

School Employees Benefits Board Meeting

June 13, 2018

School Employees Benefits Board

June 13, 2018

1:30 p.m. – 5:00 p.m.

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

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TAB 1

School Employees Benefits Board
June 13, 2018
1:30 p.m. – 5:00 p.m.
Sue Crystal Rooms A & B

Health Care Authority
Cherry Street Plaza
626 8th Avenue SE
Olympia, WA 98501

Call-in Number: 1-888-407-5039

Participant PIN Code: 60995706

1:30 p.m.*	Welcome and Introductions		Lou McDermott, Chair	
1:35 p.m.	Meeting Overview		David Iseminger, Director Employees & Retirees Benefits (ERB) Division	Information
1:40 p.m.	Follow-up Board Questions from May 30 Meeting	TAB 3	David Iseminger, ERB Director	Information/ Discussion
2:00 p.m.	SEBB Program Timeline	TAB 4	John Bowden, SEB Section Manager, ERB Division	Information/ Discussion
2:10 p.m.	SEBB Procurement Summary: Group Vision	TAB 5	Lauren Johnston, SEBB Procurement & Account Manager SEB Section, ERB Division	Information/ Discussion
2:30 p.m.	Policy Resolution	TAB 6	Barb Scott, Manager Policy & Rules Section, ERB Division	Action
2:45 p.m.	Break			
3:00 p.m.	Self-Insured Plan Information	TAB 7	Shawna Lang, UMP Procurement Manager, ERB Marcia Peterson, Benefit Strategy & Design Section Manager, ERB Kim Wallace, Deputy Section Manager, Financial Services	Information/ Discussion
4:00 p.m.	Self-Insured Medical Plan Resolutions	TAB 8	David Iseminger, ERB Director Marcia Peterson, Benefit Strategy & Design Section Manager, ERB	Action
4:30 p.m.	Public Comment			
5:00 p.m.	Adjourn			

*All Times Approximate

The School Employees Benefits Board will meet Wednesday, June 13, 2018, at the Washington State Health Care Authority, Sue Crystal Rooms A & B, 626 8th AVE SE, Olympia, WA. The Board will consider all matters on the agenda plus any items that may normally come before them.

Prior to the meeting, pursuant to RCW 42.30.110(1)(I), the Board will meet in Executive Session to "consider proprietary or confidential non-published information related to the development, acquisition, or implementation of state purchased health care services as provided in RCW 41.05.026." RCW 42.30.110(1)(I) The Executive Session will begin at noon on June 13, 2018, and conclude no later 1:30 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.

Direct e-mail to: 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 June 11, 2018.

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
Sean Corry Sprague Israel Giles, Inc. 1501 4 th Ave, Suite 730 Seattle WA 98101 V 206-623-7035 sean.corry@siginsures.com	Employee Health Benefits Policy and Administration
Pete Cutler 7605 Ostrich DR SE Olympia WA 98513 C 360-789-2787 p.cutler@comcast.net	Employee Health Benefits Policy and Administration
Patty Estes Eatonville School District PO Box 1364 Eatonville WA 98328 C 360-621-9610 p.estes.sebb@gmail.com	Classified Employees
Dan Gossett 603 Veralene Way SW Everett WA 98203 C 425-737-2983 dan.gossett@comcast.net	Certificated Employees

SEB Board Members

Name	Representing
Katy Henry Spokane Public Schools 200 North Bernard Spokane WA 99201 V 509-325-4503 khenry@washingtonea.org	Certificated Employees
Terri House Marysville School District 4220 80 th ST NE Marysville WA 98270 V 360-965-1610 Terri_house@msd25.org	Classified Employees
Wayne Leonard Assistant Superintendent of Business Services Mead School District 608 E 19 th Ave Spokane WA 99203 V 509-465-6017 wayne.leonard@mead354.org	Employee Health Benefits Policy and Administration (WASBO)
Alison Poulsen 12515 South Hangman Valley RD Valleyford WA 99036 C 509-499-0482 alison@betterhealthtogether.org	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 KatyK1@atg.wa.gov	

2/24/18



STATE OF WASHINGTON
HEALTH CARE AUTHORITY

626 8th Avenue, SE • P.O. Box 45502 • Olympia, Washington 98504-5502

2017-18 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 8th Avenue SE, Olympia, WA 98501. The meetings begin at 1:00 p.m., unless otherwise noted below.

October 23, 2017

November 6, 2017

December 11, 2017

January 17, 2018

January 29, 2018

March 15, 2018 - 9:00 a.m.

April 30, 2018

May 30, 2018

June 13, 2018

July 30, 2018

August 30, 2018 - 9:00 a.m.

October 4, 2018 - 9:00 a.m.

November 8, 2018 - 9:00 a.m.

December 13, 2018 - 9:00 a.m.

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: August 30, 2017

TIME: 1:26 PM

WSR 17-18-043

If you are a person with a disability and need a special accommodation, please contact Connie Bergener at 360-725-0856

8/28/17



STATE OF WASHINGTON
HEALTH CARE AUTHORITY

626 8th Avenue, SE • P.O. Box 45502 • Olympia, Washington 98504-5502

2019 School Employees Benefits Board (SEBB) Meeting Schedule

DRAFT

The SEB Board meetings will be held at the Health Care Authority, Sue Crystal Center, Rooms A & B, 626 8th Avenue SE, Olympia, WA 98501. The meetings begin at 9:00 a.m. unless otherwise noted.

January 24, 2019 - 9:00 a.m. – 5:00 p.m.

March 7, 2019 - 9:00 a.m. – 5:00 p.m.

April 10, 2019 - 1:00 p.m. – 5:00 – p.m.

May 16, 2019 - 9:00 a.m. – 5:00 p.m.

June 12, 2019 - 9:00 a.m. – 5:00 p.m.

July 18, 2019 - 9:00 a.m. – 5:00 p.m.

July 25, 2019 - 9:00 a.m. – 5:00 p.m.

August 1, 2019 - 9:00 a.m. – 5:00 p.m.

August 22, 2019 - 9:00 a.m. – 5:00 p.m.

If you are a person with a disability and need a special accommodation, please contact Connie Bergener at 360-725-0856

Updated 6/8/18

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



Follow-up Board Questions from May 30, 2018 Meeting

David Iseminger, Director
Employees and Retirees Benefits Division
June 13, 2018



What Neurodevelopmental codes are used in the Uniform Medical Plan? (Excluding ABA)

ICD Diagnosis	2017	
	Visits	Unique Members
F848 – Other pervasive developmental disorders	25	4
F849 – Pervasive developmental disorder, unspecified	114	25
G9340 – Encephalopathy, unspecified	2,670	491
G9349 – Other encephalopathy	240	83
G9381 – Temporal sclerosis	1	1
G9382 – Brain death	3	2
G9389 – Other specified disorders of brain	919	394
G939 – Disorder of brain, unspecified	1,136	157
G969 – Disorder of central nervous system, unspecified	135	12
G988 – Other disorders of nervous system	109	17
I6783 – Posterior reversible encephalopathy syndrome	10	3
P918 – Other specified disturbances of cerebral status of newborn	2	2
P9188 – Not Available	1	1
P921 – Regurgitation and rumination of newborn	3	3
P922 – Slow feeding of newborn	30	17
P923 – Underfeeding of newborn	4	4
P925 – Neonatal difficulty in feeding at breast	377	275
P928 – Other feeding problems of newborn	243	118
P929 – Feeding problem of newborn, unspecified	346	243
Q049 – Congenital malformation of brain, unspecified	158	4
Q069 – Congenital malformation of spinal cord, unspecified	0	0
Q079 – Congenital malformation of nervous system, unspecified	71	12
R270 – Ataxia, unspecified	940	199
R278 – Other lack of coordination	1,359	118
R279 – Unspecified lack of coordination	2,567	705
R4702 – Dysphasia	319	67
R471 – Dysarthria and anarthria	408	90
R4781 – Slurred speech	395	176
R4789 – Other speech disturbances	521	83
R479 – Unspecified speech disturbances	194	74
R620 – Delayed milestone in childhood	1,209	136
R6250 – Unspecified lack of expected normal physiological development in childhood	2,087	212
R6251 – Failure to thrive (child)	725	139
R6259 – Other lack of expected normal physiological development in childhood	230	23
R633 – Feeding difficulties	3,232	457
Total: Selected Filter(s)	20,783	4,347

UMP Consumer Assessment of Healthcare Providers and Systems

	2017 NCQA Benchmark* (Mean)	CAHPS survey results			
		Classic		CDHP	
		2016	2017	2016	2017
		Plan Summary Rate	Plan Summary Rate (Percentile)	Plan Summary Rate	Plan Summary Rate
Getting Needed Care	87.6%	88.5%	89.5% (72 nd)	84.0%	88.3% (54 th)
Getting Care Quickly	85.6%	88.8%	92.2% (99 th)	85.4%	84.4% (33 rd)
How Well Doctors Communicate	95.6%	95.3%	95.7% (48 th)	95.2%	95.7% (50 th)
Customer Service	88.0%	95.8%	92.5% (78 th)	86.0%	90.9% (71 st)
Claims Processing	88.6%	94.3%	94.8% (96 th)	89.7%	90.3% (64 th)
Rating of Healthcare	76.8%	76.1%	83.3% (93 rd)	77.3%	75.3% (34 th)
Rating of Personal Doctor	84.6%	85.8%	86.0% (65 th)	83.2%	87.3% (82 nd)
Rating of Specialist	83.8%	79.5%	81.6% (28 th)	80.8%	77.4% (10 th)
Rating of Health Plan	59.4%	74.3%	80.5% (99 th)	58.4%	56.4% (38 th)

*For purposes of this slide, we are using the NCQA Quality Compass® All Plans benchmark because it is the mean summary rate from the PPO commercial adult plans that submitted to NCQA in 2017 (210 plan-specific samples). In contrast, the NCQA public report is only plans that report results publicly. (all plans).

A full two-year comparisons of UMP Plus CAHPS scores will not be available until after plan year 2018 ends.

How many UMP Members Reside Outside the Country?

As of April 2018:

78 total UMP Members

- 32 Retiree and 46 Employees

Locations

- 42 in Canada
- 35 in other countries
- 1 with APO address (unidentified military location)

Pharmacy Benefits

- What would be the transition period experience for members who join a SEBB self-insured plan?

The administrative process is still under development for 1/1/2020. We are considering options such as those described below:

- Promote tools on drug pricing and coverage to help members understand their coverage
- Direct member communications about transition deadlines
- Describe any waiving of prior authorization and step therapy requirements
- Require prior authorization on specialty medications

Questions?

David Iseminger, Director
Employees and Retirees Benefits Division
David.Iseminger@hca.wa.gov

TAB 4

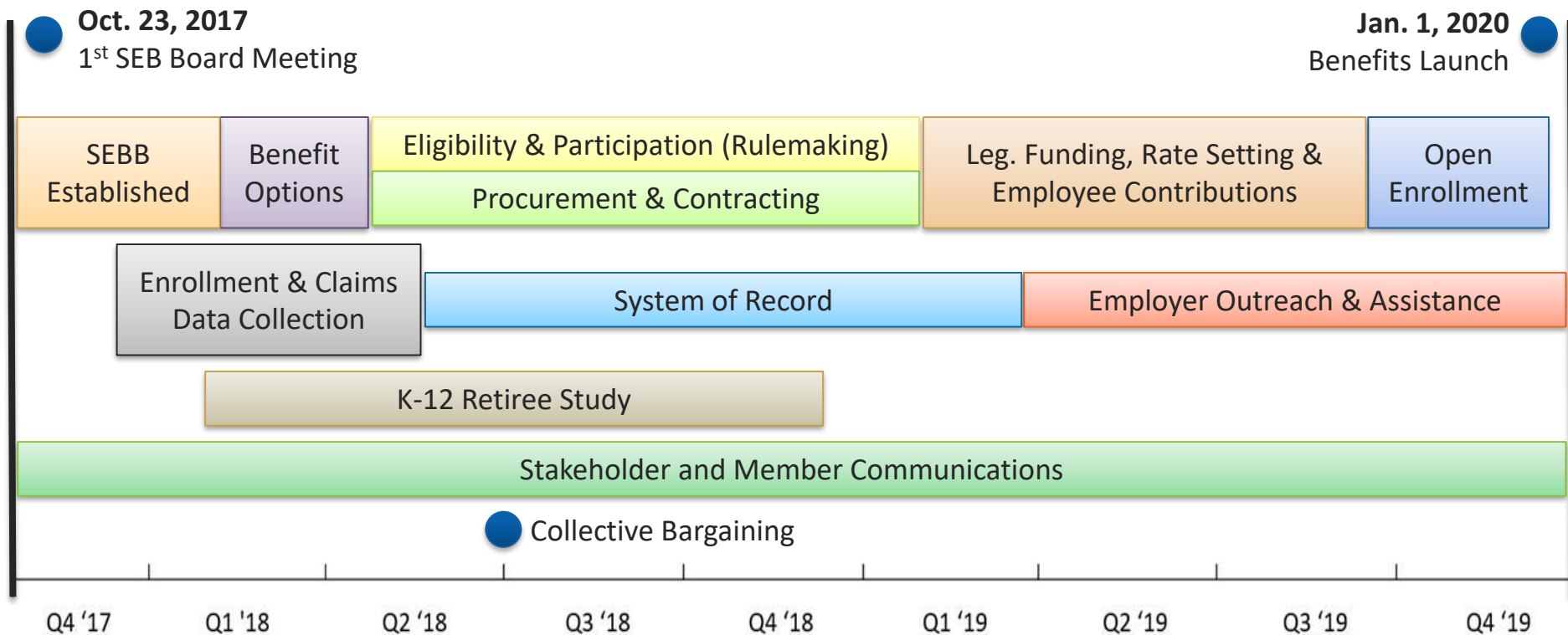


SEBB Program Timeline

John Bowden, Manager
School Employees Benefits Section
Employees and Retirees Benefits Division
June 13, 2018



SEBB Program Key Activities



Questions?

John Bowden, Manager
School Employees Benefits Section
Employees and Retirees Benefits Division
John.Bowden@hca.wa.gov

TAB 5



Group Vision Plan(s) Procurement Updated

Lauren Johnston
SEBB Procurement and Account Manager
Employees and Retirees Benefits Division
June 13, 2018

RFI Released

- March 15, 2018 the Board adopted resolutions to procure for group vision benefits
- A Request for Information (RFI) was released
- Redacted versions are on the HCA Bids and Contracts website
- Unlike the fully insured medical RFI, this RFI did not require a response in order to bid on the RFP

Benefit Type	Release Date	Responses Due
Group Vision Plans	March 27, 2018	April 24, 2018

RFI Objectives

- Learn about the benefits offered under a group vision plan and how group vision plans operate
- Learn provider types and adequacy in WA, OR, and ID counties
- Inform creation of competitive solicitation for benefits
- Make market aware of HCA's intent to procure

Respondents

- **Ameritas**
- **Davis Vision**
- **EyeMed**
- **MetLife**
- **Northwest Administrators, Inc.**
- **Premera Blue Cross**
- **Superior Vision**
- **UnitedHealthcare**
- **Unum**
- **VSP (Vision Service Plan)**

RFI Response Highlights

- Self-insured and fully insured plans, many are customizable
- Provider types covered: ophthalmologist, optometrist, opticians, and independent and retail vision hardware stores
- Benefits include: Comprehensive eye exam, prescription lenses, frames, and/or contact lenses
- Additional options such as: UV and anti-reflective coating, LASIK surgery, additional glasses at discounted price, etc.
- Members can purchase vision hardware in person or online
- Customer Service available 7 days a week

Ophthalmologist/Optometrists 101

Ophthalmologist: An eye M.D. who specializes in eye and vision care and is licensed to practice medicine and perform surgery. Diagnoses and treats all eye diseases, performs eye surgery, and prescribes and fits eyeglasses and contact lenses.

Optometrist: Health care professionals who are not medical doctors, but are a doctor of optometry. Licensed to perform eye exams to detect defects in vision and other vision health problems. Can prescribe eyeglasses and contact lenses, some medications for certain eye diseases, and visual therapy. Will refer patients for further medical treatment as necessary.

Provider Access Key Takeaways

- Widespread availability of providers throughout Washington State
- 2 counties, Garfield and Columbia, have no in county access to ophthalmologists or optometrists
 - A general google provider search for ophthalmologists and optometrists also yields no results in these two counties

Respondents*	# Contracted Providers in WA
5	0-999
3	1000-1999
1	2000+

*Ameritas uses EyeMed and VSP's provider networks

Components in Upcoming RFP

- Procuring for fully insured group vision plan(s)
- Broad provider access throughout most of Washington
- Online hardware purchasing capabilities to increase access
- Microsite that allows Members one stop for viewing and accessing all benefit information:
 - Certificate of Coverage
 - Explanation of Benefits
 - Claims look up
 - Covered Services

Components in Upcoming RFP (*cont.*)

- Prescription lenses, frames, and contact lenses at different price points for Member choice
- RFP will ask the Bidder's to submit a couple of different plan designs and rates for HCA to evaluate
- Bidder submitted rate information will be used for final cost analysis of the benefit
- Recommend a maximum of 2-3 carriers; would like SEB Board input

Looking Forward

- This fall the SEB Board will be asked to vote on fully insured medical and vision plan design resolutions
- At that time, the SEB Board will need to make a decision on whether to keep vision benefits embedded in the medical plans or have separate group vision plan(s)

Questions?

Lauren Johnston

SEBB Procurement and Account Manager

Employees and Retirees Benefits Division

Lauren.johnston@hca.wa.gov

Tel: 360-725-1117

TAB 6



Policy Resolution

Barb Scott, Manager
Policy, Rules, and Compliance Section
Employees and Retirees Benefits Division
June 13, 2018

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SEB Board Policy Resolution

Information on a policy resolution to establish the following:

- Effective Date of Coverage for School Employees Eligible for the Employer Contribution

RCW 41.05.740(6)(d) As Amended by ESSB 6241

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

(c) Authorize premium contributions for a school employee and the employee's dependents in a manner that encourages the use of cost-efficient health care systems. For participating school employees, the required school employee share of the cost for family coverage premiums may not exceed three times the premiums for a school employee purchasing single coverage for the same coverage plan;

(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;

Policy Resolution SEBB 2018-12

Effective Date of Coverage for School Employees Eligible for the Employer Contribution

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.

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

Example: Classified employee (bus driver)

This is a new employee who is **anticipated** to work 630 hours or more during the school year. His **first working day will be the first day of school**. For his district that is **September 9, 2020**.

- When does he establish eligibility for the employer contribution for SEBB benefits? **September 9, 2020.**
- When does SEBB coverage begin? **September 9, 2020.**

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

Example: Classified employee (bus driver)

This is a new employee who is **anticipated** to work 630 hours or more during the school year. Her **first working day will be September 15, 2020**, although for her district the first day of school is **September 9, 2020**.

- When does she establish eligibility for the employer contribution for SEBB benefits? **September 15, 2020.**
- When does SEBB coverage begin? **October 1, 2020.**

Effective Date of Coverage for School Employees Eligible for the Employer Contribution Example #3

Example: Certificated employee (teacher)

This is an employee who is **anticipated to work greater than 630 hours during the school year**. Her **first contracted working day will be August 27, 2020**, so she can get her classroom ready for the new school year. The district's first day of school is **September 9, 2020**.

- When does she establish eligibility for the employer contribution for SEBB benefits? **August 27, 2020.**
- When does SEBB coverage begin? **September 1, 2020.**

Effective Date of Coverage for School Employees Eligible for the Employer Contribution Example #4

Example: Classified employee (bus driver)

This is a new employee who is **anticipated** to work 630 hours or more during the school year. Her **first working day will be October 1, 2020**, although for her district the first day of school is **September 9, 2020**.

- When does she establish eligibility for the employer contribution for SEBB benefits? **October 1, 2020.**
- When does SEBB coverage begin? **November 1, 2020.**

Next Steps

Incorporate the policy resolution into SEBB Program rules.

Questions?

Barbara Scott, Manager
Policy, Rules, and Compliance Section
Employees and Retirees Benefits Division

Barbara.Scott@HCA.WA.GOV

Tel: 360-725-0830

TAB 7



Self-Insured Plan Information

Marcia Peterson, Section Manager
Benefit Strategy and Design
Shawna Lang, UMP Sr. Account Manager
Portfolio Management and Monitoring
Kim Wallace, Deputy Section Manager
Financial Services
June 13, 2018

Today's Agenda

- Self-Insured Medical Plans
 - Fully & Self-Insured Plans
 - State's Self-Insured Plan
 - Leveraging Self-Insured TPA Contract
 - Customizing the SEBB Self-Insured Plan
 - HCA Experiences of the Self-Insured TPA Procurement
 - Customizing Cost-Shares SEBB Self-Insured Plan
 - Customizing Medical Service Limitations SEBB Self-Insured Plan
 - Fiscal Impacts of potential customization of SEBB Self-Insured Plan

Fully and Self-Insured Plans

Fully Insured

- Carrier has financial risk for claims costs
- Administrative costs included in rates

Self-Insured

- Employer has financial risk for claims costs
- May have administrative cost savings – after TPA costs
- Employer controls the benefits including coinsurance, etc.

State's Self-Insured Plan

- **Pre-1988**
 - Fully Insured UMP through Blue Cross Washington/Alaska
 - Fiscal crisis occurred leaving state at risk for huge increases in cost
- **1988**
 - Legislature establishes HCA and Self-Insured Uniform Medical Plan (UMP) and Uniform Dental Plan (UDP)
- **Goals of the State's Self-Insured Plan:**
 - Increase efficiency by providing incentives of sharing risk with providers
 - Increase access by providing plan choice in every region of the state and encouraging new providers
 - Design and use rational, equitable, even-handed payment approaches
 - Promote uniformity in state agency administrative, billing, and data collection procedures
 - Act as an experimental laboratory for innovative programs and payment approaches
 - Provide options in benefits and plan design not available in the private sector
 - Provide coverage for members while out of state

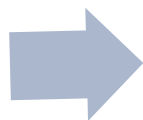
Ways to Leverage Efficient Purchasing with the State's Self-Insured Third Party Administrator (TPA)

- Access preferred contract rates
- Access the TPA's statewide provider network
 - Broad provider network with world-wide coverage that utilizes 13,000 providers within WA state
- Allows SEBB Program to have more competition for rates
 - Pressure on pricing may make rates more affordable overall
- Allows SEBB Program to design their own benefits: coinsurance, services, etc.

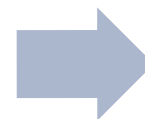
SEBB Procurement Timeline

Fully Insured

Phase One
Plan Selection
(June to November)



Phase Two
Bid Rates
(February to
June)



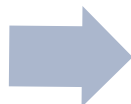
Board
Finalizes Employee
Premiums
(July 2019)



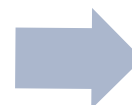
Having a self-insured plan creates additional competitive pressure on fully insured plan rates.

Self-Insured

Phase One
Plan Design
(June)



Phase Two
Bid Rates
(April to June)



Board
Finalizes Employee
Premiums
(July 2019)

Customizing the SEBB Self-Insured Plan(s)

- SEBB Self-Insured Plans may have any type of Point-of-Service Cost-Sharing that includes the ability to modify dollar amounts and limits on cost-sharing such as:
 - Deductibles, co-pays, coinsurance, and maximum out-of-pocket costs
 - Out-of-network costs
- Service Limitations (including number of visits)
 - Option to increase or decrease services that have an annual visit limitation
- Covered versus Excluded Services
 - HCA recommends analyzing the covered and excluded services list proposed by the fully insured plans received through the RFP process, and then considering possible changes to the covered and excluded services list for SEBB self-insured plan(s) this fall.

What Cannot be Customized for the SEBB Self-Insured Plan(s)

- State/federal mandated requirements (just a few examples):
 - Follow Affordable Care Act requirements
 - Follow Health Technology Clinical Committee's evidence-based coverage determinations, such as:
 - Vertebroplasty
 - Varicose veins
 - Bariatric surgery
 - Cochlear implants
 - Follow statutory requirements for certain services, such as:
 - Prescribed self-administered anti-cancer medications
 - Mammogram Screenings
 - Prostate Cancer Screenings
 - Contraceptive coverage
 - Elemental Formula for Eosinophilic Gastrointestinal Associated Disorder
- The annual visit limits for PT, OT, ST, and NDT must be combined

Costs and Timeline of Procuring a Self-Insured TPA

- The 2017 – 2019 biennial budget provided the Health Care Authority (HCA) with \$4.9M for work related to the UMP TPA procurement
- The funding included implementation costs, actuarial consulting support, and project management

Costs and Timeline of Procuring a Self-Insured TPA (*cont.*)

Five-Year Start to Finish Procurement Timeline

- January 2015 – September 2015 Planning and Funding
- October 2015 – November 2016 RFP Development
- November 2016 – April 2017 RFP Response Development
- April 2017 – August 2017 Scoring RFP
- August 2017 – January 2018 Best and Final Round
- February 2018 – December 2019 Implementation

Customizing Cost Shares of the SEBB Self-Insured Plan

Customizing Member Cost-Sharing

- Changing Actuarial Value (AV)

General Cost-Sharing	SEBB Resolution 2018-20	SEBB Resolution 2018-21
Federal AV	88%	82%
Deductible Medical Single/Family	\$250/\$750	\$750/\$2,250
Deductible Drug Single/Family	\$100/\$300	\$250/\$750
Out-of-Pocket Max Medical Single/Family	\$2,000/\$4,000	\$3,500/\$7,000
Out-of-Pocket Max Drug Single/Family	\$2,000/No Max	\$2,000/No Max
Coinsurance Medical	15%	20%
Coinsurance Drug	Tiered	Tiered

- Not Changing Actuarial Value (AV)
 - Make tradeoffs between types of member cost-sharing

Customizing Medical Service Limitations for the SEBB Self-Insured Plan

Medical Services Limitations Comparison

UMP Classic		Lynden SD		Seattle SD		Spokane SD		WEA Select	
Services	Max/Year	Services	Max/Year	Services	Max/Year	Services	Max/Year	Services	Max/Year
PT, OT, ST, NDT	60	PT, OT, ST*	25 – 60	PT, OT, ST, NDT, Massage	45	PT, OT, ST, Massage**	15 – 45	PT, OT, ST, Massage****	15 – 80
NDT		NDT	25 – 36	NDT		NDT***	15 – 45	NDT***** *	Unavail-able
Accu.	16	Accu.	12	Accu.	12	Accu.	8 – 12	Accu.	12 – 52
Chiro.	10	Chiro.	10 – UNLIM.	Chiro.	UNLIM.	Chiro.	12 – UNLIM.	Chiro.	12 – 52
Massage	16	Massage	Unavail-able	Massage		Massage		Massage	

* Except Lynden KPWA 2017 Plan includes Massage and NDT as part of therapies - 45 per year

** PT is unlimited in the Premera 2017 Plan - 2 only

*** NDT is included in OT, PT, ST bucket for some of the 2017 KPWA plans

**** Some 2017 UHC plans for WEA do not include Massage in the OT, PT, ST buckets

***** No service limitation related to treatment of Autism for UHC WEA 2017 plans

PT = Physical Therapy
OT = Occupational Therapy
ST = Speech Therapy
NDT = Neurodevelopmental Therapy

Fiscal Impact of Increasing Services

	PEBB UMP Classic	SEBB	Percentage Change (Relative to UMP Classic Payment Rate)	\$ Amount of Percentage Change
Chiropractic Acupuncture Massage	<ul style="list-style-type: none"> • C: 10 Visits • A: 16 Visits • M: 16 Visits 	<ul style="list-style-type: none"> • C: 52 Visits • A: 52 Visits • M: 80 Visits 	<ul style="list-style-type: none"> • 0.20% Increase in Paid Claims 	<ul style="list-style-type: none"> • Approximately \$2 million per year
PT / ST / OT/NDT Therapy	<ul style="list-style-type: none"> • 60 visits per calendar year 	<ul style="list-style-type: none"> • 80 visits per calendar year 	<ul style="list-style-type: none"> • No change 	<ul style="list-style-type: none"> • N/A

Appendix – Links to Benefit Summaries

- Medical


- <http://swcontent.spokaneschools.org/Page/2355>
- <http://www.lynden.wednet.edu/cms/One.aspx?portalId=1273&pageId=2953>
- <https://www.weaselect.com/#United>
- <https://www.weaselect.aetna.com/puget-sound-home/health-plans/aetna-whole-heath-network>
- <https://www.weaselect.aetna.com/puget-sound-home/health-plans/preferred-provider-organization-ppo>
- <http://www.seattleschools.org/cms/One.aspx?portalId=627&pageId=9309867>
- <https://www.hca.wa.gov/public-employee-benefits/employees/benefits-and-coverage-plan>

TAB 8



Self-Insured Medical Plan Resolutions

David Iseminger, Director
Employees and Retirees Benefits Division
Marcia Peterson, Manager
Benefits Strategy and Design Section
June 13, 2018



Resolution SEBB 2018-20

Self-Insured Plan Offering

Beginning January 1, 2020, and subject to financing decisions, the SEBB Program will offer a self-insured plan with the same covered services and exclusions, same provider networks, and same clinical policies as the Uniform Medical Plan Classic in place for plan year 2020 under the PEBB Program. The cost shares (deductible, out-of-pocket maximums, coinsurance for services, etc.) will be the same as the UMP Classic under the PEBB Program.

Resolution SEBB 2018-21

Second Self-Insured Plan Offering

Beginning January 1, 2020, and subject to final financing decisions, the SEBB Program will offer a self-insured plan with the same covered services and exclusions, same provider networks, and same clinical policies as the Uniform Medical Plan Classic in place for plan year 2020 under the PEBB Program. The cost shares (deductible, out-of-pocket maximums, coinsurance for services, etc.) will be the same as the UMP Classic under the PEBB Program, except for the following:

Resolution SEBB 2018-21

Second Self-Insured Plan Offering (*cont.*)

- Annual Deductible (medical): \$750/\$2,250 (single/family)
- Annual Deductible (drug): \$250/\$750 (single/family)
- Out-of-Pocket Maximum (medical): \$3,500/\$7,000 (single/family)
- Coinsurances: 20%/80% (member/plan)

Resolution SEBB 2018-22

Third Self-Insured Plan Offering

Beginning January 1, 2020, and subject to financing decisions, the SEBB Program will offer a self-insured plan with the same covered services and exclusions, same provider networks, and same clinical policies as the Uniform Medical Plan Consumer-Directed Health Plan in place for plan year 2020 under the PEBB Program. The cost-shares (deductible, out-of-pocket maximums, coinsurance for services, etc.) will be the same as the UMP CDHP under the PEBB Program.

Resolution SEBB 2018-23

Fourth Self-Insured Plan Offering

Beginning January 1, 2020, and subject to final financing decisions, the SEBB Program will offer a self-insured plan with the same covered services and exclusions, same provider networks (either or both of the PSHVN and UW ACN), and same clinical policies as the Uniform Medical Plan Plus in place for plan year 2020 under the PEBB Program. The cost shares (deductible, out-of-pocket maximums, coinsurance for services, etc.) will be the same as the UMP Plus.

Resolution SEBB 2018-24

Self-Insured Value-Based Formulary

Beginning January 1, 2020, the pharmacy benefit for all SEBB self-insured plans will require the use of a value-based formulary with:

- a select mix of drugs within a drug class that are covered only when medically necessary and all preferred products have been ineffective or are not clinically appropriate, and
- multi-source brand drugs being covered only when medically necessary and clinically appropriate, and

Resolution SEBB 2018-24

Self-Insured Value-Based Formulary (*cont.*)

- members who have been taking a non-preferred drug will be able to receive their current medications during a transition period, and
- the transition period for brand name drugs ends when a generic equivalent or interchangeable biologic becomes available (the drug then becomes a multi-source brand and is subject to medical necessity).

Questions?

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