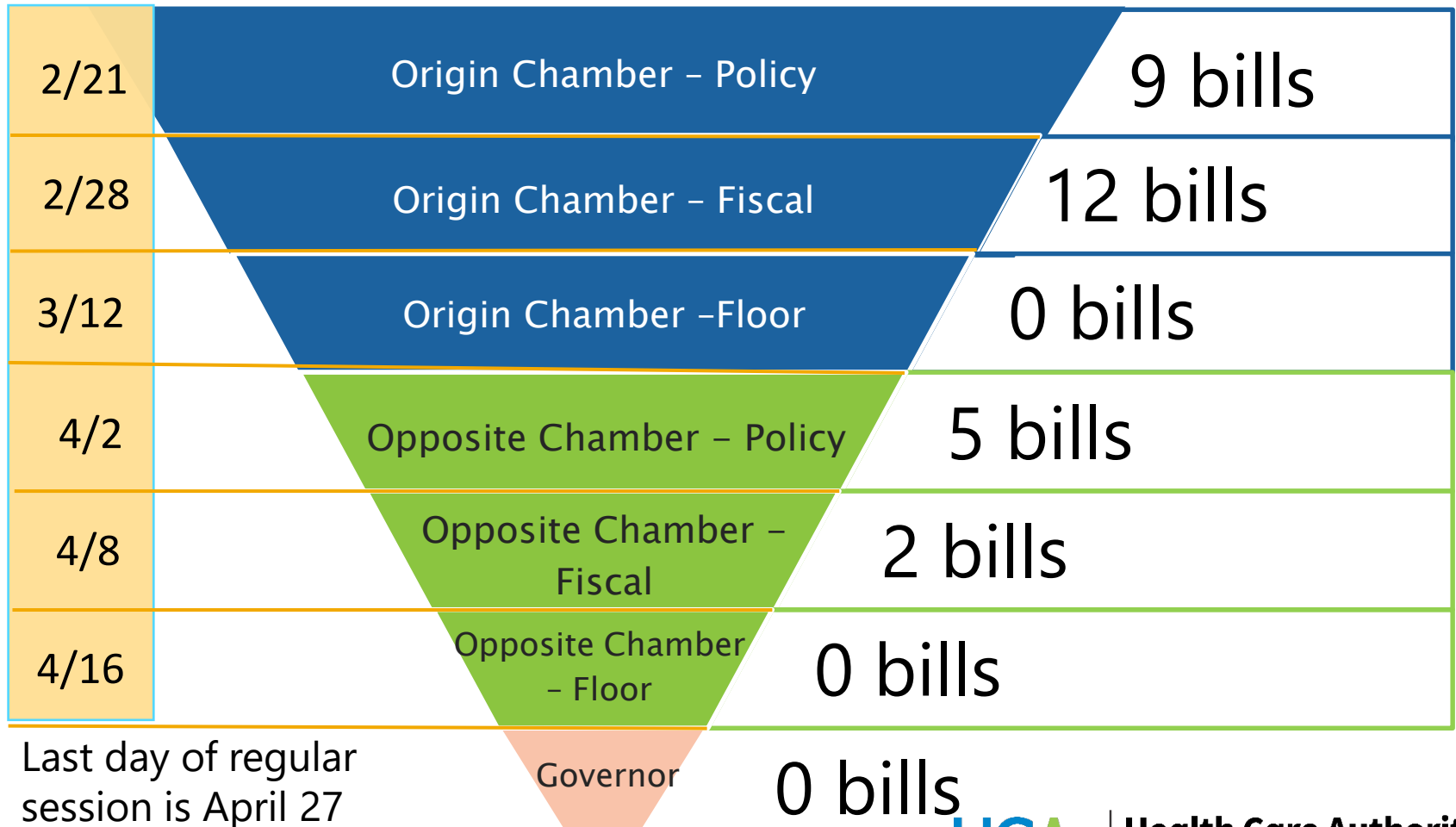
Bill Analyses by ERB Division

	ERB Lead	ERB Support	
High Priority	41	39	80
Low Priority	32	82	114
	73	121	194

Fiscal Notes	34	47	
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As of 3/28/25

ERB Lead High Priority Bill Status



Agency Requested Legislation

- ▶ ~~House Bill (HB) 1123/Senate Bill (SB) 5083 – Ensuring access to primary care, behavioral health, and affordable hospital services~~
- ▶ SB 5478 – Benefits to be offered by the PEB Board

Current Legislation

Administrative

- ▶ ~~HB 1069/SB 5044~~ – Allowing collective bargaining over contributions for certain supplemental retirement benefits
- ▶ ~~HB 1076~~ – ~~Health technology assessment programs~~
- ▶ ~~HB 1330/SB 5086~~ – ~~PEBB & SEBB consolidation~~
- ▶ SB 5579 – Health plan carrier, facilities, and provider public statement prohibition
- ▶ SB 5793 - Employer contributions and incentives for public and school employee health benefit plan

Current Legislation (*cont.*)

Providers

- ▶ ~~HB 1124/SB 5112 – Prescribing psychologists~~
- ▶ HB 1114 – Respiratory care compact
- ▶ HB 1430 – ARNP & PA reimbursement
- ▶ ~~HB 1520/SB 5513 – Expanding pharmacists' scope of practice~~

Current Legislation (*cont.*)

Health Plan Coverage

- ▶ ~~HB 1062 – Biomarker testing~~
- ▶ ~~HB 1090/SB 5498 – Contraceptive coverage~~
- ▶ ~~HB 1129/SB 5121 – Fertility-related services~~
- ▶ ~~SB 5075 – Cost sharing for prenatal and postnatal care~~
- ▶ HB 1669/SB 5629 – Coverage for prosthetic limbs and custom orthotic braces

Current Legislation (*cont.*)

Pharmaceutical

- ▶ HB 1186 – Hospital and health care entities medication dispensing
- ~~▶ SB 5019 – Prepackaged medication distribution~~
- ▶ HB 1971 – Increasing access to hormone therapy

Questions?

Cade Walker

Policy, Rules, and Compliance Section Manager

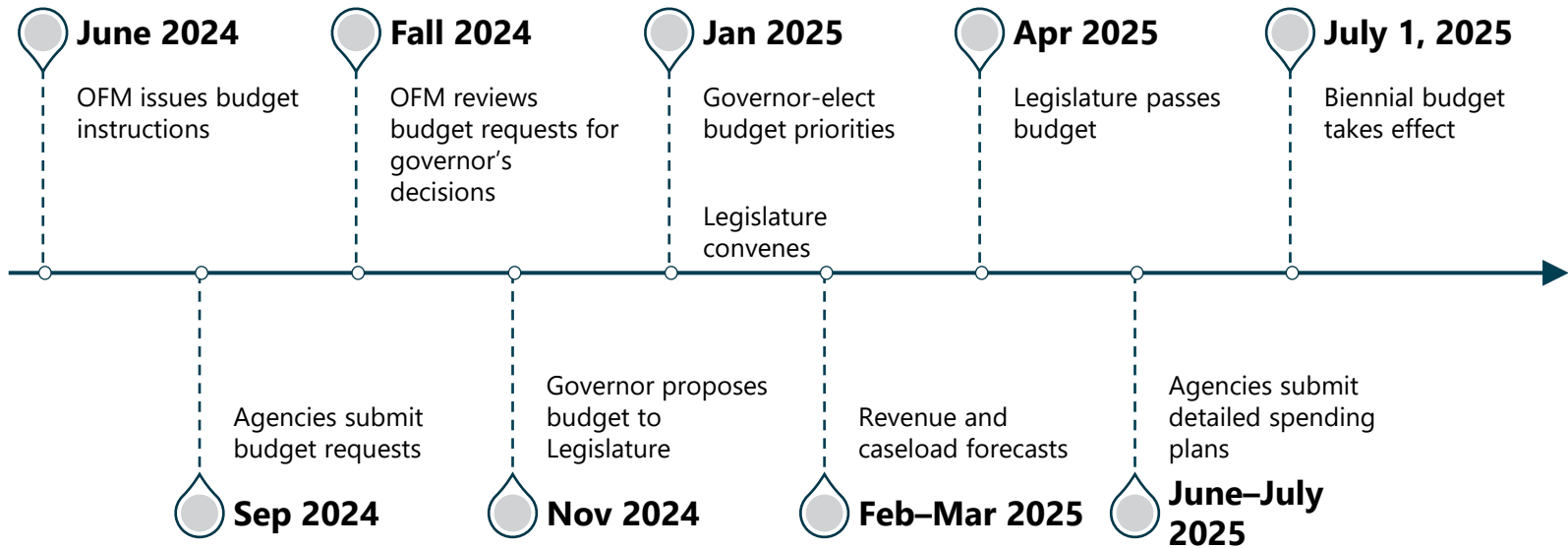
Employees and Retirees Benefits Division

Cade.Walker@hca.wa.gov

Budget Update

Tanya Deuel
Finance Section Manager
Finance Services and Health Care Purchasing Administration
April 3, 2025

Timeline



2025 Supplemental Budget

Fiscal Year 2025 Supplemental Budget

Senate and House Proposed Similarities

Decision Package	FTE	Dollars
TPA Spending Authority Increased spending authority to align with the increased self-insured medical enrollment.	NA	\$468K
Contract Increases Funding to support increases to the actuarial services contract for SEBB.	NA	\$242K

2025-27 Biennial Budget

2025-27 Biennial Budget

Senate and House Proposed Similarities

Decision Package	FTE	Dollars
TPA Spending Authority Increased spending authority to align with the increased self-insured enrollment.	NA	\$7.8M
Contract Increases Funding to support increases to the actuarial services contract for SEBB Program.	NA	\$480K
IT Resources FTEs to support and stabilize the member enrollment system (Benefits 24/7).	3.5	\$1.6M

2025-27 Biennial Budget (*cont.*)

Senate and House Proposed Similarities

Decision Package	FTE	Dollars
Doulas Funding to provide coverage for doula services in UMP.	NA	\$225K
Agency Request Legislation Administrative funding for support related to Senate Bill 5083.	0.5	\$187K

Additional Budget Items

Senate and House Proposed Similarities

- ▶ Combined PEBB and SEBB Program sections, for accounting purposes in state systems
- ▶ Enhance employer paid long-term disability (LTD) benefit within existing resources from \$400 to \$450 per month
 - ▶ Likely to be a rate reduction for employee paid benefits

Addressing the Budget Deficit

Senate and House Proposed Similarities

- ▶ Long term disability (LTD) reserves
 - ▶ Withdrawing employer paid reserves that are above required amounts
- ▶ Closing the UMP Plus plans on December 31, 2025
 - ▶ Current contract expires December 31, 2026
- ▶ Administrative budget reduction
 - ▶ Six percent (6%) administrative budget reduction (account 492)
- ▶ Reduction of premium stabilization reserves (PSR)
 - ▶ Reducing PSR from seven percent (7%) to five percent (5%)

Addressing the Budget Deficit (*cont.*)

Senate and House Proposed Similarities

- ▶ Elimination of the SmartHealth portal and incentive
 - ▶ **Senate** – Introduced Senate Bill 5793 that eliminates SmartHealth effective January 2028
 - ▶ The last distribution of employee incentives would be in January 2028
 - ▶ **House** – Included a budget provision in House Bill 1198 (operating budget bill) that closes the SmartHealth program during the 2025-27 biennium and fulfills any obligations under the collective bargaining agreement (CBA)

2025-27 SEBB Program Proposed Funding Rate

Senate		House	
SY*2025-26	SY2026-27	SY2025-26	SY2026-27
\$1,293	\$1,346	\$1,306	\$1,336

- ▶ Per eligible employee per month
- ▶ Includes funding for:
 - Decision packages
 - Collective bargaining changes
 - Agency request legislation
 - Budget reduction proposals

*School Year

Questions?

Tanya Deuel, Finance Section Manager
Finance Services and Health Care Purchasing
Administration

Tanya.Deuel@hca.wa.gov

TAB 5

2025 Annual Rulemaking Briefing

Stella Ng
Policy and Rules Coordinator
Employees and Retirees Benefits Division
April 3, 2025

Rulemaking Timeline

April and May 2025	File proposed amendments (CR-102) and distribute new rules for public comments
May and June 2025	Conduct public hearing and adopt final rules (CR-103)
July 2025	Permanent appeals rules effective
January 2026	Other permanent rules effective

Focus of Rulemaking

- ▶ Administration and benefits management
- ▶ Regulatory alignment
- ▶ Amendments within HCA authority

Administration and Benefits Management

- ▶ Amend the definition of “waive” to better convey an eligible school employee may affirmatively decline enrollment in SEBB medical because they are enrolled in Medicare Part A and Part B as primary coverage
 - ▶ The eligible school employee cannot be enrolled in other Medicare coverage, such as PEBB retiree coverage or commercial Medicare Advantage plan
- ▶ Clarify when a school employee will be automatically deferred from PEBB retiree insurance coverage

Regulatory Alignment

- ▶ Clarify a school employee or their dependent may continue all or any combination of SEBB medical, dental, or vision for the maximum number of months as allowed under COBRA

Amendments within HCA Authority

- ▶ Make a technical correction to clarify any subscriber aggrieved by a decision made by the SEBB Program wellness incentive contracted vendor may appeal that decision to the SEBB Program
- ▶ Amend to include HCA may reject an appeal if the appellant fails to provide documentation or references of decisions previously rendered through the appeal process

Amendments within HCA Authority (*cont.*)

- ▶ Amend to state that the presiding officer must render a written initial order within 10 days after the presiding officer receives the brief adjudicative proceeding file

Questions?

Stella Ng, Policy and Rules Coordinator
Employees and Retirees Benefits Division

Stella.Ng@hca.wa.gov

TAB 6

Benefits 24/7 Update

Brett Mello
Chief Information Officer
Enterprise Technology Services Division
April 3, 2025

Stabilization Update

Continued Progress

- ▶ Reduced backlog of account issues from about 7,500 to 3,600
 - ▶ Reduced daily sync errors from about 2,750 to 920
- ▶ Resolved 87% of 223 priority bugs
 - ▶ Resolved over 75% of the 67 high priority bugs

Stabilization Update

ERB IT Staffing

- ▶ 6 newly budgeted roles
 - ▶ Software Test Engineer – *Hired*
 - ▶ Manager (ERB IT lead) – *Recruiting*
 - ▶ Two Business Analysts – *Pending*
 - ▶ Two Operations Developers – *Pending*

Next Steps

- ▶ Continue minimization of major changes or new development in the system
- ▶ Complete four additional two-week sprints to continue working toward stabilization

Questions?

Brett Mello, Chief Information Officer
Enterprise Technology Services (ETS) Division

Brett.Mello@hca.wa.gov

TAB 7

SEBB Program Annual Renewal Process

Christine Davis
Procurement Manager
Employees and Retirees Benefits Division
April 3, 2025

Overview of the Annual Renewal Process

- ▶ Employees and Retirees Benefits (ERB) Division conducts an annual evaluation of the SEBB Program portfolio to identify which benefits and plans will be subject to change during the next plan year
- ▶ A work plan is developed for the renewal process
- ▶ An individualized request for renewal (RFR) is created for each carrier
- ▶ RFRs are sent to carriers and the carriers respond
- ▶ Contract rates and terms are negotiated with fully-insured carriers (ERB sets premiums for UMP Regence)
- ▶ The Board votes to authorize carrier premiums
- ▶ Contracts are finalized and executed

Why an Annual Renewal Cycle?

- ▶ The SEBB Program's plan renewal process is on an annual cycle because of funding and authorization requirements in the authorizing environment
 - ▶ The Washington State Legislature sets the PEBB and SEBB Programs' budget annually as part of legislative session
 - ▶ PEB and SEB Boards vote each July to authorize carriers' premium rates for their respective portfolios
- ▶ If the state budget doesn't pass or Boards don't authorize a carriers' premium rates, HCA can't offer those carriers' health plans to employees and/or retirees

Evaluating the Portfolio

Uniform Medical Plan (UMP)

- ▶ State's self-insured plans are offered to the PEBB and SEBB Programs
 - Third party administrator, Regence BlueShield
- ▶ HCA diligently evaluates impacts to UMP
 - ▶ HCA's contracted actuary develops the rates for UMP using factors including but not limited to;
 - Historical UMP claims data (utilization)
 - Managing adjustments related to known or projected changes that result in costs or savings to the plan
 - Covered population demographics
 - Economic trends

PEBB & SEBB Program Fully-Insured Carriers

- ▶ Carriers on annual renewal negotiation cycles
 - ▶ Medical carrier rates are generally negotiated on an annual cycle
 - ▶ Dental and vision carrier rates can be locked in for more than one year
- ▶ Covered populations
 - ▶ Active employees and continuation coverage
 - ▶ PEBB and SEBB Programs
 - ▶ Retiree
 - ▶ PEBB Program (Medicare)

SEBB Program

Fully-Insured Carriers (*cont.*)

▶ Medical plan types

- ▶ For active employees and continuation coverage
 - Health Maintenance Organization (HMO)
 - Preferred Provider Organization (PPO)
- ▶ Retirees
 - Medicare with Part D drug plan (Uniform Medical Plan)
 - Medicare Advantage with Part D (Kaiser retiree plans)
 - Medicare Supplement (Premera Plan G)

Reviewing State or Federal Mandates

- ▶ Evaluate the portfolio for mandated changes:
 - ▶ Which carriers' plans are impacted by a mandate?
 - ▶ Which plans are excluded?
 - ▶ Does the mandate directly address member cost shares?
 - ▶ Are impacted carriers in alignment with one another in their interpretation of the mandate?
- ▶ Coordinate with HCA's ERB finance team to evaluate the cost or savings impacts to member's premiums, if mandated changes are known to impact to the PEBB and SEBB Programs' carriers

Evaluating Benefits

- ▶ Evaluated by ERB staff
 - ▶ After undergoing review for efficacy, cost, or savings through the benefit planning cycle
- ▶ Compare to collective bargaining agreements (CBAs)
 - ▶ ERB finance team monitors impacts to PEBB and SEBB Programs' budgeting with respect to fulfilling requirements from collective bargaining agreements
- ▶ Proposed by the carrier (if known)
 - ▶ HCA must evaluate in conjunction with benefits already offered and identify potential cost or savings impacts
 - ▶ Are the changes related to carrier's book of business?

ERB Request for Renewal (RFR)

Develop a Workplan

- ▶ In preparation for HCA's formal request for renewal to carriers, the ERB Division organizes the known or anticipated changes into a workplan
 - ▶ This workplan allows supporting divisions the opportunity to prepare and assist with the renewal process
- ▶ Renewal cycle timeline set in workplan
 - ▶ Begins in January (2025), runs through to December after the conclusion of open enrollment (OE)
 - ▶ Ends with the implementation of the carriers' new plans on January 1, 2026

Writing the Request for Renewal

- ▶ ERB's Portfolio Management and Monitoring (PM&M) section introduces required and selected changes to the carriers through the RFR
- ▶ The RFR is a legally-binding, formal proposal from HCA for changes to benefit coverage, as well as a request for new bid rates for maintaining existing benefit plans in the next plan year

RFR Carrier Proposals and Negotiations

Carrier Responses to HCA Requests

Fully Insured Carriers' Proposals

Fully insured carriers respond formally to ERB's RFR with:

- ▶ Certifications and assurances
 - ▶ A binding attestation to the carrier's willingness and ability to contract with the state
- ▶ Carrier checklist
 - ▶ "Closed" document that requires carrier to answer briefly the questions that ERB is asking in the order they were asked
 - ▶ Ensures that nothing is ambiguous or missing on either side
- ▶ Exhibits
 - ▶ More detailed plans or explanations for requested changes

Fully-Insured Negotiations

- ▶ The carrier's account team and carrier's actuaries:
 - ▶ Submit initial bids on premium and adjust those bids after discussions with the negotiation team at HCA
- ▶ ERB finance and executive management:
 - ▶ Lead negotiations and decisions brought to Board for authorization

Presenting to the Boards

Board Authorization of Rates

First Presentation: Informational

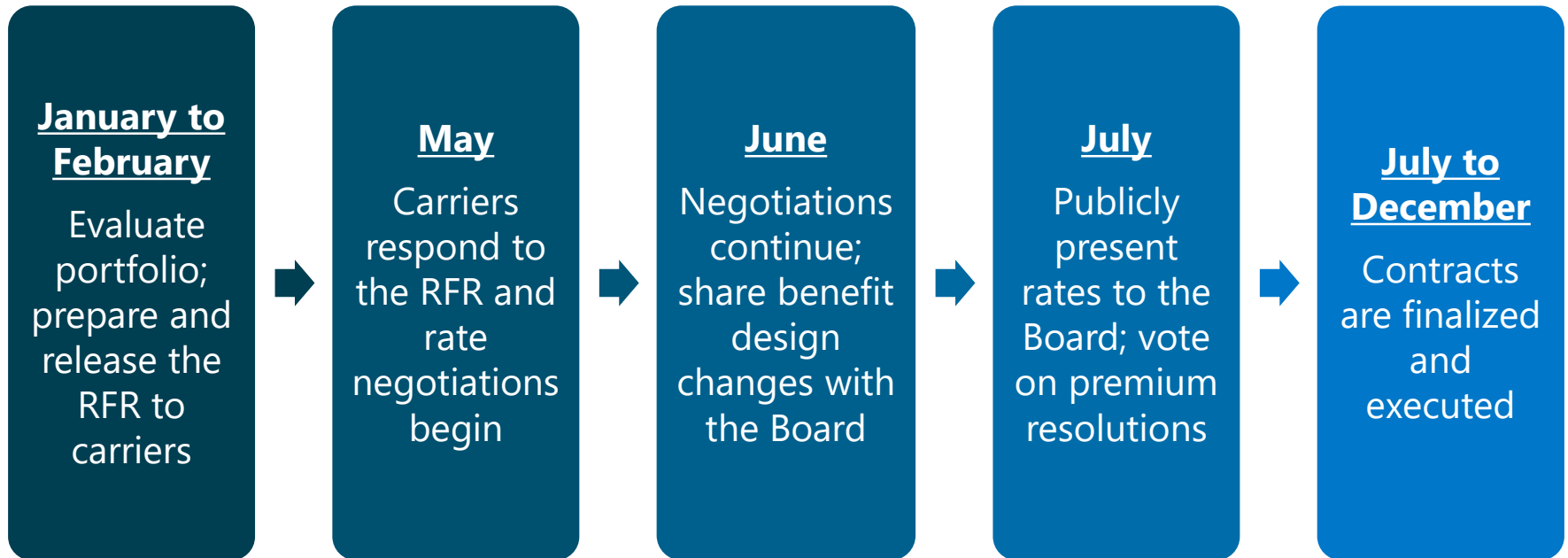
- ▶ Procurement Manager provides an overview of the changes decided upon during negotiations
- ▶ ERB finance presents final rates
- ▶ Board asks questions or requests more information on any topics they wish
- ▶ Public comments taken

Board Authorization of Rates (*cont.*)

Second Presentation: Final Action

- ▶ ERB finance presents final premiums and calls for a vote by the Board
- ▶ Board votes to authorize premium resolutions

Annual Renewal Timeline



Questions?

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