

School Employees Benefits Board Meeting

May 8, 2025

School Employees Benefits Board

May 8, 2025

9:00 a.m. – 1:15 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
May 8, 2025
9:00 a.m. – 1:15 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 • April 3, 2025	TAB 3	Lou McDermott, Chair	Action
9:20 a.m.	Legislative 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
10:05 a.m.	Long Term Disability (LTD) Update	TAB 5	Kimberly Gazard, Senior Account Manager Employees & Retirees Benefits (ERB) Division	Information/ Discussion
10:30 a.m.	Break			
10:40 a.m.	UMP Benefit Design	TAB 6	Ryan Ramsdell, UMP Team Manager Employees & Retirees Benefits (ERB) Division	Action
10:55 a.m.	SEBB Program Collective Bargaining Flexible Spending Arrangement (FSA) Update	TAB 7	Kelsie Pele, Senior Account Manager Employees & Retirees Benefits (ERB) Division	Information/ Discussion

11:25 a.m.	Benefits 24/7 Update	TAB 8	Brett Mello, Chief Information Officer Enterprise Technology Services (ETS) Division Jean Bui, Deputy Director Employees & Retirees Benefits (ERB) Division	Information/ Discussion
11:45 a.m.	General Public Comment			
12:15 p.m.	Transition to Executive Session			
12:20 p.m.	Executive Session			
1:10 p.m.	Closing			
1:15 p.m.	Adjourn		Lou McDermott, Chair	

*All Times Approximate

The School Employees Benefits Board will meet Thursday, May 8, 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.

Pursuant to RCW 42.30.110(1)(L), 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 12:20 p.m. and conclude no later than 1:15 p.m.*

No “final 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.

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, May 5, 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/89453048841?pwd=8xOTH8MqYZWTBYb4aQz6iPVFqadwsg.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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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

April 3, 2025
Health Care Authority
Sue Crystal Rooms A & B
Olympia, Washington
9:00 a.m. – 12:15 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
Myra Johnson
Alison Poulsen
Kerry Schaefer

Members Present via Zoom

Dawna Hansen-Murray
Terri House
Pamela Kruse
Lara Christopherson
Omeid Heidari

Members Absent

None

SEB Board Counsel

Michael Tunick, AAG filling in for Katy Hatfield

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 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

Myra Johnson moved, and Alison Poulsen seconded a motion to approve the March 6, 2025 meeting minutes. Minutes were approved as written by unanimous vote.

Legislative Update and Budget Update

Cade Walker, Policy, Rules, and Compliance Section Manager in the Employees and Retirees Benefits Division and Tanya Deuel, ERB Finance Section Manager in the Finance Services and Health Purchasing Administration presented on the latest updates from the legislative session and state budget work. The legislative update presentation included bill analyses by the ERB Division, high priority bill status, agency requested legislation, and current legislation tracked by the ERB Division. The budget update presentation included the budget timeline, 2025 supplemental budget information, 2025-27 biennial budget information, as well as additional budget items that were similar in the House and Senate proposed budgets. The budget update also included proposals for addressing the state budget deficit that were similar between the House and Senate proposed budgets, and the proposed SEBB Program funding rates for each proposed budget.

2025 Annual Rulemaking Briefing

Stella Ng, Policy and Rules Coordinator gave an overview of the annual rulemaking efforts for the SEBB Program. The overview included a rulemaking timeline, and the year's focus on rulemaking categorized into three sections: administration and benefits management, regulatory alignment, and amendments within HCA's authority.

Benefits 24/7 Update

Brett Mello, Chief Information Officer in the Enterprise Technology Services (ETS) Division gave an update on the Benefits 24/7 system. The update included a stabilization update continued progress and ERB IT staffing, as well as next steps for Benefits 24/7 stabilization efforts.

SEBB Program Annual Renewal Process

Christine Davis, SEBB Program Procurement Manager in the Employees and Retirees Benefits Division provided an overview of the annual plan renewal process for the SEBB Program. The overview included details of the annual renewal process containing information regarding evaluating the SEBB Program portfolio, the ERB request for renewal workplans and drafting, negotiations with the carriers on their proposals, and presenting benefit changes to the SEB Board for authorization.

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

May 8, 2025

Starting time 9:00 a.m.

Preview of May 8, 2025 SEB Board Meeting

Dave Iseminger, Director, Employees and Retirees Benefits (ERB) Division, provided an overview of potential agenda topics for the May 8, 2025 Board meeting.

The meeting adjourned at 10:20 a.m.

TAB 4

Legislative Update

Cade Walker
Policy, Rules, & Compliance Section Manager
Employees and Retirees Benefits Division
May 8, 2025

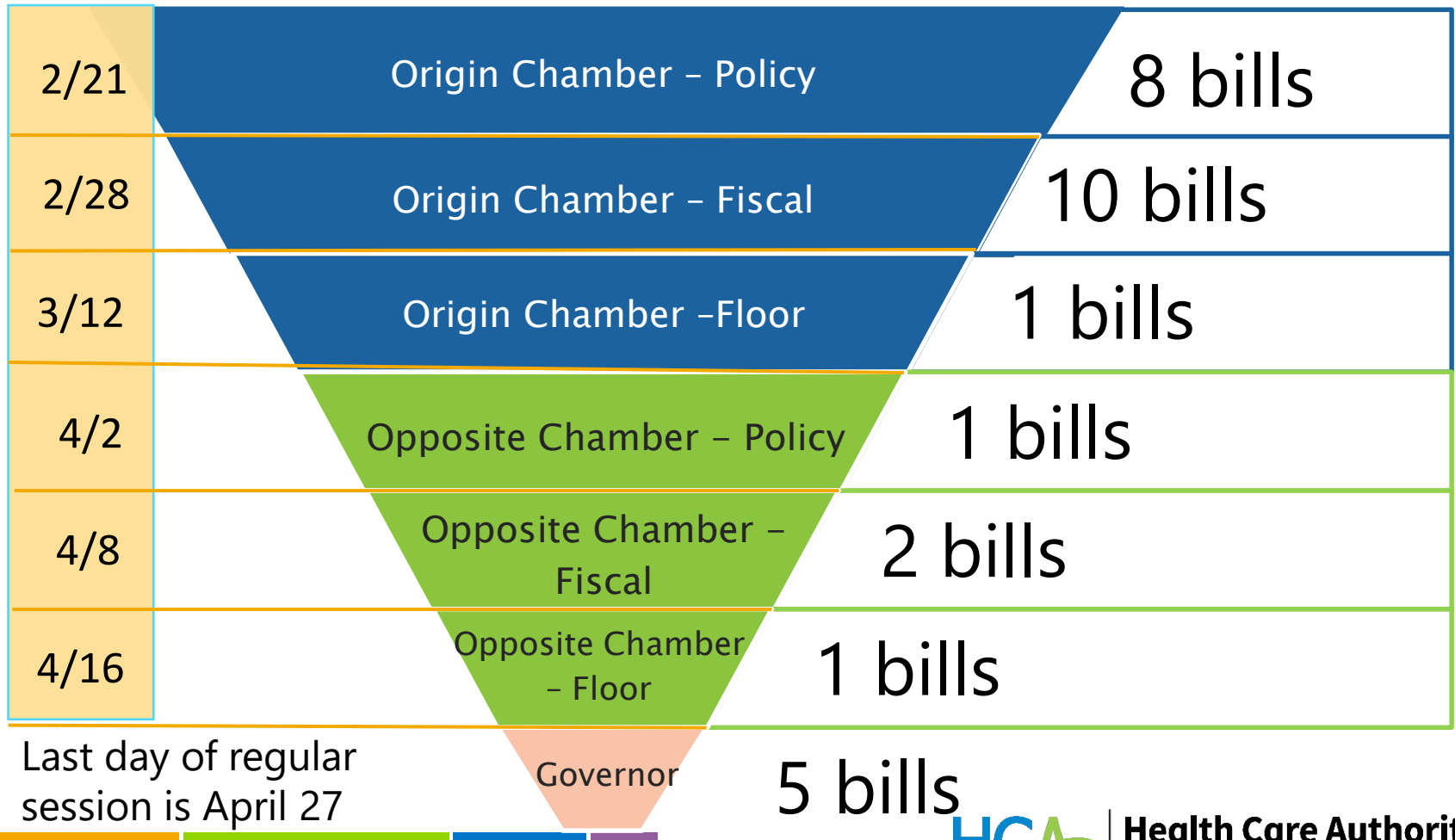
Bill Analyses by ERB Division

	ERB Lead	ERB Support	
High Priority	45	39	84
Low Priority	43	86	129
	88	125	213

Fiscal Notes	41	51	
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As of 4/28/25

ERB Lead High Priority Bill Status



Agency Requested Legislation

- ▶ 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

Passed Legislation

- ▶ House Bill (HB) 1114* – Respiratory care compact
- ▶ HB 1186 – Hospital and health care entities medication dispensing
- ▶ HB 1432 – Improving access to appropriate mental health and substance use disorder services
- ▶ HB 1669* – Coverage for prosthetic limbs and custom orthotic braces
- ▶ HB 1971* – Increasing access to hormone therapy

**Signed by the Governor*

Passed Legislation (*cont.*)

- ▶ SB 5351 – Ensuring patient choice and access to care by prohibiting unfair and deceptive dental insurance practices
- ▶ SB 5498* – Contraceptive coverage
- ▶ SB 5525 – Concerning employment loss due to businesses closing or mass layoffs
- ▶ SB 5579 – Health plan carrier, facilities, and provider public statement prohibition
- ▶ SB 5807 – Concerning wellness incentives for public and school employee health benefit plans

**Signed by the Governor*

Questions?

Cade Walker

Policy, Rules, and Compliance Section Manager

Employees and Retirees Benefits Division

Cade.Walker@hca.wa.gov

Appendix

Unsuccessful Bills

- ▶ 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 5793 - Employer contributions and incentives for public and school employee health benefit plan
- ▶ HB 1124/SB 5112 – Prescribing psychologists
- ▶ HB 1430 – APRN & PA reimbursement
- ▶ HB 1520/SB 5513 – Expanding pharmacists' scope of practice

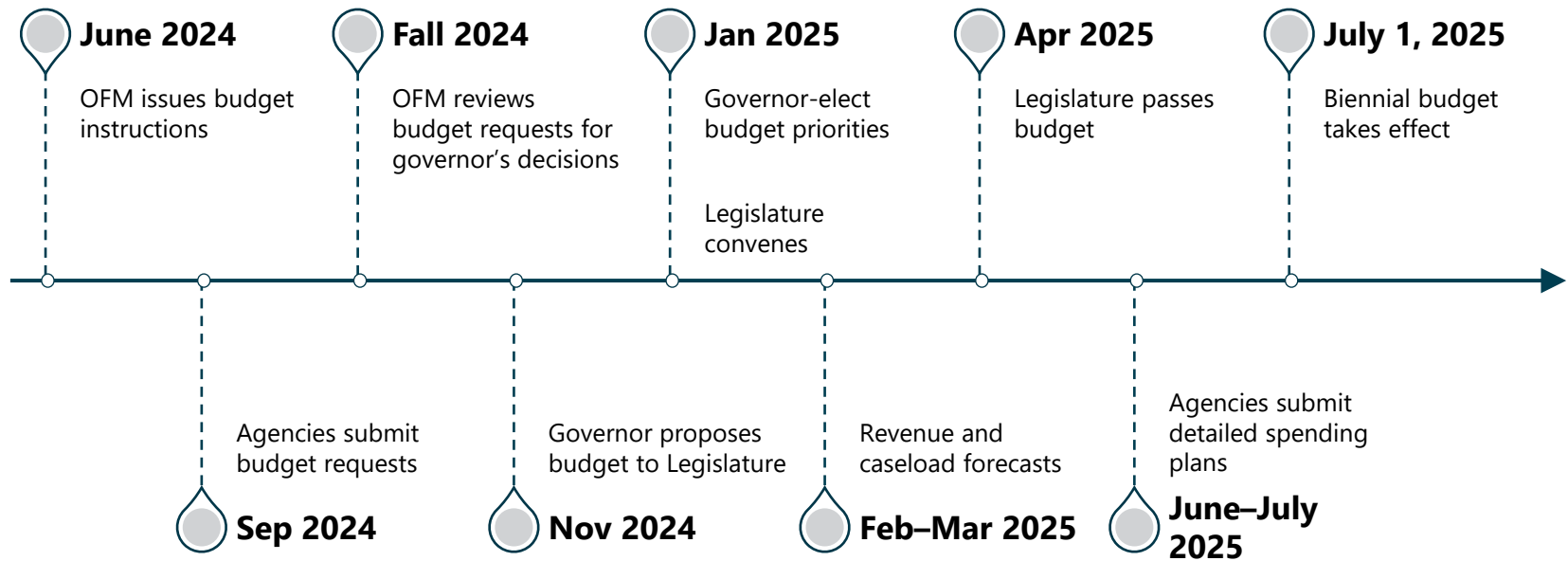
Unsuccessful Bills (*cont.*)

- ▶ HB 1062 – Biomarker testing
- ▶ HB 1090/HB 1129/SB 5121 – Fertility-related services
- ▶ SB 5075 – Cost sharing for prenatal and postnatal care
- ▶ SB 5019 – Prepackaged medication distribution

Budget Update

Tanya Deuel
ERB Finance Section Manager
Finance Services and Health Care Purchasing Administration
May 8, 2025

Timeline



2025 Supplemental Budget

Fiscal Year 2025 Supplemental Budget

Final Conference Budget

Decision Package	FTE	Dollars
Third Party Administrator (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 Program.	NA	\$242K

2025-27 Biennial Budget

2025-27 Biennial Budget

Final Conference Budget

Decision Package	FTE	Dollars
Third Party Administrator (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.*)

Final Conference Budget

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

Final Conference Budget

- ▶ 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

Final Conference Budget

- ▶ 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.*)

Final Conference Budget

- ▶ Elimination of the SmartHealth portal and incentive
 - ▶ The funding rates include the reduction for Senate Bill 5807 that eliminates SmartHealth effective January of 2028
 - ▶ The last distribution of employee incentives will be in January 2028

2025-27 SEBB Program Funding Rates

Conference Budget	
SY*2025-26	SY2026-27
\$1,307	\$1,341

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

*School Year

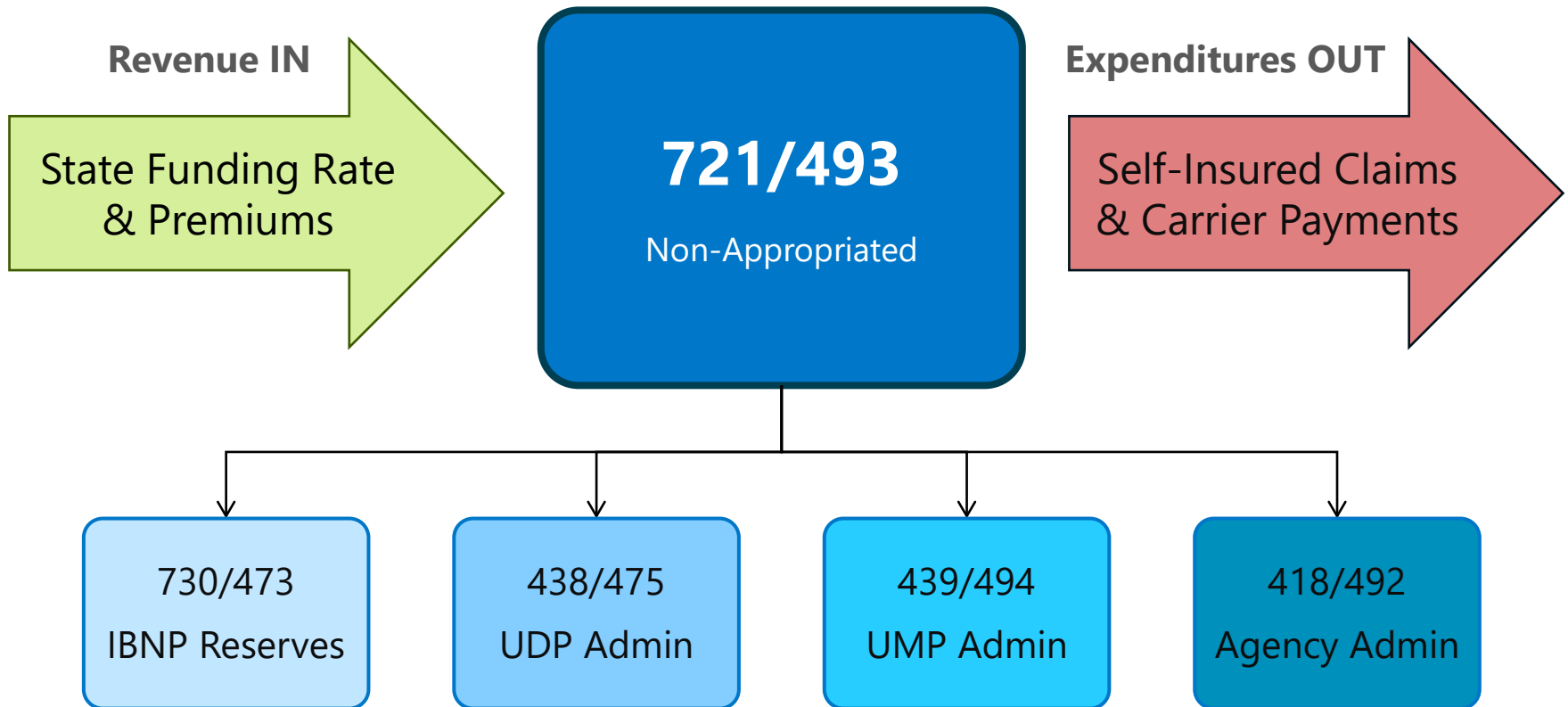
Questions?

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

Tanya.Deuel@hca.wa.gov

Appendix

PEBB and SEBB Program Funding Stream



TAB 5

Long-Term Disability (LTD) Update

Kimberly Gazard
Senior Account Manager
Employees and Retirees Benefits Division
May 8, 2025

Increasing Employer-Paid LTD Benefit

- ▶ There is actuarial confidence that the SEBB Program can run the employer-paid long-term disability (LTD) plan at a new benefit level of **\$450** without increasing the employer-paid LTD rate (while still maintaining the required one year's worth of premiums in reserves)
- ▶ The 2025-27 operating budget includes authority for increasing the SEBB Program employer-paid LTD benefit from \$400 to \$450
 - ▶ Employee-paid LTD rates will also decrease by about 2% as a result of increasing the employer-paid LTD benefit

Resolution SEBB 2021-13

Employer-Paid Long-Term Disability (LTD)

As adopted April 7, 2021

Resolved that, employer-Paid Long-Term Disability Insurance. The SEBB Program will offer the following Employer-Paid LTD Plan to subscribers beginning January 1, 2020:

- ▶ Benefit Waiting Period (the longer of);
 - ▶ 90 days;
 - ▶ The entire period of sick leave (excluding shared leave) for which the employee is eligible;
 - ▶ The Fractionated Period of Paid Time Off (PTO) for which the employee is eligible, if your Employer has a PTO plan, as those terms are defined in the policy;
 - ▶ The entire period of other non-vacation salaried continuation leave for which the employee is eligible; or
 - ▶ The end of Washington Paid Family and Medical Leave Law for which the employee is receiving benefits
- ▶ No Choice Sick Leave
- ▶ Choice Pension
- ▶ Maximum Monthly Benefit \$400 (60% of \$667)

Amending SEBB Resolution 2021-13

Employer-Paid Long-Term Disability (LTD)

SEBB 2021-13 changes at the end of line two by striking "2020" and inserting "2026"; on line 14 after "Maximum Monthly Benefit \$", striking "400" and inserting "450"; and on line 14 after "60% of \$", striking "667", and inserting "750".

The resolution now reads:

Proposed Resolution SEBB 2025-01

Amending SEBB Resolution 2021-13

Employer-Paid Long-Term Disability (LTD)

Employer-Paid Long-Term Disability Insurance

The SEBB Program will offer the following Employer-Paid LTD Plan to subscribers beginning January 1, ~~2020~~ 2026:

- ▶ Benefit Waiting Period (the longer of);
 - ▶ 90 days;
 - ▶ The entire period of sick leave (excluding shared leave) for which the employee is eligible;
 - ▶ The Fractionated Period of Paid Time Off (PTO) for which the employee is eligible, if your Employer has a PTO plan, as those terms are defined in the policy;
 - ▶ The entire period of other non-vacation salaried continuation leave for which the employee is eligible; or
 - ▶ The end of Washington Paid Family and Medical Leave Law for which the employee is receiving benefits
- ▶ No Choice Sick Leave
- ▶ Choice Pension
- ▶ Maximum Monthly Benefit ~~\$400~~ \$450 (60% of ~~\$667~~ \$750)

Proposed Employee-Paid LTD Rates

(Per \$1,000 of Coverage)

Effective January 1, 2026

Age	60-Percent Plan	50-Percent Plan
Under 30	0.0009	0.0005*
30 to 34	0.0012	0.0007
35 to 39	0.0018	0.0011
40 to 44	0.0025*	0.0015
45 to 49	0.0034*	0.0020*
50 to 54	0.0047*	0.0028*
55 to 59	0.0056**	0.0034*
60 to 64	0.0059*	0.0035*
65 and older	0.0060*	0.0036*

*Indicates the rate reduced by 0.0001

**Indicates the rate reduced by 0.0002

Some of the rates remain unchanged due to rounding and payroll restrictions on the length of rate formulas



Health Care Authority
School Employees Benefits Board

Monthly Employee-Paid Premium Example

- ▶ Mary is a 47 year-old school employee making \$4,000 in monthly earnings and elected additional coverage at the 60% level
 - ▶ In 2025, her monthly premium is \$14.00
 - ▶ In 2026, her monthly premium will be \$13.60

- ▶ Bob is a 58 year-old school employee making \$5,000 in monthly earnings and elected additional coverage at the 50% level
 - ▶ In 2025, his monthly premium is \$17.50
 - ▶ In 2026, his monthly premium will be \$17.00

Next Steps

- ▶ Submit SEBB Program LTD policy resolution feedback to HCAPEBSEBBoardPolicyFeedback@hca.wa.gov by May 19, 2025
- ▶ Bring recommended proposed LTD policy resolution to the Board for action at the June 5, 2025 SEB Board meeting
- ▶ SEBB Program employer-paid LTD \$450 benefit amount becomes effective January 1, 2026

Questions?

Kimberly Gazard, Senior Account Manager
Employees and Retirees Benefits Division

Kimberly.Gazard@hca.wa.gov

TAB 6

UMP Benefit Design

Ryan Ramsdell
UMP Team Manager
Employees and Retirees Benefits Division
May 8, 2025

Background

- ▶ Per an IRS notice in late 2024, the Washington State Office of Insurance Commissioner (OIC) issued new guidance regarding cost sharing for supplemental and diagnostic breast examinations
- ▶ Effective January 1, 2025, health savings account (HSA) plans subject to Substitute Senate Bill 5396 must cover diagnostic and supplemental breast examinations without cost sharing
 - ▶ This impacted fully-insured plans

Background (*cont.*)

- ▶ The Board resolved in 2024 that the Uniform Medical Plan (UMP) would align coverage regarding this benefit beginning in 2025
- ▶ As a result of the new IRS guidance, PEBB Program UMP Consumer Directed Health Plans (CDHP) and SEBB Program UMP High Deductible plans are no longer required to have a deductible for these services

Resolution SEBB 2024-08

UMP Diagnostic & Supplemental Breast Exam Coverage

As adopted May 2, 2024

Beginning January 1, 2025, diagnostic and supplemental breast exams to be covered without member cost share to Uniform Medical Plan (UMP) members. UMP High Deductible members need to meet their deductible before the plan will pay any portion of the claim.

Proposed Resolution SEBB 2025-02

Amending Resolution SEBB 2024-08

UMP Diagnostic & Supplemental Breast Exam Coverage

Beginning January 1, 2025, diagnostic and supplemental breast exams **are** to be covered without member cost share to Uniform Medical Plan (UMP) members. ~~UMP High Deductible members need to meet their deductible before the plan will pay any portion of the claim.~~

Resolution SEBB 2025-02

Amending Resolution SEBB 2024-08

UMP Diagnostic & Supplemental Breast Exam Coverage

Resolved that, beginning January 1, 2025, diagnostic and supplemental breast exams are to be covered without member cost share to Uniform Medical Plan (UMP) members.

Next Steps

- ▶ Updates to HCA member-facing materials as appropriate
- ▶ Regence internal system updates

Questions?

Ryan Ramsdell, UMP Team Manager
Employees and Retirees Benefits (ERB) Division

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TAB 7

SEBB Program Collective Bargaining Flexible Spending Arrangement (FSA) Update

Kelsie Pele
Senior Account Manager
Employees and Retirees Benefits Division
May 8, 2025

Flexible Spending Arrangement (FSA)

Core Benefit Structure Recap

- ▶ **Tax savings:** FSA funds can be deducted from an employee's paycheck before taxes to reduce their taxable income
- ▶ **Eligible expenses:** FSA funds can be used to pay for out-of-pocket health care costs like deductibles, copays, coinsurance, prescriptions, first-aid supplies, sunscreen, vision hardware, and more
- ▶ **Maximum election:** Up to \$3,200 per year for 2025
 - ▶ Subject to annual Internal Revenue Service (IRS) cost of living adjustments
 - ▶ Funds contributed by an employer do not count toward the maximum election amount

SEBB Collective Bargaining FSA Employer Contribution

- ▶ Negotiated for certain eligible employees to receive a \$200 FSA employer contribution (begins January 2026)
- ▶ This benefit is not under the Board's authority; it is under HCA's authority
- ▶ HCA designs this benefit to ensure compliance with the collective bargaining agreement (CBA) and contracts with Navia Benefit Solutions to administer benefits
- ▶ Navia Benefit Solutions creates and manages the members' FSA accounts
- ▶ SEBB Organizations play a key role in communicating about this benefit to employees

Communications and Operational Implementation Work Plans

- ▶ Define the **goals** we hope to achieve during implementation of this benefit
- ▶ Identify the **strategies** we'll use to achieve our goals
- ▶ List the **audiences** we need to communicate with
- ▶ Identify the **key messages** and **talking points**
- ▶ Describe the **tactics** we will use to communicate
- ▶ Set **expectations** both internally and externally
- ▶ Understand the data set used and execute custom **data exchange processes** between DRS, HCA, and Navia

Communication Strategies

- ▶ Use existing PEBB Program materials and tailor them for SEBB Program
 - ▶ Develop new materials for SEBB Program as needed
- ▶ Encourage benefit administrators (BAs) and labor unions to use the toolkit in order to share consistent and accurate messages and promote the benefit to eligible employees
- ▶ Collect feedback from BAs and Navia about any trends they see to evaluate efficacy of communication tactics
- ▶ Survey SEBB Program employees and BAs later in 2026 to assess the effectiveness of our communications

Communication Timeline

Date	Task
January 2025	Previewed the CBA FSA benefit to SEBB Program benefit administrator, labor union, and Board meetings
March	Finalized SEBB Program CBA FSA Communication Plan
August	<ul style="list-style-type: none"> HCA Outreach & Training unit (O&T) presents SEBB Program Open Enrollment Webinar to BAs (August 1) Post SEBB Program CBA FSA toolkit materials on the BA webpage and email the link to BAs and labor unions Introduce CBA FSA benefit to employees in SEBB Program newsletter (May 15) Add SEBB Program CBA FSA information on HCA website
September	Update Navia materials and website to include SEBB Program CBA FSA information

Communication Timeline (*cont.*)

Date	Task
October – November	Include SEBB Program CBA FSA benefit in open enrollment messaging for BAs and employees
January 2026	<ul style="list-style-type: none">HCA sends an email notification to BAs about letter and debit cards going to SEBB Program CBA FSA recipientsNavia sends the CBA welcome letter and debit card mailings to SEBB Program CBA FSA recipients
July 2026	HCA mails Mid-year reminder letter to those who have not yet used any of their \$200 CBA FSA funds

2025 Operational Implementation Timeline

Date	Task
March 2025	Finalize operational work plan
April	<ul style="list-style-type: none">HCA meets with Navia to strategize January 2026 timing efficiencies, operational tasks, and risk managementPAY1/HCA SEBB Program CBA Data Planning Meeting
June	Account Manager provides eligibility and communication training to the O&T unit
July	HCA hosts kickoff meeting with Department of Retirement Systems (DRS)
September	HCA account management and PAY1 teams begin meeting weekly on FSA/DCAP custom file exchanges
December	DRS sends school employee data to HCA

2026 Operational Implementation Timeline

Date	Task
January 2026	<ol style="list-style-type: none">1. HCA applies SEBB Program and salary threshold data scrub2. HCA and Navia audit the SEBB Program CBA FSA list3. HCA sends final SEBB Program CBA FSA list to Navia4. Navia sends custom CBA welcome letter to eligible SEBB Program CBA recipients5. Navia loads recipient accounts with \$200 CBA FSA funds6. Navia sends the debit cards to eligible SEBB Program CBA FSA recipients
February – April	<ul style="list-style-type: none">• HCA O&T unit receives SEBB Program CBA FSA inquiries from benefit administrators• Navia customer service receives SEBB Program CBA FSA inquiries from employees

FSA Carryover Reminder

- ▶ Carryover allows unspent FSA funds up to \$660 to be carried over for use in the next plan year
- ▶ To carry over unspent FSA funds, participants must enroll in an FSA for the following year or have at least \$120 left in their FSA balance
- ▶ If the CBA FSA participant has at least \$120 left in their account, the funds will be available for use in the next plan year, even if the participant doesn't actively enroll in an FSA
- ▶ HCA, SEBB Organizations, labor unions, and Navia will educate members about the CBA benefit carryover for use in future years

Questions?

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Appendix

SEBB Program

CBA FSA Eligibility Criteria

- ▶ Eligible employees must meet all the following requirements:
 - ▶ Must have earned \$40,000 or less for the state fiscal year prior to the plan year as reported to Department of Retirement Systems (DRS)
 - ▶ Meets SEBB Program eligibility requirements on January 1 of the plan year
 - ▶ Cannot waive medical coverage (except to be a dependent on another SEBB non-high deductible medical plan)
 - ▶ Cannot be enrolled in UMP High Deductible

CBA FSA Key Messages

- ▶ When communicating about the \$200 FSA contribution to employees, we will include the following messages:
 - ▶ What an FSA is and how to use the funds
 - ▶ Eligibility criteria for the CBA benefit
 - ▶ How the benefit was established (union-negotiated benefit during collective bargaining)
 - ▶ How carryover works and what happens to unused funds at the end of the plan year
 - ▶ Recipients will be automatically enrolled in the CBA FSA if eligible; no action is required to receive the contribution
 - The benefit does not come out of the employee's paycheck
 - ▶ New recipients will receive a debit card and instructions in an unmarked envelope
 - ▶ Who to contact with questions (Navia Benefit Solutions for FSA questions or their employer for eligibility questions)

TAB 8

Benefits 24/7 Update

Brett Mello
Chief Information Officer
Enterprise Technology Services

Jean Bui
Deputy Director
ERB Division
May 8, 2025

Stabilization Update

- ▶ Three additional two-week sprints to achieve stabilization
- ▶ High priority tickets: 49
 - ▶ Down from 82 March 5
- ▶ Sync record backlog: 1,775 (Goal: <1,500)
 - ▶ Down from 4,731 March 5
- ▶ Error files: 648 (Original goal: <1,000)
 - ▶ Down from 1,493 March 5
- ▶ Pay1 high priority tickets: 199 (Goal: <100)
 - ▶ Down from 477 March 5

Budget Funding for IT Positions

- ▶ Six newly budgeted roles
 - ▶ Manager (ERB IT Lead) - Pending recruitment
 - ▶ Software Test Engineer - Hired
 - ▶ Two Business Analysts - Holding for budget confirmation
 - ▶ Two Development/Operations positions - Holding for budget confirmation

Stakeholder Feedback

- ▶ Benefits administrator groups
- ▶ Labor organizations
- ▶ Office of Financial Management and state agencies
- ▶ Internal HCA

Program Initiatives

- ▶ To support system stabilization, only required program changes in Benefits 24/7
 - ▶ Legislative
 - ▶ Mandates
- ▶ Compared to projects in 2024 for plan year 2025 (Vision and Part D)

Questions?

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