

# **School Employees Benefits Board Meeting**

**May 7, 2020**

## School Employees Benefits Board

May 7, 2020

9:00 a.m. – 11:30 p.m.

Health Care Authority

Sue Crystal A & B

626 8<sup>th</sup> Avenue SE

Olympia, Washington

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**TAB 1**

**School Employees Benefits Board**  
**May 7, 2020**  
**9:00 a.m. – 11:30 a.m.**

**All Board Members will be attending by telephone.**

**All attendees should plan to attend telephonically.**

**To attend telephonically:**

**Call-in Number: 1-866-374-5136**

**Participant PIN Code: 95587891**

[Join Skype Meeting](#)

(for visual presentations only – No audio)

| 9:00 a.m.* | <b>Welcome and Introductions</b>                           |       | Lou McDermott, Chair   |                            |
|------------|--|-------|--|----------------------------|
| 9:05 a.m.  | <b>Meeting Overview</b>                                    |       | David Iseminger, Director<br>Employees & Retirees Benefits<br>(ERB) Division   | Information                |
| 9:10 a.m.  | <b>Optional Benefits</b>                                   | TAB 3 | Cade Walker, Executive Special<br>Assistant, ERB Division  | Information/<br>Discussion |
| 9:35 a.m.  | <b>COVID-19 Update</b>                                     |       | David Iseminger, Director<br>ERB Division<br><br>Jean Bui, Manager<br>Portfolio Management and Monitoring<br>Section, ERB Division | Information/<br>Discussion |
| 9:55 a.m.  | <b>Eligibility and Enrollment<br/>Proposed Resolutions</b> | TAB 4 | Rob Parkman, Rules and Policy<br>Coordinator, ERB Division   | Action                     |
| 10:10 a.m. | <b>Public Comment</b>                                      |       |  |                            |
| 10:25 a.m. | <b>Executive Session</b>                                   |       |  |                            |
| 11:25 a.m. | <b>Reconvene Meeting</b>                                   |       |  |                            |
| 11:30 a.m. | <b>Adjourn</b>   |       |  |                            |

**\*All Times Approximate**

The School Employees Benefits Board will meet Thursday, May 7, 2020. Due to COVID-19 and out of an abundance of caution, all Board Members will attend this meeting by telephone. All attendees should also plan to attend by telephone.

The Board will consider all matters on the agenda plus any items that may normally come before them, and any other emergency COVID-19 items that develop after the publication of this agenda.

Pursuant to RCW 42.30.110(1)(I), the Board will meet in Executive Session to consider proprietary or confidential nonpublished information related to the development, acquisition, or implementation of state purchased health care services as provided in RCW 41.05.026. The Executive Session will begin at 10:25 a.m. and conclude no later 11:20 p.m.

No "action," as defined in RCW 42.30.020(3), will be taken at the Executive Session.

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](mailto:SEBboard@hca.wa.gov).

Materials posted at: <https://www.hca.wa.gov/about-hca/school-employees-benefits-board-sebb-program> by close of business on May 4, 2020, or as soon as possible in the event additional COVID-19 matters materialize before the meeting convenes.

## SEB Board Members

| Name  | Representing  |
|---|---|
| Lou McDermott, Deputy Director<br>Health Care Authority<br>626 8 <sup>th</sup> Ave SE<br>PO Box 42720<br>Olympia, WA 98504-2720<br>V 360-725-0891<br><a href="mailto:louis.mcdermott@hca.wa.gov">louis.mcdermott@hca.wa.gov</a> | Chair   |
| Vacant  | Employee Health Benefits Policy<br>and Administration |
| Pete Cutler<br>7605 Ostrich DR SE<br>Olympia, WA 98513<br>C 360-789-2787<br><a href="mailto:pete.cutler@hca.wa.gov">pete.cutler@hca.wa.gov</a>  | Employee Health Benefits Policy<br>and Administration |
| Dawna Hansen-Murray<br>9932 Jackson ST<br>Yelm, WA 98597<br>C 360-790-4961<br><a href="mailto:dawna.hansen-murray@hca.wa.gov">dawna.hansen-murray@hca.wa.gov</a>  | Classified Employees                                  |
| Dan Gossett<br>603 Veralene Way SW<br>Everett, WA 98203<br>C 425-737-2983<br><a href="mailto:dan.gossett@hca.wa.gov">dan.gossett@hca.wa.gov</a>   | Certificated Employees                                |
| Katy Henry<br>230 E Montgomery AVE<br>Spokane, WA 99207<br>V 509-324-2167<br><a href="mailto:katy.henry@hca.wa.gov">katy.henry@hca.wa.gov</a>   | Certificated Employees                                |

## SEB Board Members

### Name

### Representing

Terri House  
Marysville School District  
4220 80<sup>th</sup> ST NE  
Marysville, WA 98270  
V 360-965-0010  
[terri.house@hca.wa.gov](mailto:terri.house@hca.wa.gov)

Classified Employees

Wayne Leonard  
Assistant Superintendent of  
Business Services  
Mead School District  
608 E 19<sup>th</sup> Ave  
Spokane, WA 99203  
V 509-465-6017  
[wayne.leonard@hca.wa.gov](mailto:wayne.leonard@hca.wa.gov)

Employee Health Benefits Policy  
and Administration  
(WASBO)

Alison Poulsen  
12515 South Hangman Valley RD  
Valleyford, WA 99036  
C 509-499-0482  
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Employee Health Benefits Policy  
and Administration

### Legal Counsel

Katy Hatfield, Assistant Attorney General  
7141 Cleanwater Dr SW  
PO Box 40124  
Olympia, WA 98504-0124  
V 360-586-6561  
[Katy.Hatfield@atg.wa.gov](mailto:Katy.Hatfield@atg.wa.gov)

3/27/20



STATE OF WASHINGTON  
**HEALTH CARE AUTHORITY**  
626 8th Avenue SE • P.O. Box 45502 • Olympia, Washington 98504-5502

**SEBB MEETING SCHEDULE**

**2020 School Employees Benefits Board (SEBB) Meeting Schedule**

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

January 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

7/2/19

OFFICE OF THE CODE REVISER  
STATE OF WASHINGTON  
FILED

**DATE: July 09, 2019**

**TIME: 1:24 PM**

**WSR 19-15-021**



**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**



# Optional Benefits

Cade Walker  
Executive Special Assistant  
Employees & Retirees Benefits (ERB) Division  
May 7, 2020

# Overview

- Review of HB 2458
- Timeline
- Recap of 2019 optional benefits survey results
- Plan for engaging with districts on optional benefits
- Action items

## HB 2458 (2020)

- Prohibits school districts from offering *any form* of basic or optional benefits that compete with benefits offered by the SEB Board or under the authority of HCA.
- Delineates optional benefits school districts may offer if not otherwise offered by the SEB Board, and authorizes the SEB Board to study and offer (subject to funding) the same delineated benefits. Benefits must be voluntary and employee-paid. (School district VEBA may continue to be funded by employers).
- Requires school districts, carriers, and HCA to work together to modify, remove, or discontinue any district-based benefit that competes with SEB Board/HCA offered benefit.



# HB 2458 (2020)

- Delineated benefits:
  - Emergency transportation
  - Identity protection
  - Legal aid
  - Long-term care insurance
  - Noncommercial personal automobile insurance
  - Personal homeowner's or renter's insurance
  - Pet insurance
  - Specific disease, illness-triggered, hospital confinement, or other fixed payment insurance
  - Travel insurance
  - Voluntary employees' beneficiary association (VEBA) accounts
- The SEB Board has the authority to study and offer, but is not required to do either.
- HCA recommends that consideration of new benefits start no sooner than the 2021 Board year.

# Annual Timeline

- November/December: School districts are required to report optional benefits by December 1 of each year
  - Survey for reporting optional benefits to go out November 1, one month in advance of due date
- January/February: Results presented at SEB Board Retreat for consultation purposes
  - Trends
  - Identify competing benefits
  - Next steps
- February – August: Engage with school districts and carriers to modify or remove competing components of benefit or end the district-based offering

# 2019 Optional Benefits Survey Results

- 267 of 304 SEBB Organizations submitted responses
- 717 optional benefits reported
- 23 different benefit types (not including “other”)
- 19 SEBB Organizations reported at least one benefit that likely competes with SEB Board/HCA offerings\*:
  - 11 - Life insurance
  - 8 - Disability
  - 8 - Accidental death & dismemberment
  - 6 - Flexible Spending Arrangement (FSA)
  - 3 - Dependent Care Assistance Program (DCAP)

\* In accordance with HB 2458, this does not include specific disease, illness-triggered, hospital confinement, or other fixed payment insurance as these are not currently offered by the SEB Board or HCA.

# Plan for Engaging with School Districts

- 19 school districts appear to offer a competing benefit
- Email to be sent to whomever submitted the survey on behalf of a district to let them know the district is offering a competing benefit and we will be working with them to resolve the conflict
  - Determine with the district/carrier whether the benefit can be appropriately modified, or discuss timeline for retiring the benefit
- It is anticipated that the competing optional benefits are resolved prior to the start of the next school year whenever possible

# Communications

- HCA/SEB Board communications and guidelines regarding optional benefits will be refined and revised to reflect changes as a result of HB 2458
  - In particular, refreshing guidance from Fall 2019 communication
- Providing additional outreach and training to school districts about changes in laws

# Action Items

- Reach out to each of the identified school districts and determine what action needs to be taken to resolve competing benefit
  - If benefit needs to be modified, timing will be important given the likely need to refile with the Office of the Insurance Commissioner
- Update optional benefits survey for release in Fall 2020



# Questions?

Cade Walker, Executive Special Assistant  
Employees and Retirees Benefits Division

[cade.walker@hca.wa.gov](mailto:cade.walker@hca.wa.gov)



# APPENDIX



CERTIFICATION OF ENROLLMENT

**HOUSE BILL 2458**

Chapter 231, Laws of 2020

66th Legislature  
2020 Regular Session

SCHOOL DISTRICT OPTIONAL BENEFITS--SCHOOL EMPLOYEES' BENEFITS BOARD

EFFECTIVE DATE: June 11, 2020

Passed by the House March 10, 2020  
Yeas 91 Nays 6

\_\_\_\_\_  
LAURIE JINKINS

**Speaker of the House of  
Representatives**

Passed by the Senate March 6, 2020  
Yeas 47 Nays 1

\_\_\_\_\_  
CYRUS HABIB

**President of the Senate**

Approved March 31, 2020 10:53 AM

\_\_\_\_\_  
JAY INSLEE

**Governor of the State of Washington**

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 2458** as passed by the House of Representatives and the Senate on the dates hereon set forth.

\_\_\_\_\_  
BERNARD DEAN

**Chief Clerk**

FILED

March 31, 2020

**Secretary of State  
State of Washington**

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HOUSE BILL 2458

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AS AMENDED BY THE SENATE

Passed Legislature - 2020 Regular Session

**State of Washington**                      **66th Legislature**                      **2020 Regular Session**

**By** Representatives Stonier, Sells, Dolan, Schmick, Boehnke,  
Bergquist, Vick, Pollet, and Wylie

Read first time 01/14/20. Referred to Committee on Education.

1            AN ACT Relating to optional benefits offered by school districts;  
2 amending RCW 28A.400.280 and 28A.400.350; and adding a new section to  
3 chapter 41.05 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5            **Sec. 1.** RCW 28A.400.280 and 2018 c 260 s 29 are each amended to  
6 read as follows:

7            (1) Except as provided in subsection (2) of this section, school  
8 districts may provide employer fringe benefit contributions after  
9 October 1, 1990, only for basic benefits. However, school districts  
10 may continue payments under contracts with employees or benefit  
11 providers in effect on April 13, 1990, until the contract expires.

12            (2) (a) School districts may provide employer contributions after  
13 October 1, 1990, for optional benefit plans, in addition to basic  
14 benefits. Beginning January 1, 2020, school district optional  
15 benefits must ~~((be outside))~~ not compete with any form of the basic  
16 or optional benefits offered in the school employees' benefits board  
17 program either under the school employees' benefits board's authority  
18 in RCW 41.05.740(~~(+6)~~) or offered under the authority of the health  
19 care authority in the salary reduction plan authorized in RCW  
20 41.05.300 and 41.05.310.

1       **(b)** Beginning December 1, 2019, and each December 1st thereafter,  
2 school district optional benefits must be reported to the school  
3 employees' benefits board and health care authority. ~~((The school  
4 employees' benefits board shall review the optional benefits offered  
5 by districts and: (a) Determine if the optional benefits conflict  
6 with school employees' benefits board's plans offering authority and,  
7 if not, (b) evaluate whether to seek additional benefit offerings  
8 authority from the legislature. Optional benefits may include direct  
9 agreements as defined in chapter 48.150 RCW, and may include  
10 employee))~~

11       **(c)** School districts, and the applicable carrier, must work with  
12 the health care authority to either modify and remove competing  
13 components of the district-based benefit or end any district-based  
14 benefit offering in competition with either the health care  
15 authority's or the school employees' benefits board offered benefits.

16       **(d)** Unless the school employees' benefits board offers such  
17 benefits, school districts may offer only the following optional  
18 benefits to school employees:

19       **(i)** Benefits listed in section 3(1) (a) through (i) of this act,  
20 offered as employee-paid, voluntary benefits that may be administered  
21 by using payroll deductions; and

22       **(ii)** Voluntary employees' beneficiary association accounts ~~((that  
23 can be liquidated by the employee on termination of employment)),  
24 including benefit plans authorized in RCW 28A.400.210(3).~~

25       ~~((Optional benefit plans may be offered only if:~~

26       ~~(a) Each full-time employee, regardless of the number of  
27 dependents receiving basic coverage, receives the same additional  
28 employer contribution for other coverage or optional benefits; and~~

29       ~~(b) For part-time employees, participation in optional benefit  
30 plans shall be governed by the same eligibility criteria and/or  
31 proration of employer contributions used for allocations for basic  
32 benefits.))~~

33       (3) School districts are not intended to divert state basic  
34 benefit allocations for other purposes. Beginning January 1, 2020,  
35 school districts must offer all benefits offered by the school  
36 employees' benefits board administered by the health care authority,  
37 and consistent with RCW 41.56.500(2).

38       (4) Any optional benefits offered by a school district under  
39 subsection (2) of this section are considered an enhancement to the  
40 state's definition of basic education.

1           **Sec. 2.** RCW 28A.400.350 and 2019 c 411 s 6 are each amended to  
2 read as follows:

3           (1) The board of directors of any of the state's school districts  
4 or educational service districts may make available medical, dental,  
5 vision, liability, life, accident, disability, and salary protection  
6 or insurance, direct agreements as defined in chapter 48.150 RCW, or  
7 any one of, or a combination of the types of employee benefits  
8 enumerated in this subsection, or any other type of insurance or  
9 protection, for the members of the boards of directors, the students,  
10 and employees of the school district or educational service district,  
11 and their dependents. Except as provided in subsection (6) of this  
12 section, such coverage may be provided by contracts or agreements  
13 with private carriers, with the state health care authority, or  
14 through self-insurance or self-funding pursuant to chapter 48.62 RCW,  
15 or in any other manner authorized by law. Any direct agreement must  
16 comply with RCW 48.150.050.

17           (2) (a) Whenever funds are available for these purposes the board  
18 of directors of the school district or educational service district  
19 may contribute all or a part of the cost of such protection or  
20 insurance for the employees of their respective school districts or  
21 educational service districts and their dependents. The premiums on  
22 such liability insurance shall be borne by the school district or  
23 educational service district.

24           (b) After October 1, 1990, school districts may not contribute to  
25 any employee protection or insurance other than liability insurance  
26 unless the district's employee benefit plan conforms to RCW  
27 28A.400.275 and 28A.400.280.

28           (c) After December 31, 2019, school district contributions to any  
29 employee insurance that is purchased through the health care  
30 authority must conform to the requirements established by chapter  
31 41.05 RCW and the school employees' benefits board.

32           (3) For school board members, educational service district board  
33 members, and students, the premiums due on such protection or  
34 insurance shall be borne by the assenting school board member,  
35 educational service district board member, or student. The school  
36 district or educational service district may contribute all or part  
37 of the costs, including the premiums, of life, health, health care,  
38 accident or disability insurance which shall be offered to all  
39 students participating in interschool activities on the behalf of or  
40 as representative of their school, school district, or educational

1 service district. The school district board of directors and the  
2 educational service district board may require any student  
3 participating in extracurricular interschool activities to, as a  
4 condition of participation, document evidence of insurance or  
5 purchase insurance that will provide adequate coverage, as determined  
6 by the school district board of directors or the educational service  
7 district board, for medical expenses incurred as a result of injury  
8 sustained while participating in the extracurricular activity. In  
9 establishing such a requirement, the district shall adopt regulations  
10 for waiving or reducing the premiums of such coverage as may be  
11 offered through the school district or educational service district  
12 to students participating in extracurricular activities, for those  
13 students whose families, by reason of their low income, would have  
14 difficulty paying the entire amount of such insurance premiums. The  
15 district board shall adopt regulations for waiving or reducing the  
16 insurance coverage requirements for low-income students in order to  
17 assure such students are not prohibited from participating in  
18 extracurricular interschool activities.

19 (4) All contracts or agreements for insurance or protection  
20 written to take advantage of the provisions of this section shall  
21 provide that the beneficiaries of such contracts may utilize on an  
22 equal participation basis the services of those practitioners  
23 licensed pursuant to chapters 18.22, 18.25, 18.53, 18.57, and 18.71  
24 RCW.

25 (5) (a) Until the creation of the school employees' benefits board  
26 under RCW 41.05.740, school districts offering medical, vision, and  
27 dental benefits shall:

28 (i) Offer a high deductible health plan option with a health  
29 savings account that conforms to section 223, part VII of subchapter  
30 1 of the internal revenue code of 1986. School districts shall comply  
31 with all applicable federal standards related to the establishment of  
32 health savings accounts;

33 (ii) Make progress toward employee premiums that are established  
34 to ensure that full family coverage premiums are not more than three  
35 times the premiums for employees purchasing single coverage for the  
36 same coverage plan, unless a subsequent premium differential target  
37 is defined as a result of the review and subsequent actions described  
38 in RCW 41.05.655;

39 (iii) Offer employees at least one health benefit plan that is  
40 not a high deductible health plan offered in conjunction with a

1 health savings account in which the employee share of the premium  
2 cost for a full-time employee, regardless of whether the employee  
3 chooses employee-only coverage or coverage that includes dependents,  
4 does not exceed the share of premium cost paid by state employees  
5 during the state employee benefits year that started immediately  
6 prior to the school year.

7 (b) All contracts or agreements for employee benefits must be  
8 held to responsible contracting standards, meaning a fair, prudent,  
9 and accountable competitive procedure for procuring services that  
10 includes an open competitive process, except where an open process  
11 would compromise cost-effective purchasing, with documentation  
12 justifying the approach.

13 (c) School districts offering medical, vision, and dental  
14 benefits shall also make progress on promoting health care  
15 innovations and cost savings and significantly reduce administrative  
16 costs.

17 (d) All contracts or agreements for insurance or protection  
18 described in this section shall be in compliance with chapter 3, Laws  
19 of 2012 2nd sp. sess.

20 (6) The authority to make available basic and optional benefits  
21 to school employees under this section expires December 31, 2019,  
22 except (a) for nonrepresented employees of educational service  
23 districts for which the authority expires December 31, 2023, and (b)  
24 as authorized under RCW 28A.400.280. Beginning January 1, 2020,  
25 school districts, for all school employees, and educational service  
26 districts, for represented employees, shall make available basic and  
27 optional benefits through plans offered by the health care authority  
28 and the school employees' benefits board. Beginning January 1, 2024,  
29 educational service districts, for nonrepresented employees, shall  
30 make available basic and optional benefits through plans offered by  
31 the health care authority and the school employees' benefits board.

32 NEW SECTION. **Sec. 3.** A new section is added to chapter 41.05  
33 RCW to read as follows:

34 (1) In addition to the benefits offering authority under this  
35 chapter, the school employees' benefits board may study and, subject  
36 to the availability of funding, offer the following employee-paid,  
37 voluntary benefits:

38 (a) Emergency transportation;

39 (b) Identity protection;

1 (c) Legal aid;  
2 (d) Long-term care insurance;  
3 (e) Noncommercial personal automobile insurance;  
4 (f) Personal homeowner's or renter's insurance;  
5 (g) Pet insurance;  
6 (h) Specified disease or illness-triggered fixed payment  
7 insurance, hospital confinement fixed payment insurance, or other  
8 fixed payment insurance offered as an independent, noncoordinated  
9 benefit regulated by the office of the insurance commissioner;  
10 (i) Travel insurance; and  
11 (j) Voluntary employees' beneficiary association accounts.  
12 (2) The health care authority, in consultation with the school  
13 employees' benefits board, shall review the optional benefits  
14 reported by school districts as required in RCW 28A.400.280 and  
15 determine if the optional benefits are in competition with benefits  
16 currently offered under either the authority's or the board's  
17 authorities. If a school district benefit offering is determined to  
18 be in competition with the benefits offered under either the  
19 authority's or the board's authorities, the health care authority  
20 must inform the school district of the benefits conflict and work  
21 with the school district, and the applicable carrier, to either  
22 modify and remove competing components of the district-based benefit  
23 or end the district-based offering. If a carrier is in the process of  
24 modifying benefits, including seeking any required regulatory  
25 approval, a school district may continue to offer the original  
26 benefit.  
27 (3) Specified disease or illness-triggered fixed payment  
28 insurance, hospital confinement fixed payment insurance, or other  
29 fixed payment insurance offered pursuant to this section as an  
30 independent, noncoordinated benefit is not a health plan as defined  
31 in RCW 48.43.005.

Passed by the House March 10, 2020.  
Passed by the Senate March 6, 2020.  
Approved by the Governor March 31, 2020.  
Filed in Office of Secretary of State March 31, 2020.

--- END ---

**TAB 4**





# Policy Resolutions

Rob Parkman  
Policy and Rules Coordinator  
Policy, Rules, and Compliance Section  
Employees and Retirees Benefits Division  
May 7, 2020

# RCW 41.05.740(6)(d) & (e)

(6) The school employees' benefits board shall [...]

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

(i) The effective date of coverage following hire;

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

(iii) Coverage for dependents, including criteria for legal spouses; children up to age twenty-six; children of any age with disabilities, mental illness, or intellectual or other developmental disabilities; and state registered domestic partners, as defined in RCW 26.60.020, and others authorized by the legislature; [...]

(e) **Establish terms and conditions for a school employees' benefits board organization to have the ability to locally negotiate eligibility criteria for a school employee who is anticipated to work less than six hundred thirty hours in a school year.** A school employees' benefits board organization that elects to use a lower threshold of hours for benefits eligibility must use benefits authorized by the school employees' benefits board and shall do so as an enrichment to the state's definition of basic education;

# SEB Board Resolutions

- SEBB 2020-04 Amending SEBB 2019-02
- SEBB 2020-05 Amending SEBB 2018-12
- SEBB 2020-06 Error Correction for Incorrect Information

# Resolution SEBB 2020-04 Amending Resolution SEBB 2019-02 Anticipated Work Hours Eligibility Range Under RCW 41.05.740(6)(e)

**Resolved that,** SEBB 2019-02 is amended to strike the words "no more" and insert the word "less" in the second bullet, so SEBB 2019-02 now reads:

A SEBB Organization engaging in local negotiations regarding eligibility for school employees under RCW 41.05.740 (6)(e) shall negotiate within the range of anticipated to work hours described below:

- No less than 180 hours per school year; and
- Less than the threshold to meet the SEB Board's eligibility established pursuant to RCW 41.05.740 (6)(d).

# Resolution SEBB 2020-05 Amending Resolution SEBB 2018-12 Effective Date of Coverage for School Employees Eligible for the Employer Contribution

**Resolved that,** SEBB 2018-12 is amended to add the following to the end of the resolution:

Except that, when a school employee establishes eligibility for the employer contribution towards SEBB benefits at any time in the month of August, SEBB benefits begin on September 1 only if the school employee is **also determined to be eligible for the employer contribution toward SEBB benefits for the school year that begins on September 1.**

SEBB 2018-12 now reads:

# Resolution SEBB 2020-05 Amending Resolution SEBB 2018-12 Effective Date of Coverage for School Employees Eligible for the Employer Contribution (*Cont.*)

For September each year, a school employee who is establishing eligibility for the employer contribution towards SEBB benefits, and whose first day of work is on or after September 1 but not later than the first day of school for the current school year as established by the SEBB Organization, the effective date of coverage is the first day of work.

For a school employee who is establishing eligibility and whose first day of work is at any other time during the school year, the effective date of coverage is the first day of the month following the day the school employee establishes eligibility for the employer contribution toward SEBB benefits. Except that, when a school employee establishes eligibility for the employer contribution towards SEBB benefits at any time in the month of August, SEBB benefits begin September 1 only if the school employee is [also determined to be eligible for the employer contribution toward SEBB benefits for the school year that begins on September 1.](#)

# Effective Date of Coverage for School Employees Eligible for the Employer Contribution Example #1

A school employee has worked 630 hours as of August 21, 2020. Given this fact they have earned the employer contribution as of that day and their benefits will start on September 1, 2020 (start of the next school year) because their SEBB Organization has anticipated that this school employee will work 630 hours in the school year that is starting on September 1, 2020.

Is this school employee eligible for SEBB benefits in the next school year? **Yes**

When will their SEBB benefits start? **September 1, 2020**

# Effective Date of Coverage for School Employees Eligible for the Employer Contribution Example #2 (Rescinded)

A school employee has worked 630 hours as of August 21, 2020. Their SEBB Organization has not anticipated that this school employee will work 630 hours in the next school year so they are not SEBB benefits eligible.

Is this school employee eligible for SEBB benefits in the next school year? **No**



# Effective Date of Coverage for School Employees Eligible for the Employer Contribution Example #2 (Updated)

A school employee has earned the employer contribution as of August 21, 2020. Their SEBB Organization has not anticipated that this school employee will earn the employer contribution in the next school year so they are not SEBB benefits eligible.

Is this school employee eligible for SEBB benefits in the next school year? **No**

# Resolution SEBB 2020-06

## Error correction for incorrect information

**Resolved that,** if a **benefits administrator** or a contracted vendor provides incorrect advice regarding SEBB benefits to a school employee that they relied upon, the error will be corrected prospectively with enrollment in benefits effective the first day of the month following the date the error is identified. The Health Care Authority approves all error correction actions and determines if additional recourse, **which may include retroactive enrollment,** is warranted.

# Next Steps

- Incorporate resolutions into SEBB Program rules

# Questions?

Rob Parkman, Policy and Rules Coordinator  
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Employees and Retirees Benefits Division  
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# Appendix

## Resolution SEBB 2019-02

Anticipated work hours eligibility range under  
RCW 41.05.740(6)(e)  
(As approved on March 7, 2019)

**Resolved that,** a SEBB Organization engaging in local negotiations regarding eligibility for school employees under RCW 41.05.740(6)(e) shall negotiate within the range of anticipated to work hours described below:

- No less than 180 hours per school year; and
- No more than the threshold to meet the SEB Board's eligibility established pursuant to RCW 41.05.740(6)(d).

# Resolution SEBB 2018-12

## Effective Date of Coverage for School Employees Eligible for the Employer Contribution (As approved on June 4, 2018)

**Resolved that**, for September each year, a school employee who is establishing eligibility for the employer contribution towards SEBB benefits, and whose first day of work is on or after September 1 but not later than the first day of school for the current school year as established by the SEBB organization, the effective date of coverage is the first day of work.

For a school employee who is establishing eligibility and whose first day of work is at any other time during the school year, the effective date of coverage is the first day of the month following the day the school employee establishes eligibility for the employer contribution toward SEBB benefits.

# Resolution SEBB 2018-33

## Returning school employees with uninterrupted coverage

(As approved on August 30, 2018)

**Resolved that,** a school employee returning to the same SEBB Organization who is anticipated to work at least 630 hours in the coming school year, and who was receiving the employer contribution in August of the prior school year, will receive uninterrupted coverage from one school year to the next.



# Resolution SEBB 2018-34

## Eligibility when moving between SEBB Organizations

(As approved on August 30, 2018)

**Resolved that,** a school employee will have uninterrupted coverage when moving from one SEBB Organization to another within the same month or a consecutive month if the following conditions are satisfied:

- The employee was eligible for the employer contribution toward SEBB benefits in the position they are leaving; and
- The employee is anticipated to be eligible for the employer contribution toward SEBB benefits in their new position.

## Resolution SEBB 2018-36 Eligibility presumed based on hours worked the previous two school years (As approved on November 8, 2018)

**Resolved that,** a school employee is presumed eligible if they:

- worked at least 630 hours in each of previous two school years; and
- are returning to the same type of position (teacher, paraeducator, food service worker, custodian, etc.) or combination of positions with the same SEBB Organization.

A SEBB Organization rebuts this presumption by notifying the school employee, in writing, of the specific reasons why the employee is not anticipated to work at least 630 hours in the current school year and how to appeal the eligibility determination.

# Resolution SEBB 2019-09 Error Correction Recourse (As approved on May 16, 2019)

**Resolved that,** if a SEBB Organization fails to provide notice of benefits eligibility or accurately enroll a school employee or their dependents in benefits, the error will be corrected prospectively with enrollment in benefits effective the first day of the month following the date the error is identified. The Health Care Authority approves all error correction actions and determines if additional recourse is warranted.

# Resolution SEBB 2019-10

## Error Correction Premium Responsibilities (As approved on May 16, 2019)

**Resolved that,** if a SEBB Organization errs and enrolls a school employee or their dependents in SEBB insurance coverage when they are not eligible and there was no fraud or intentional misrepresentation by the school employee involved, premiums and any applicable premium surcharges already paid by the school employee will be refunded by the SEBB Organization to the school employee. The error will be corrected prospectively with termination of benefits effective the first day of the month following the date the error is identified.

# Proposed Resolution SEBB 2020-05 Amending Resolution SEBB 2018-12 Effective Date of Coverage for School Employees Eligible for the Employer Contribution (As presented April 2, 2020)

SEBB 2018-12 is amended to add the following to the end of the resolution:

Except that, when a school employee establishes eligibility for the employer contribution towards SEBB benefits at any time in the month of August, SEBB benefits begin on September 1 only if the school employee is anticipated to work 630 hours in the coming school year.

SEBB 2018-12 now reads:

# Proposed Resolution SEBB 2020-05 Amending Resolution SEBB 2018-12 Effective Date of Coverage for School Employees Eligible for the Employer Contribution (*Cont.*) (As presented April 2, 2020)

For September each year, a school employee who is establishing eligibility for the employer contribution towards SEBB benefits, and whose first day of work is on or after September 1 but not later than the first day of school for the current school year as established by the SEBB Organization, the effective date of coverage is the first day of work.

For a school employee who is establishing eligibility and whose first day of work is at any other time during the school year, the effective date of coverage is the first day of the month following the day the school employee establishes eligibility for the employer contribution toward SEBB benefits. **Except that, when a school employee establishes eligibility for the employer contribution towards SEBB benefits at any time in the month of August, SEBB benefits begin on September 1 only if the school employee is anticipated to work 630 hours in the coming school year.**

# Proposed Resolution SEBB 2020-06

## Error correction for incorrect information (As presented April 2, 2020)

If a SEBB Organization or a contracted vendor provides incorrect advice regarding SEBB benefits to a school employee that they relied upon, the error will be corrected prospectively with enrollment in benefits effective the first day of the month following the date the error is identified. The Health Care Authority approves all error correction actions and determines if additional recourse is warranted.

# Example Clarification Related to SEBB 2020-08



# Proposed Resolution SEBB 2020-08 COVID-19 and Enrollment Timelines

Beginning February 29, 2020, the date that Governor Inslee declared a state of emergency in Proclamation 20-05, any enrollment timelines established for continuation coverage subscribers will be extended to 30 days past the date the Governor terminates the state of emergency.

The Health Care Authority is authorized, during the state of emergency as described above, to extend this deadline further and extend any other enrollment deadlines as needed to meet the needs of the state and SEBB Program subscribers.

# COVID-19 and Enrollment Timelines

## Example #1

If (hypothetically) a school employee's last day to enroll in SEBB continuation coverage was April 30, 2020, and the state of emergency terminated on May 15, 2020, then the enrollment period for that subscriber will be increased to June 14, 2020.

# COVID-19 and Enrollment Timelines

## Example #2 (Rescinded)

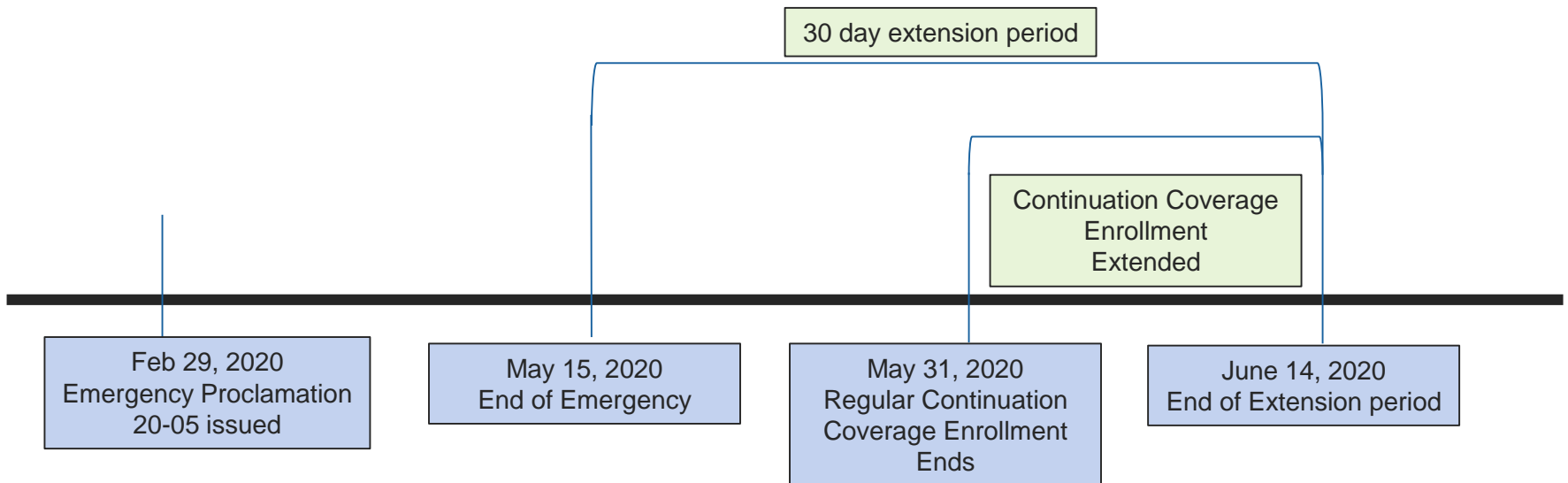
If (hypothetically) a school employee's last day to enroll in SEBB continuation coverage was May 31, 2020, and the state of emergency terminated on May 15, 2020, then the enrollment period for that subscriber would not change and the deadline would remain as May 31, 2020.

# COVID-19 and Enrollment Timelines Example #2 (Updated)

If (hypothetically) an employee's last day to enroll in SEBB continuation coverage was May 31, 2020, and the state of emergency terminated on May 15, 2020, then the enrollment period for that subscriber ~~would not change and the deadline would remain as May 31, 2020.~~

~~will be extended to June 14, 2020 because the subscriber's continuation coverage enrollment period ended following the end of the emergency period, and before the end of the 30-day extension period.~~

# COVID-19 and Enrollment Timelines Example #2



# Resolution SEBB 2020-08

## COVID-19 and Enrollment Timelines

**Resolved that**, beginning February 29, 2020, the date that Governor Inslee declared a state of emergency in Proclamation 20-05, any enrollment timelines established for continuation coverage subscribers will be extended to 30 days past the date the Governor terminates the state of emergency.

The Health Care Authority is authorized, during the state of emergency as described above, to extend this deadline further and extend any other enrollment deadlines as needed to meet the needs of the state and SEBB Program subscribers.