

# SEBB FAQs for School Administrators

Updated October 12, 2018

## General

### **Can implementation of the SEBB Program be delayed for one year?**

The Legislature, the SEB Board, and HCA are committed to having everything in place for implementation on January 1, 2020. There is no consideration of delaying implementation.

### **Can school districts, ESDs, and charter schools opt out?**

No. The SEBB Program applies to all school districts, educational service districts, and charter schools within Washington.

### **Is HCA adding additional staff to support this?**

Yes. HCA is adding staff primarily in the Employees and Retirees Benefits (ERB) Division, whose jobs will be to make the transition to the SEBB Program as smooth as possible. Personnel in school districts, educational service districts, and charter schools will retain a very active role in assessing eligibility and aiding employees with enrollment. ERB staff will provide training and support. Additionally, ERB will provide information to school employees ahead of the October 2019 open enrollment to assist them in making benefit selections.

### **Is the Legislature aware of the amount of workload districts will need to undertake for dependent verification?**

HCA is working with the Legislature to address the anticipated workload needs resulting from dependent verification requirements.

## Funding

### **Will employees working 630 hours or more be fully funded by the state?**

This depends on the outcome of the 2019 legislative session.

### **How will the discrepancy in funding between headcount, FTE, and staffing reality be resolved?**

Benefits are funded by the Legislature on an FTE basis. However, to help bridge the difference between FTE and headcount, the “benefit allocation factor” was approved in collective bargaining. The benefit allocation factor (1.02 for certificated employees and 1.43 for classified employees) is multiplied by the FTE to arrive at the allocation.

### **Right now we receive \$843 per FTE. What will the funding source be for the school districts going forward?**

The state will provide funding on an FTE basis with a benefit allocation factor applied (see above). Funding will still come from the state, and we do not yet know what funding will be required from the district. Employees will also be responsible for a portion of their medical premium.

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**How will the funding rate account for job shares?**

If two individuals sharing one job are each anticipated to work more than 630 hours, they will both be eligible for SEBB Program benefits. The district will be required to pay the employer's share of the benefit costs for each eligible employee.

**Can the district choose how to move money around to fund two employees for one FTE?**

It is beyond the scope of HCA to direct how districts choose to fund employee benefits.

**Will the school district, ESD, or charter school be required to pay the same amount of the medical premium and all the complete premium for employee dental, vision, LTD, life and AD&D, regardless of the employee's FTE, as long as they meet the 630 hour criteria?**

Yes, that is correct.

**If a substitute qualifies for coverage mid-year and declines, does the district have to pay the premium cost to HCA?**

The SEB Board is developing policies to address this type of situation.

**Will districts still pay the K-12 retiree remittance?**

Yes. As long as K-12 retirees remain in the PEBB Program, districts will continue to pay the K-12 remittance that supports them.

**Why is the Legislature passing funding through the districts for SEBB benefits rather than providing it directly to HCA?**

State funding for K-12 benefits is currently distributed to districts as part of general apportionment. In order to provide funding directly to HCA, the Legislature would need to

restructure the K-12 benefit funding process in the budget bill, and HCA would still need to work with the districts to collect employee premium contributions and funding for any eligible staff not covered by the state funding.

This funding model for SEBB Program benefits is similar to the PEBB Program benefits model, where state funds are distributed to state agencies and higher education institutions to forward to HCA along with employee premium contributions.

**Will districts receive money or funded FTEs to implement the system of record and data transfer required for SEBB?**

We don't anticipate additional funding from the Legislature. However, HCA will provide technical assistance to support the transition to the SEBB Program.

**Will there be funding parity between PEBB and SEBB?**

Funding parity was addressed by the Legislature in [ESSB 6241](#), which intended for insurance benefit allocations for school employees to be no less than rates for state employees.

The amount of funding provided for PEBB Program and SEBB Program benefits will be addressed during standard legislative operating budget processes.

**Will school districts, ESDs, and charter schools have to pay the reduction in employee premiums based on the wellness incentives?**

If the Legislature approves the reduction, it will appropriate funds to cover the costs of wellness incentives.

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**Will SEBB funding be tied to prototypical school funding?**

SEBB Program funding is anticipated to be calculated using the prototypical model. However, the Legislature may make adjustments.

## Policy

**How do current PEBB rules inform the SEB Board's policy decisions?**

The SEB Board makes policy decisions entirely separate from PEBB Program rules. However, HCA does use its understanding of various issues that it has developed in administering the PEBB Program to help inform the SEB Board in its decision-making process.

## Eligibility

**Are employees who aren't considered full-time employees (like coaches, substitute teachers, etc.) eligible for benefits under the SEBB Program?**

Yes, as long as they work or are anticipated to work 630 hours for a school district, educational service district, or charter school during the school year. A school year generally means September 1 through August 31.

**When does employee eligibility for coverage through the SEBB Program end?**

The employer contribution toward SEBB benefits ends the last day of the month in which the school year ends (August 31).

The employer contribution toward SEBB benefits will end earlier than the end of the school year if one of the following occurs:

- The district, ESD, or charter school terminates the employment relationship. Eligibility for the employer contribution ends the last day of the month in which the employer-initiated termination notice is effective.
- The school employee terminates the employment relationship. Eligibility for the employer contribution ends the last day of the month in which the school employee's resignation is effective.
- The school employee's work pattern is revised such that the employee is no longer anticipated to work 630 hours during the school year. Eligibility for the employer contribution ends as of the last day of the month in which the change is effective.

## Benefits

**Our non-represented and admin groups currently have employer-paid life insurance of twice their salary. Will the listed new amount of \$35,000 apply to all employees, with no additional employer-paid life insurance allowed?**

Yes, that is correct.

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## Insurance carriers

**Is it true that the carriers participating in the SEBB Program also have to be part of the individual market exchange?**

Yes. In 2018, the Washington State Legislature passed [Engrossed Substitute House Bill 2408](#), which calls for this participation.

**Of the six apparently successful bidders (ASBs) for the SEBB Program fully insured medical carriers, how many also currently provide PEBB insurance?**

Kaiser Foundation Health Plan of the Northwest and Kaiser Foundation Health Plan of Washington currently offer PEBB insurance. The other ASBs are Aetna, Kaiser Foundation Health Plan of Washington Options, Premiera Blue Cross, and Providence Health Plan.

**Is HCA looking at a third-party administrator for a fully insured plan?**

No. Typically, *fully insured* health care plans do not have a third-party administrator (TPA). TPAs are used to perform administrative services on behalf of an employer that sponsors a *self-insured* health plan.

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*We will update this FAQ for school administrators periodically. Please check back for more FAQs.*

