

School Employees Benefits Board Retreat
Meeting Minutes

January 28, 2021
Health Care Authority
Virtual Zoom Meeting
9:00 a.m. – 3:30 p.m.

Members Present via Phone

Lou McDermott, Chair
Dawna Hansen-Murray
Dan Gossett
Katy Henry
Terri House
Wayne Leonard
Alison Poulsen
Kerry Schaefer

SEB Board Counsel

Katy Hatfield

Copies of presentations can be found in the Briefing Book on the SEB Board webpage at: [SEB Board meetings and materials webpage](#).

Call to Order

Lou McDermott, Chair, called the meeting to order at 9:02 a.m. Sufficient members were present to allow a quorum.

Chair McDermott indicated attendance for both the Board and the public for the 2021 Board season will be attended via Zoom only, unless Governor's Proclamation 20-28 is modified. Board introductions followed.

New Board Member, Kerry Schaefer, was introduced. Kerry has 45 years' experience in public sector human resources and employee benefits. In her most recent job, she was responsible for strategic planning for employee health and well-being for King County. Kerry replaces Sean Corry who retired and left his Board appointment.

Meeting Overview

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

COVID-19 Agency Response

Jean Bui, Portfolio Management and Monitoring Section Manager, and **Tanya Deuel**, ERB Finance Manager, brought the Board up to date on the agency response to COVID-19 over the past year, sharing information about:

- The two SEB Board resolutions passed regarding COVID-19. They were: Resolution 2020-07 COVID-19 Continuation Coverage Eligibility and Resolution 2020-08 COVID-19 and Enrollment Timelines.
- Carrier actions: testing coverage, treatment coverage, prescription refill too soon, and vaccine coverage.
- The limited enrollment held during July 2020 to allow members to modify certain benefits that require payroll deductions. A total of 1,098 subscribers took advantage of this option.

Achieving Health Equity for PEBB Program Members

Dr. Emily Transue, Medical Director for ERB Programs, and **Mia Nafziger**, Senior Health Policy Manager, discussed health equity and what we can do to lessen inequities and disparities.

The presenters walked us through an example of two patients with similar diagnoses which had the same provider recommendations for both. Even with this scenario, the likelihood of clinical outcomes may be very different due to: race, which may be heavily influenced by a variety of social and societal factors not traditionally considered medical, like income, education, housing, language, etc.

Health equity means everyone has a fair and just opportunity to be as healthy as possible whereas health disparities are differences that exist among specific population groups in the attainment of full health potential.

Social determinants of health area conditions in which people are born, grow, live, work, and age. These include: safe housing, transportation, and neighborhoods; racism, discrimination, and violence; education, job opportunities, and income; access to nutritious foods and physical activity opportunities; clean vs polluted air and water; and language and literacy skills. All of these social determinants of health shape health outcomes.

Social Determinants of Health Roundtable

Dr. Emily Transue facilitated a discussion on social determinants of health.

Roundtable participants:

- Diane Oakes, Chief Mission Officer, WA Dental Service & Delta Dental of WA
- Kim Wicklund, Director Community Health, Kaiser Permanente WA (KPWA)
- John Kendrick, Service Area Director, Continuum of Care, Kaiser Permanente Northwest (KPNW)
- Keith Bachman, MD, FACP, KPNW
- Rachel Andrew, MS, LMFT, CCM, Director of Clinical Programs, Premera Blue Cross

- Naim Munir, MD, Vice President, Medical Management & Population Health, Premera Blue Cross
- Charles Levine, Vice President, Provider Network Management, Premera Blue Cross
- Kimberly Hadeed, RS-BSSN, CCM, Regence BlueShield, Case Management Supervisor, BlueCare Path Team

Health equity, diversity, and inclusion are priority concerns for our panel members and their organizations. They all take these topics very seriously. Some common themes and goals were shared:

1. Engage providers in areas where collaboration is possible
2. How well do providers include diversity and equity in their businesses
3. Offer patients the opportunity to select what type of doctor they want to go to
4. Work to expand data and data analytics
5. Community involvement to determine social and economic factors and to work on solutions
6. Work to achieve diversity at every level from providers through administration
7. Big need for dental care (disadvantaged people have greater dental issues)
8. Invest in: core foundation, own responsibility, internal policies & cultural disparities
9. Provide training to ensure cultural competence for providers
10. Divert funding to areas in need
11. Take programs to the elementary school for children that don't have health care
12. Be aware of the biases. What is the best intervention and when should it occur? Such as food insecurities, transportation, access, etc. Break down these barriers.
13. Get the community and providers at the same table.
14. Listen/engage with members, providers, PEBB, SEBB. Active listening and measuring cultural competencies.
15. Funding needs to be consistent with our words

There is no one answer on how these themes/goals are accomplished. Lack of data is a big concern. Providers can't or are unwilling to share their data due to the personal nature of the information. When surveying patients, they are reluctant to respond and are wary about why you want to know. How this information is collected is important to protect its validity. To date, the best way to gather this information is when directly in contact with the patient. Whatever is being done now, there is a lot more to do.

Lou McDermott: Work is being done in isolation. Our system is complex. Providers and plans are asking for different things. It's hard for people to understand and to get access. How do we all work together to get it done? To make changes instead of everyone doing their own thing.

ESD Benefits Report

Cade Walker, Executive Special Assistant to ERB Division, shared key findings from the legislatively mandated report on the impacts of the Educational Service Districts joining the SEB Board Program.

As of January 1, 2020, five ESDs were participating in the PEBB Program, using PEBB eligibility rules for their employees. The remaining four ESDs independently acquire employee benefits and have varying rules for benefits eligibility.

All ESDs' benefits are similar to SEBB benefits. Current cost to ESDs for 2020 benefits is an estimated \$22,306,083. The cost to ESDs if they had participated in the SEBB Program for 2020 is an estimated \$27,955,940. The majority of the increase cost is for the four ESDs not participating in the PEBB Program, and the primary driver of this increase is due to the difference in eligibility and waiver rules.

Working Lunch: 2021 Open Enrollment Summary

Renee Bourbeau, ERB Benefits Accounts Section Manager, provided a summary of 2021 open enrollment. Benefits Accounts went to great lengths to ensure a successful open enrollment. Provided staff training, contracted with a vendor to provide technical support for SEBB Program subscribers to maneuver through their first open enrollment, conducted seven webinars to 1,400 Benefits Administrators, provided a virtual Benefits Fair tool, provided access to ALEX, and links to SEBB MyAccount.

Future customer service strategies include faster response time from staff to Benefits Administrators and adding additional staff to assist in monitoring daily FUZE and trends.

Governor's Proposed Budget Update - SEBB

Tanya Deuel, ERB Finance Manager, Financial Services Division, shared highlights from the Governor's proposed budget. Proposed SEBB funding rate for 2021-2022 School Year is \$1,011 and for 2022-2023 School Year it's \$1,051 per eligible employee per month. Both amounts are adequate to maintain the current level of benefits.

For the Collective Bargaining Agreement, the Employer Medical Contribution (EMC) remains at 85% of UMP Achieve 2 and the Wellness deductible incentive increased to \$125.

2021 Legislative Session

Cade Walker, Executive Special Assistant, ERB Division, provided an update of the current legislative session. We are currently analyzing 22 bills, either as lead or support.

HCA has one agency request legislation, SB 5322, which clarifies a law enacted last year prohibiting of dual enrollment between the SEBB and PEBB Programs.

HCA submitted written testimony in support of HB 1052 – Group Insurance Contracts. This bill aligns with insurance codes and allows HCA to hold our carriers accountable for service to PEBB and SEBB Program members.

Other bills introduced have to do with Paid Family and Medical Leave, Pharmacy, Eligibility, Provider/health care services, expanded durable medical equipment, and the Open Public Meetings Act.

PEBB/SEBB Consolidation Report

Sara Whitley, Fiscal Information and Data Analyst, Financial Services Division, discussed the report submitted to the Legislature in November 2020. This report was

legislatively mandated requiring a report of the potential fiscal impacts and administrative efficiencies of consolidating the PEBB and SEBB Programs.

The document lists both potentially minor impacts and potentially significant impacts. Minor fiscal impacts could be: alignment of plan offerings, tier factors, and vision benefit. Significant fiscal impacts could be consolidating non-Medicare risk pool and alignment of employee/employer contribution structure.

Potential minor administrative efficiencies could include: alignment of accounting processes and contract/carrier management. Significant administrative efficiencies could include: consolidation of the Boards, enrollment and eligibility processes, and communication vehicles.

These lists are not exhaustive, but a starting point. The report indicates the full consolidation could not occur before January 1, 2025. All of the pieces would need to align.

SEBB Medical Portfolio

Lauren Johnston, SEBB Procurement Manager, discussed current plan offerings, service areas, enrollment numbers, and trends. Lauren included charts of service areas, enrollment numbers, and a chart showing 2021 open enrollment plan switching.

Four out of the five highest volume switching trends were from higher deductible level plans to lower deductible level plans.

Katy Henry noted that for Ferry and Pend Oreille Counties, there are not as many options available because most providers are in the Providence system.

Terri House asked if additional carriers would be added with the Request for Renewal that went out. Lauren indicated this is a Request for Renewal (RFI), not a Request for Procurement (RFP). It provides an opportunity only for additional options from the current contracted carriers.

Life & Long-Term Disability Insurance Update

Kimberly Gazard, ERB Contract Manager, provided an update on Life and LTD insurance, including an anticipated proposal on a new LTD benefit design.

HCA had a life insurance beneficiary campaign for ten days starting on July 30, 2020. The goal was to ensure subscribers had listed their beneficiaries to make it easier when they needed to collect their life insurance. 64,293 subscribers took action and updated their beneficiaries. There are still 195,343 instances without a beneficiary designation, across the basic life, basic AD&D, supplemental life, and supplemental AD&D benefits.

HCA is planning to look at new strategies in Quarter 1 2021 to increase beneficiary designations.

Long-Term Disability continues to be an area HCA would like to see improvement. Not much has changed since 1977. SEBB LTD mirrors the PEBB LTD plan. While household income has increased 445% during the last 43 years, the Basic LTD benefit

has not. The majority of SEBB Program subscribers receive a monthly LTD benefit of \$400 per month when they experience a disability.

HCA is proposing an opt-out design for new hires and existing SEBB Program subscribers. Subscribers could opt-out at any time. Subscribers would be automatically enrolled in coverage equal to 60% of their salary (up to \$16,667 of monthly salary) with no evidence of insurability required.

A subscriber could opt-out, or reduce coverage to 50% of their salary, at any time, effective the first of the next month. To later access or request an increase coverage, evidence of insurability would be required.

If a subscriber opts-out of coverage, they are still eligible for the \$400 per month benefit.

The proposed Opt-out employee-paid LTD plan option would start January 1, 2022.

The additional employee-paid LTD Plan offering includes a 50% buy down option with a 90-day benefit waiting period, in addition to the 60% LTD plan.

This presentation is an introduction to the proposal. HCA will bring proposed resolutions to the Board in March for your initial thoughts on the plan. Board action on the policy is scheduled for April 2021.

Dan Gossett asked if the PEB Board is looking at the same design. Dave said yes, but there are more significant benefit design shifts for the PEBB Program than for the SEBB Program. One Board could proceed without the other needing to take action.

Optional Benefits

Cade Walker, ERB Executive Special Assistant, shared 2020 Optional Benefits Survey results. House Bill 2458 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 the Health Care Authority.

Of those school districts responding to the survey, 26 school districts may be offering a potentially competing benefit.

February through August 2021, HCA will work together with the school districts and carriers to modify, remove, or discontinue any district-based benefits that compete with SEBB/HCA offered benefits.

Public Comment

Mitch Thompson offered public comment on the LTD plan. Having a mandatory opt-out plan is an issue for an optional benefit. School district benefits staff are going to get the questions on this benefit, and they will have to respond. This is not very transparent. His district tends not to get into advising employees on what to do. Mitch understands we want more participation, but it feels like going through the back door. It's more problematic on the district side.

Anne Ellis has concerns about substitutes and medical. They should remain eligible until the end of the emergency. I advocate for the Legislature to fund medical for substitutes. Eliminate the two-year requirement on medical during emergency. The first academic year is 21-22 and the second year is 22-23. A substitute would not be eligible until Fall 2023!

Julie Salvi, representing the Washington Education Association. I applaud the Board on the health equity topic. For SEBB, there is interest in: equitable access to benefits; dual enrollment/secondary insurance through these programs; change in FSA mutual rollover; look at appeals process; dental benefits, difference is SEBB levels; service areas, some don't have enough; and PEBB/SEBB merger – significant issues, continue to recommend coordinated meetings, more interaction between the two Boards.

Next Meeting

March 4, 2021

9:00 a.m. – 2:00 p.m.

Preview of March 4, 2021 SEB Board Meeting

Dave Iseminger, Director, Employees and Retirees Benefits Division, provided an overview of potential agenda topics for the March 4, 2021 Board Meeting.

Meeting adjourned at 2:47p.m.