

School Employees Benefits Board Meeting

October 4, 2018

School Employees Benefits Board

October 4, 2018

9:00 a.m. – 5:00 p.m.

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

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TAB 1

AGENDA

School Employees Benefits Board
October 4, 2018
9:00 a.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

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
9:10 a.m.	August Board Meeting Follow-up	TAB 3	David Iseminger, Director Employees & Retirees Benefits (ERB) Division	Information/ Discussion
9:15 a.m.	Collective Bargaining Results	TAB 4	Megan Atkinson, Chief Financial Officer, Financial Services Division David Iseminger, Director Employees & Retirees Benefits (ERB) Division	Information/ Discussion
9:45 a.m.	SEBB Wellness Program	TAB 5	Justin Hahn, Program Manager, Washington Wellness, ERB Division Marcia Peterson, Manager, Benefits Strategy and Design Section, ERB Division	Information/ Discussion
10:05 a.m.	Break			
10:15 a.m.	Group Vision Plan Benefit Designs	TAB 6	Lauren Johnston, Procurement and Account Manager SEB Section, ERB Division Cade Walker, Special Assistant to the ERB Division Director	Information/ Discussion
10:45 a.m.	Fully Insured Dental Benefits	TAB 7	Beth Heston, Procurement Manager Portfolio Management & Monitoring Section, ERB Division	Information/ Discussion
11:45 a.m.	Executive Session and Lunch			
1:15 p.m.	Self-Insured Dental Benefit	TAB 8	Beth Heston, Procurement Manager Portfolio Management & Monitoring Section, ERB Division	Action

1:25 p.m.	Basic Life and AD&D Insurance	TAB 9	Beth Heston, Procurement Manager Portfolio Management & Monitoring Section, ERB Division	Action
1:35 p.m.	Eligibility and Enrollment Policy Development	TAB 10	Barb Scott, Manager Policy, Rules, & Compliance Section, ERB Division	Information/ Discussion
2:05 p.m.	Dual Enrollment	TAB 11	Kim Wallace, SEBB Finance Manager, Financial Services Division	Information/ Discussion
2:30 p.m.	Fully Insured Medical Benefits	TAB 12	Lauren Johnston, Procurement and Account Manager SEB Section, ERB Division Cade Walker, Special Assistant to the ERB Division Director	Information/ Discussion
3:30 p.m.	Break			
3:45 p.m.	Centers of Excellence Program	TAB 13	Marty Thies, Program Manager Portfolio Management & Monitoring Section, ERB Division	Information/ Discussion
4:05 p.m.	Uniform Medical Plan Follow-up - Exclusions and Treatment Limits	TAB 14	Shawna Lang, Senior Account Manager, Portfolio Management & Monitoring Section, ERB Division Kim Wallace, SEBB Finance Manager, Financial Services Division	Information/ Discussion
4:40 p.m.	Public Comment			
5:00 p.m.	Adjourn			

***All Times Approximate**

The School Employees Benefits Board will meet Thursday, October 4, 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.

The Board will meet in Executive Session during the lunch period, pursuant to RCW 42.30.110(1)(d), to review negotiations on the performance of publicly bid contracts when public knowledge regarding such consideration would cause a likelihood of increased costs; and pursuant to RCW 42.30.110(1)(l), 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 11:45 a.m. on October 4, 2018 and conclude no later 1:15 p.m. The public portion of the meeting will resume no earlier 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.

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 October 2, 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 7904 155 th Street CT E Puyallup WA 98375 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	

8/27/18



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

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.

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 8/12/18

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: August 13, 2018
TIME: 8:07 AM

WSR 18-17-075

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



August Board Meeting Follow-up

David Iseminger, Director
Employees and Retires Benefits Division
October 4, 2018



Talking Points on Benefit Change Impacts During “K-12 Data Support for Decision Making” Presentation

Benefit Change Impact Analysis Follow-up

- Due to data limitations we are unable to duplicate the analysis using K-12 data.
- Historical K-12 data shows the amount spent in 2017 per subscriber on CAM* and therapy benefits was 40% lower for K-12 population than for UMP Classic Non-Medicare State Active population.
- Average visit per claimant in both populations does not meet current UMP benefit limits

CAM = Chiropractic, Acupuncture, Massage

Benefit Change Impact Analysis Follow-up (*cont.*)

- There are three key components needed to estimate the cost of the benefits:
 - (1) Percentage of members who are claimants
 - (2) Average visits per claimant
 - (3) Average cost per service
- Percentage of members who are claimants and average visit per claimant are both lower in K-12 than seen in UMP Classic Non-Medicare population.
- Average cost per service varied by service type and varied between UMP and K-12.

Questions?

David Iseminger, Director
Employees and Retires Benefits Division

David.Iseminger@hca.wa.gov


TAB 4



Collective Bargaining Results

Megan Atkinson, Chief Financial Officer
Financial Services Division

David Iseminger, Director
Employees and Retirees Benefits Division
October 4, 2018



Introduction

- RCW 41.56.500(3) and RCW 41.59.105(3)
 - Established the bargaining coalition
 - Specified that the coalition will bargain over the dollar amount to be contributed for school employee health benefits
 - Stated that bargaining will be conducted on even-numbered years

Bargaining Timeline

- July 2018 - Bargaining began
- September 2018 - Tentative Agreement (TA) reached
- October 1, 2018 – TA submitted for financial feasibility

Medical Benefit Funding

- The bargaining coalition and State Human Resources agreed upon an Employer Medical Contribution (EMC) towards medical benefits for all SEBB eligible employees.
- During plan years 2020 and 2021, the EMC will be a specific dollar amount equal to 85% of the monthly premium for the self-insured UMP Achieve 1 (estimated 88% AV plan).
- In no instance will the employee contribution be less than 2% of the EMC per month.
- The EMC amount and minimum employee contribution will be calculated using the tier ratios established by the SEB Board (Policy Resolution SEBB 2018-14).

EMC Concept Illustration

Plan	Actuarial Value (AV)		Employee Only	Employee & Spouse/SRDP*	Employee & Child(ren)	Employee, Spouse/SRDP* & Child(ren)
		X= Cost at First Tier	Tier 1: 1.00x	Tier 2: 2.00x	Tier 3: 1.75x	Tier 4: 3.00x
SEBB UMP Achieve 2	82%	Total Premium	\$215	\$430	\$376	\$645
		EMC	\$200	\$400	\$350	\$600
		Employee Contribution	\$15	\$30	\$26	\$45
SEBB UMP Achieve 1	88%	Total Premium	\$235	\$470	\$411	\$705
		EMC	\$200	\$400	\$350	\$600
		Employee Contribution	\$35	\$70	\$61	\$105
SEBB UMP Plus	90%	Total Premium	\$225	\$450	\$394	\$675
		EMC	\$200	\$400	\$350	\$600
		Employee Contribution	\$25	\$50	\$44	\$75

- The EMC is the employer contribution towards the medical premium.
- The EMC value per the CBA is 85% of the premium of the estimated 88% AV SEBB-branded Uniform Medical Plan (UMP Achieve 1)
- EMC: $\$235 \times 0.85 = \200

* SRDP- State-Registered Domestic Partner

Employer Paid Benefits

- Employers will contribute 100% of the premium cost across all tiers for dental insurance coverage and any offered standalone vision.
 - Contributions for spouses and dependents will be calculated using the tier ratios established by the SEB Board.
- Employers will contribute 100% of the employee's premium cost for basic life and basic LTD.

Wellness

- The SEBB Program will offer a wellness program to eligible employees who enroll as a subscriber in a SEBB medical plan in 2019 for plan year 2020.
 - Eligible employees that register in SmartHealth and complete the well-being assessment during the 2019 open enrollment will earn a \$50 incentive in the form of a reduction in medical deductible or a deposit into an HSA for plan year 2020
- Eligible subscribers will have the option to earn an annual \$125 incentive in 2021 upon completion of required SmartHealth activities during 2020.

Benefit Allocation Factor (BAF)

- State insurance benefit contributions for school employees will be adjusted using a Benefit Allocation Factor (BAF)
- BAF will be calculated separately for certificated and classified staff
 - Classified: 1.43
 - Certificated: 1.02

Other Agreements

- Employers will contribute 100% of the K-12 remittance.
- Employers will contribute the same amount per month for all eligible employees anticipated to work 630 hours or more regardless of funding source.
- As required by ESSB 6032 Section 504(3), the agreement acknowledges the collection of the tobacco and spousal surcharges.

Legislative Change Clause

- Under the terms of tentative agreement, if the legislature makes changes in statute or budget proviso impacting matters within the scope of the bargaining agreement, either party may request to meet and negotiate the impacts of the change or changes.

Questions?

Megan Atkinson, CFO

Financial Services Division

Megan.Atkinson@hca.wa.gov

David Iseminger, Director

Employees & Retirees Benefits

Dave.Iseminger@hca.wa.gov

TAB 5



SEBB Wellness Program

Marcia Peterson, Manager
Benefit Strategy & Design Section

Justin Hahn, Program Manager
Washington Wellness
Employees and Retirees Benefits Division
October 4, 2018

Worksite Wellness Programs

“It makes practical sense for employers to play a positive role in influencing the health behaviors of their workforce...Thus, many employers have added wellness programs...to their health plans and there is growing evidence for their benefits.”

Source:

American College of Occupational and Environmental Medicine. (July 2012). Joint Consensus Statement: Guidance for a Reasonably Designed, Employer-Sponsored Wellness Program Using Outcomes-Based Incentives. JOEM 54:7.

Why School Employee Wellness?

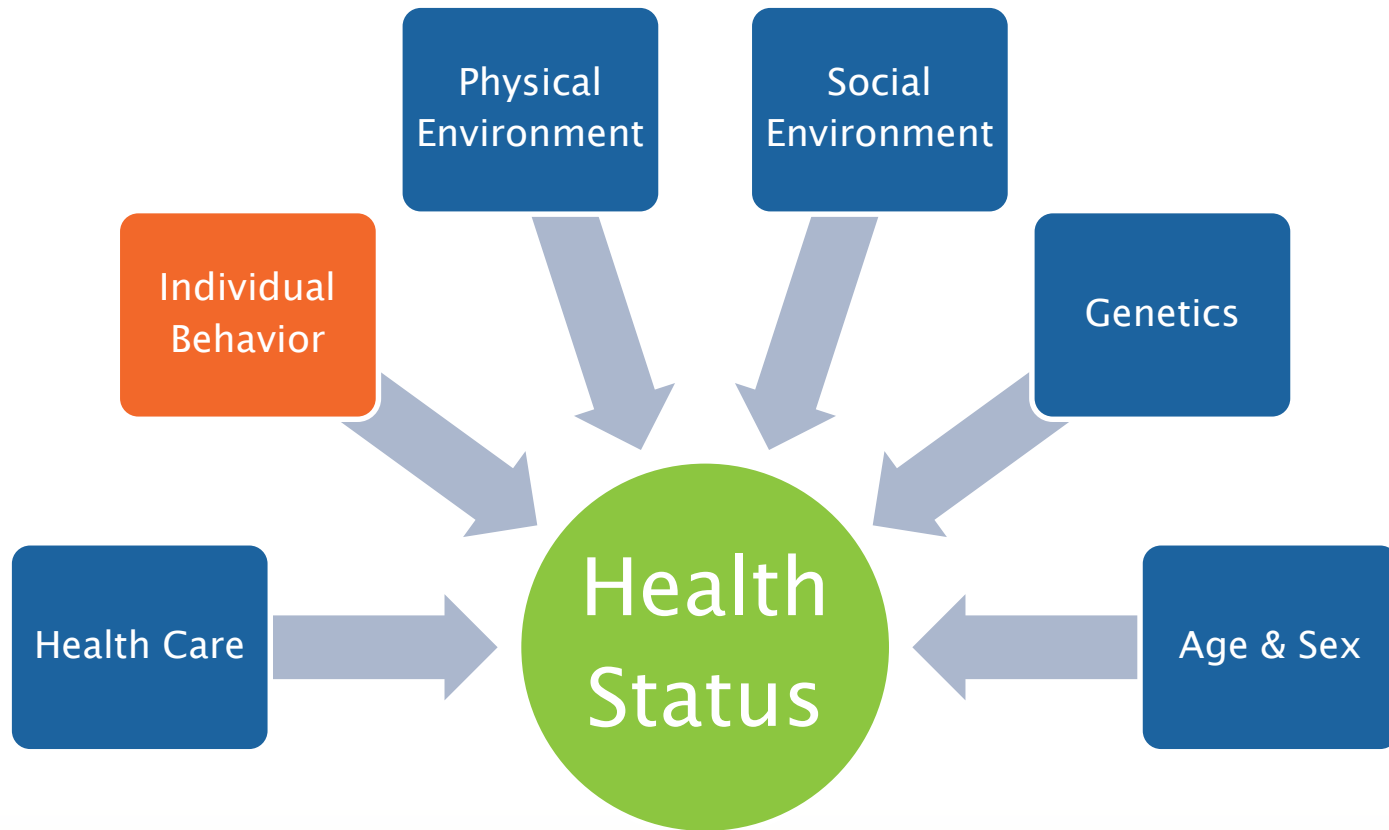
- Teachers experience high rates of turnover and burnout; but by prioritizing employee wellness, schools can help staff feel that they are valued and appreciated.
- Elementary school teachers who have greater stress and show more symptoms of depression create classroom environments that are less conducive to learning, which leads to poor academic performance among students.
- Worksite wellness programs help reduce stress and boost morale, productivity, and effectiveness in the workplace.
- Improving staff wellness can directly impact student health, not just through improved job performance, but also through positive role-modeling of healthy behaviors.

Sources:

Alliance for a Healthier Generation

Robert Wood Johnson Foundation, Pennsylvania State University

What Determines Health?



Worksite Wellness Programs - History

- 1980's health promotion and disease prevention
 - Smoking cessation, stress management, and nutrition
 - Programs that focused on treating high-cost employees
- Research began to show that programs that focus only on high-cost populations were not effective
 - It can be difficult to identify them until after an adverse health event
 - Low-cost employees often become high-cost employees

Worksite Wellness Programs - History *(cont.)*

- By the mid-2000s, employer-based wellness programs were focused on reducing health care claims costs
 - Tended to ignore factors that can play a role in the health and well-being of employees including stress, job satisfaction, fitness, nutrition, and sleep
- By 2010, wellness programs began to broaden their focus with an emphasis on the whole person, not just their health risks

State Worksite Wellness Program

- In 2013 Governor Inslee's Executive Order 13-06 established the Worksite Wellness Program
- In 2014 HCA contracted with Limeade to provide an online health and wellness portal for state employees to participate and qualify for incentives

Smart[]Health

The Use Of Incentives

- Federal regulations and the Accountable Care Act (ACA) allow employers to use financial incentives based on meeting certain health status factors
- Many employers use financial incentives that tend to result in higher engagement rates
- Financial incentives are not enough for a sustained improvement in health
- The role of an incentive is to activate employees to learn about health and wellness, engage in wellness program components, and begin to make behavior changes

Proposal for How Wellness Benefit Would Work Within the SEBB Population

- During 2019 Open Enrollment
 - Provide an online health and wellness portal to eligible SEBB Program subscribers who will register, complete the Well-being Assessment (WBA), and receive points for participating in activities
 - Subscribers who complete the WBA will be eligible for a \$50 reduction in their medical deductible or HSA deposit in 2020

Proposal for How Wellness Benefit Would Work Within the SEBB Population (*cont.*)

- Beginning January 2020, subscribers who missed the 2019 open enrollment window can register, complete their WBA, and participate in activities
- Subscribers who complete 2,000 points by the deadline and are still enrolled in a SEBB medical plan the following year, will receive a \$125 reduction in their 2021 medical deductible or HSA deposit

SEBB SmartHealth Financial Incentive Eligibility

Only the primary SEBB Program health plan subscriber is eligible to receive the SmartHealth financial incentive. To receive the incentive, the SEBB Program subscriber must:

- Meet the SEB Board's criteria for SEBB medical plan eligibility (e.g., work 630 hours or more per year)
- Qualify for the SmartHealth incentive by completing wellness activities before the incentive deadline
- Be enrolled as the primary subscriber in a SEBB medical plan the following year when the financial wellness benefit is awarded


SEB Board Decisions on Wellness Program

- PEBB experience with SmartHealth included decisions on eligibility and financial incentive deadlines.
- Moving forward we anticipate
 - Additional wellness presentations
 - SEBB SmartHealth decisions on policies (eligibility, deadline, etc.)

SmartHealth Demonstration

Smart[]Health [HOME](#) [MY RESULTS](#) [TOPICS](#) [MY POINTS](#) [FEED](#)

  150pts 

 AUG 29 - SEP 23

Welcome to SmartHealth

We are teachers, educators, and staff. We are passionate
and we are a school's foundation.

[VIEW ACTIVITY >](#)

[Learn more](#)

MY PLAN

[Current](#) [History](#)

1

Level 1

Aim

\$125 Wellness Incentive

limeade
It's totally possible.



Secure. Private. Confidential.

- Stringent HIPAA privacy standards followed. Data from groups with fewer than 20 people is never revealed.
- Federal law prohibits disclosure of personally identifiable health information to the employer.
- Personally identifiable health data is never shared with employer or HCA staff. **Only** anonymized and aggregate data is shared.

Questions?

Marcia Peterson

Benefit Strategy and Design Section Manager

Employees and Retirees Benefits Division

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Justin Hahn

Washington Wellness Program Manager

Employees and Retirees Benefits Division

360-725-1112

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TAB 6



Group Vision Plan Benefit Designs

Lauren Johnston
SEBB Procurement and Account Manager
Employees and Retirees Benefits Division
October 4, 2018

Objective

- Propose vision plan designs for Board action at the November 8, 2018 meeting.

Proposed Vision Plan Designs

In-Network Coverage

Vision Care Service	Davis Vision	EyeMed	MetLife
	Member Pays:		
Routine Eye Exam <i>1 exam every 12 months</i>	\$0		
Frames <i>1 pair every 24 months</i>	\$0 up to \$150, then 80% of balance over \$150 OR \$0 @ Visionworks OR \$0 any of the Davis Vision Frame Collection	\$0 up to \$150, then 80% of balance over \$150	\$0 up to \$150, then 80% of balance over \$150
Lenses (single, bifocal, trifocal, lenticular)	\$0	\$0	\$10
Progressive Lenses* (based on lens tier)	\$50–\$140	\$55–\$175	\$0–\$175

*Allow a wearer 3 levels of power in one lens: distance, intermediate/mid-range, and near

Proposed Vision Plan Designs

In-Network Coverage

Lens Enhancements	Davis Vision	EyeMed	MetLife
	Member Pays:		
Anti-reflective coating	\$35-\$60	\$45-\$85	\$41-\$85
Scratch-resistant	\$0	\$0	\$17-\$33
Polycarbonate	\$30	\$40	\$31-\$35
Photochromic/ Transitions	\$65	\$75	\$47-\$82
Polarized	\$75	80% of retail price	80% of retail price
Tinting	\$0	\$15	\$17-\$44
UV Treatment	\$12	\$15	\$0

Proposed Vision Plan Designs

In-Network Coverage

Contact Lenses (in lieu of glasses)	Davis Vision	EyeMed	MetLife
	Member Pays:		
Conventional	\$0 up to \$150; 85% on balance over \$150 OR 4 boxes from collection lenses	\$0 up to \$150; 85% of balance over \$150	\$0 up to \$150; 100% of balance over \$150
Disposable		\$0 up to \$150; 100% of balance over \$150	
Medically Necessary	\$0	\$0	\$0

Proposed Vision Plan Designs

Out-of-Network

Vision Care Service	Davis Vision	EyeMed	MetLife
	Member is reimbursed up to:		
Routine Eye Exam <i>1 exam every 12 months</i>	\$40	\$84	\$45
Frames <i>1 pair every 24 months</i>	\$50	\$75	\$70
Lenses			
Single	\$40	\$25	\$30
Bifocal	\$60	\$40	\$50
Trifocal	\$80	\$55	\$65
Lenticular	\$100	\$55	\$100
Progressive Lenses* (based on lens tier)	\$60	\$55	\$50

*Allow a wearer 3 levels of power in one lens:
distance, intermediate/mid-range, and near

Proposed Vision Plan Designs

Out-of-Network

Lens Enhancements	Davis Vision	EyeMed	MetLife
	Member is reimbursed up to:		
Anti-reflective coating	\$0	\$0	Applied to the allowance of the applicable lenses on Slide 6 (\$30-\$100)
Scratch-resistant		\$55	
Polycarbonate			
Photochromic/ Transitions			
Polarized			
Tinting			
UV Treatment			

Proposed Vision Plan Designs

Out-of-Network

Contact Lenses (in lieu of glasses)	Davis Vision	EyeMed	MetLife
	Member is reimbursed up to:		
Conventional	\$105	\$150	\$105
Disposable			
Medically Necessary	\$225	\$300	\$210

Other Member Savings

Other Savings	Davis Vision	EyeMed	MetLife
	Savings to the member:		
Additional Glasses	30% off	up to 40% off	20% off
LASIK surgery	40–50% off national average	15% off retail price or 5% off a promotional offer	15% off retail price or 5% off a promotional offer

Considerations

- The member's purchasing experience and their out-of-pocket costs
- Premium tax paid on the fully insured plan premiums
- Additional reserves would be needed to provide a self-insured plan

Recommendation

- Offer fully insured group vision plans for eligible school employees through Davis Vision, EyeMed, and MetLife.

Proposed Policy Resolution SEBB 2018-40

Fully Insured Vision Plan (Davis Vision)

Beginning January 1, 2020, the SEBB Program will offer a fully insured vision plan by Davis Vision as presented at the October 4, 2018 Board Meeting.

Proposed Policy Resolution

SEBB 2018-41

Fully Insured Vision Plan (EyeMed)

Beginning January 1, 2020, the SEBB Program will offer a fully insured vision plan by EyeMed as presented at the October 4, 2018 Board Meeting.

Proposed Policy Resolution SEBB 2018-42 Fully Insured Vision Plan (MetLife)

Beginning January 1, 2020, the SEBB Program will offer a fully insured vision plan by MetLife as presented at the October 4, 2018 Board Meeting.

Questions?

Lauren Johnston

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Appendix

School Organization Vision Portfolio

	Health Care Authority (PEBB Benefits)	Lynden Public School District	Seattle Public School District	Spokane Public School District	WEA Select Plans
Portfolio of Vision Benefits Standalone Products	N/A	Northwest Benefit Network: 1 plan	Northwest Benefit Network: 1 plan	MetLife: 1 plan	WEA Select (Premera and VSP): 5 plans
Portfolio of Vision Benefit Included in Medical Plan	1 Vision Plan Included in each Medical Plans	1 Vision Plan Included in one Medical Plan	3 Separate Vision Plans Included in 7 Medical Plans	2 Separate Vision Plans Included in 7 Medical Plans	N/A

Vision Benefits Ranges Comparison

	Health Care Authority (PEBB Benefits)	Lynden Public School District	Seattle Public School District	Spokane Public School District	WEA Select Plans
Routine Eye Exam (Standalone Vision Benefit)	N/A	100% paid One exam per 365 day calendar year	100% paid One exam per 365 day calendar year	100% paid* One exam per 365 day calendar year	\$0 – \$25 copay One exam paid 100% per 365 day calendar year
Routine Eye Exam (Included in Medical Vision Benefit)	Per calendar year UMP: 100% paid** KPWA:*** \$15–30 copay (based on provider type) KPNW: *** \$25 copay	100% paid One exam per 365 day calendar year	\$15 – \$25 copay One exam per 365 day calendar year Or 100% paid One exam per 365 day calendar year	\$20 copay One exam per 365 day calendar year	N/A

* Previously said \$39 copay

** Previously said \$0-50

*** Previously said 10-15% coinsurance

TAB 7



Fully Insured Dental Benefits

Beth Heston, PEBB Procurement Manager
Employees and Retirees Benefits Division
October 4, 2018

Objective

- Propose fully insured dental plan designs for Board action at the November 8, 2018 Board Meeting.

Policy Resolution SEBB 2018-06

(As passed by SEB Board at the 3/15/18 Board Meeting)

- **Resolved that**, beginning January 1, 2020, the School Employees Benefits Board Program will offer fully insured dental plans leveraging the fully insured dental plans offered under the Public Employees Benefits Board Program.
- **Resolved further**, that the Board will evaluate in 2020 whether the SEBB Program should pursue a fully insured dental plan procurement to consider additional or different offerings.

HCA Fully Insured Dental Plan Contracts

- HCA contracts with Delta Dental of Washington (DeltaCare) and Willamette Dental
- Claims paid and risk assumed by vendors
- Subscribers must see an in-network dentist to have care covered by the plan

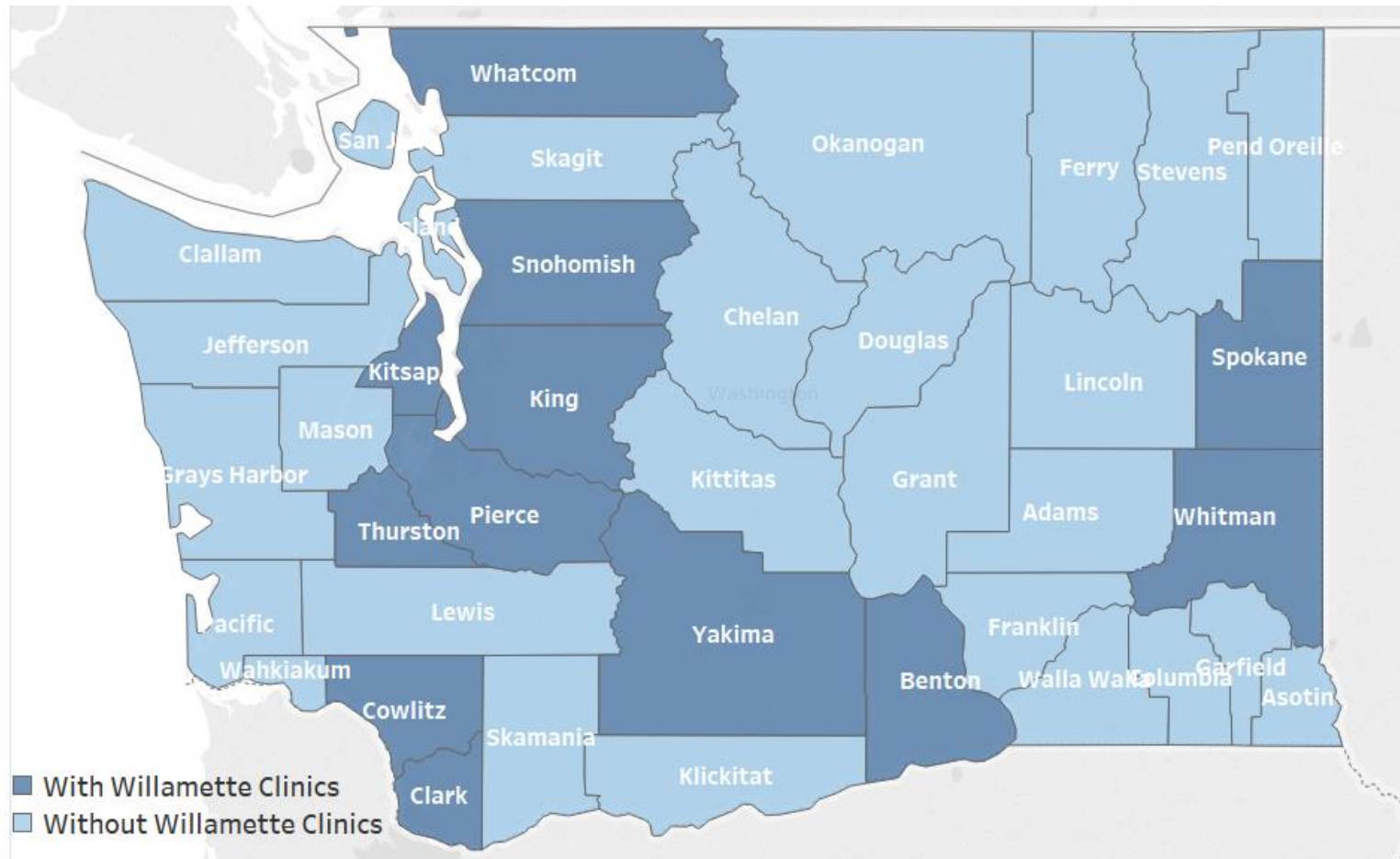
Proposed Fully Insured Dental Plans

	DeltaCare	Willamette
Annual Maximum	No Annual Max	No Annual Max
Deductible	\$0	\$0
General Office Visit	\$0	\$0
Diagnostic and Preventive		
Routine and Emergency Exams, X-Rays, Teeth Cleaning, Fluoride Treatment, Sealants	Covered at 100%	Covered at 100%
Restorative Dentistry		
Fillings	\$10–\$50	\$10–\$50
Porcelain–Metal or Stainless Steel Crown	\$100–\$175	\$100–\$175
Endodontics and Periodontics		
Root Canal	\$100–\$150	\$100–\$150
Oral Surgery and Orthodontia		
Routine or Surgical Extraction	\$10–\$50	\$10–\$50
Dental Implants	\$2,800 per tooth	\$2,800–\$7,644 for 1–3 teeth
Orthodontia	\$1,500 per case	\$1,500 per case

DeltaCare Coverage Map by County



Willamette Dental Coverage Map by County



Fully Insured Compared to Self-Insured

Fully Insured	Self-Insured
Choose a contracted dentist within the network before receiving services	Choose your own dentist (who may participate in the network)
Predictable out-of-pocket costs – copays not coinsurance	Coinsurance is a percentage of cost and total cost depends on provider
No Annual Benefit Maximum	Annual Benefit Maximum
Orthodontia covered completely	Orthodontia partially covered with separate lifetime maximum
Available clinics/providers may be limited by geography	94% of state dentists participate in the network

Recommendation

- Offer fully insured dental plans through Delta Dental (DeltaCare) and Willamette Dental.

Proposed Policy Resolution SEBB 2018-43

Fully Insured Dental Plan - DeltaCare

- Beginning January 1, 2020, the SEBB Program will offer a fully insured dental plan by Delta Dental, with the same covered services and exclusions, same provider networks, same clinical policies, and same copays as the DeltaCare plan under the PEBB Program.

Proposed Policy Resolution SEBB 2018-44

Fully Insured Dental Plan – Willamette

- Beginning January 1, 2020, the SEBB Program will offer a fully insured dental plan by Willamette Dental Group, with the same covered services and exclusions, same provider networks, same clinical policies, and same copays as the Willamette plan under the PEBB Program.

Dental Portfolio Alternative Benefit Design

- Uniform Dental Plan
 - Reduce Dental Annual Benefit Maximum to \$1,625
 - Increase Employee Share to 30% on Class II Restorations (i.e., Plan pays 70% not 80%)
- Fully Insured Dental Plans
 - Introduce office visit copays
 - Increase copay on fillings and/or crowns

These combined changes could generate some annual premium dollars that could support increasing the Basic Long-Term Disability benefit to ~\$800/month

Next Steps – November

- Board action on Policy Resolutions SEBB 2018-43 and SEBB 2018-44

Questions?

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Procurement Manager
Portfolio Management and
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Employees and Retirees
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Appendix

Employer-Paid Basic LTD* Plan Design

EMPLOYER-PAID BASIC LONG-TERM DISABILITY								
BASE WAITING PERIOD	Later of 90 days or End of Family/Medical Leave Paid							
PENSION	Choice							
SICK LEAVE	No Choice							
MAXIMUM MONTHLY BENEFIT	\$400	\$625	\$835	\$1,060	\$1,310	\$1,565	\$1,800	\$2,048
	60% of \$667	60% of \$1,040	60% of \$1,391	60% of \$1,766	60% of \$2,183	60% of \$2,608	60% of \$3,000	60% of \$3,413
PSPM COST	Same as PEBB	+\$1.00 PSPM	+\$2.00 PSPM	+\$3.00 PSPM	+\$4.00 PSPM	+\$5.00 PSPM	+\$6.00 PSPM	+\$7.00 PSPM
ANNUAL COST	~\$3.3M	~\$5M	~\$6.5M	~\$8M	~\$9.7M	~\$11.2M	~\$13M	~\$14.4M

*LTD = Long-Term Disability

TAB 8



Self-Insured Dental Benefit

Beth Heston, PEBB Procurement Manager
Employees and Retirees Benefits Division
October 4, 2018



Proposed SEBB Self-Insured Dental Plan

- Originally presented at the August 30, 2018 Board meeting
- Administered by Delta Dental of Washington
- Claims paid from SEBB Funds (subject to financing decisions)
- Subscribers may see any provider that accepts Uniform Dental Plan (Preferred Provider Organization)

Proposed SEBB Self-Insured Dental Coverage Map



Proposed SEBB Self-Insured PPO Option

SEBB Uniform Dental	
Annual Maximum	\$1,750
Deductible	\$50 individual/\$150 Family
General Office Visit (after deductible)	Covered at 100%
Diagnostic and Preventive (Class I)	
Routine and Emergency Exams (X-Rays, Teeth Cleaning, Fluoride Treatment, Sealants, Periodontal Evaluation)	Covered at 100%
Restorative Dentistry	
Fillings (Class II)	Covered at 80%
Porcelain-Metal or Stainless Steel Crown (Class III)	Covered at 50%
Endodontics and Periodontics (Class III)	
Root Canal	Covered at 80%
Oral Surgery and Orthodontia (Class III)	
Routine or Surgical Extraction	Covered at 80%
Dental Implants	Covered at 50%
Local Anesthesia	Covered at 80%
Orthodontia	50% of costs until the plan has paid a maximum of \$1,750 for member's lifetime (separate from the Annual Maximum of \$1,750).

Red text reflects updates/clarifications

Considerations

- Statewide coverage option
- Comparable rates to PEBB Program Self-Insured plan
- Orthodontia coverage included
- Competitive benefit structure
- Increased initial value of Class I and Class II services over many dental incentive plans
- Crowns treated as Class III compared to many dental incentive plans offering opportunities for higher coverage

Recommendation

- Offer the self-insured dental benefit design as proposed at the August 30, 2018 Board Meeting.

Policy Resolution SEBB 2018-37

Self-Insured Dental Plan Offering

Resolved that, 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 Dental Plan (UDP) 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 UDP benefit under the PEBB Program.

Questions?

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Portfolio Management and Monitoring Section
Employees and Retirees Benefits Division

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TAB 9



Basic Life and AD&D Insurance

Beth Heston, Procurement Manager
Employees and Retirees Benefits Division
October 4, 2018

Objective

- Take action on Policy Resolution SEBB 2018-30 presented originally at the July 30, 2018 Board Meeting

Basic Life and AD&D Insurance Summary

- On July 30, 2018, we recommended employer-paid benefit levels of:
 - \$35,000 basic life insurance
 - \$5,000 basic AD&D insurance

A decrease to a \$25,000 basic life insurance benefit could generate some annual premium dollars that could support increasing the Basic Long-Term Disability benefit to ~\$600/month

Follow-up from August 30 Meeting

- MetLife provides Life and AD&D insurance benefits for 10 “non-PEBB benefits participating” school districts
 - Total employees covered is 3,887

Policy Resolution SEBB 2018-30

Basic Term Life Insurance and Accidental Death and Dismemberment Insurance

Resolved that, the employer paid life insurance provided to eligible employees beginning January 1, 2020 will be a \$35,000 death by any cause benefit, and a \$5,000 accidental death and dismemberment (AD&D) benefit, unless modified in a subsequent resolution by the Board.

Questions?

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Employees and Retirees Benefits Division

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Appendix

Stakeholder Feedback & Responses

- Requests for increased coverage amounts (\$50k-\$100k)
 - Employer paid life insurance exceeding \$50,000 requires imputing taxable income to employees under Internal Revenue Services (IRS) requirements (26 U.S.C. 79)
 - The income imputed as taxable income is an age-banded per \$1,000 amount for employer-paid life insurance that exceeds \$50,000 (IRS Table in Appendix)
 - Example: For an \$80,000 employer-paid life benefit, a 55-year old school employee would have \$154.80 of imputed taxable income for the tax year
 - A few narrow exceptions to imputing income exist
 - IRS requirement does not apply to employer-paid AD&D

Stakeholder Feedback & Responses (*cont.*)

- Benchmarking Insights
 - MetLife provides Life and AD&D insurance benefits for 10 “non-PEBB benefits participating” school districts
 - Average benefit for employer-paid Life and AD&D is \$14,200
 - High of \$50,000 (one district) and a low of \$10,000
 - Most common benefit is \$10,000
 - MetLife provides life insurance benefits for the Federal Employees Group Life Insurance Program (FEGLI)
 - The life benefit is one times the salary rounded to the next \$1,000, plus an additional \$2,000
 - The average benefit is ~\$83,000; however, the plan is only 1/3 paid by the government, so the employer-paid portion of the plan is ~\$27,400

Stakeholder Feedback & Responses (*cont.*)

- Could an employee's current life insurance amount above the new plan's guaranteed issue be grandfathered?
 - HCA and MetLife are discussing a possible transition opportunity related to honoring some existing coverage amounts
- In some districts, employee groups are able to have different employer-paid life insurance coverage amounts
 - Under the statewide risk pool for life insurance, the employer-paid benefit level cannot vary for different types of employees

Stakeholder Feedback & Responses (*cont.*)

- For some school districts, life insurance is embedded in medical premiums
 - Under the SEBB Program, employee medical premium contributions will generally be taken as pre-tax deductions
 - When life insurance benefits are paid with pre-tax funds, taxes will likely be owed by the beneficiaries (value of benefit changes based on then existing tax rules)

TAB 10



Eligibility & Enrollment Policy Development

Barb Scott, Manager
Policy, Rules, and Compliance Section
Employees and Retirees Benefits Division
October 4, 2018

Re-introduction of Policy Resolutions

- SEBB 2018-32 Mid-year hires anticipated to work 630 hours in the next school year
- SEBB 2018-36 Eligibility presumed based on hours worked the previous school year

RCW 41.05.740(6)(d)

(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;

Proposed Policy Resolution SEBB 2018-32

Mid-year hires anticipated to work 630 hours in the next school year

A school employee who is not anticipated to work 630 hours in the current school year because of when they are hired, but is anticipated to work at least 630 hours the next school year, establishes eligibility for the employer contribution toward SEBB benefits as of their first working day if they are:

- A 9- to 10-month school employee anticipated to work at least 17.5 compensated hours a week in six of the last eight partial or full weeks before summer break; or
- A 12-month school employee anticipated to work at least 17.5 compensated hours a week in six of the last eight partial or full weeks of the school year.

Mid-year hires anticipated to work 630 hours in the next school year Example #1

Example: A new school employee (principal) is hired toward the end of the school year.

A new school principal is hired who is **not anticipated** to work 630 hours during the current school year because of the **time of year they are hired**, but are anticipated to work at least 630 hours during the next school year. Her first working day will be July 1, 2020 and the current school year ends August 31, 2020. She is anticipated to **work at least 17.5** hours per week for at least 6 partial or full weeks in the last 8 weeks of July and August 2020.

- When are they eligible for the employer contribution for SEBB benefits? **July 1, 2020.**
- When does SEBB coverage begin? **August 1, 2020 (based on SEBB 2018-12).**

Mid-year hires anticipated to work 630 hours in the next school year Example #2

Example: A new school employee (bus driver) is hired toward the end of the school year.

A new bus driver is hired who is **not anticipated** to work 630 hours during the current school year because of the **time of year they are hired**, but are anticipated to work at least 630 hours during the next school year. Her first working day will be April 20, 2020. She is anticipated to **work at least 17.5** hours per week for at least 6 partial or full weeks in the last 8 weeks before summer break that begins June 18, 2020.

- When are they eligible for the employer contribution for SEBB benefits?
April 20, 2020.
- When does SEBB coverage begin? **May 1, 2020 (based on SEBB 2018-12).**

Mid-year hires anticipated to work 630 hours in the next school year

Example #3

Example: A new school employee (teacher) is hired toward the end of the school year.

A new teacher is hired who is **not anticipated** to work 630 hours during the current school year because of the **time of year they are hired**, but are anticipated to work at least 630 hours during the next school year. His first working day will be April 1, 2020. He is anticipated to **work at least 17.5** hours per week for at least 6 partial or full weeks in the last 8 weeks before summer break on June 16, 2020.

- When are they eligible for the employer contribution for SEBB benefits?
April 1, 2020.
- When does SEBB coverage begin? **May 1, 2020 (based on SEBB 2018-12).**

Proposed Policy Resolution

SEBB 2018-36

Eligibility presumed based on hours worked
the previous school year

A school employee is presumed eligible if they:

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

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

Eligibility presumed based on hours worked the previous school year

Example #1

Example: Classified Employee (part-time bus driver)

A part-time bus driver earned eligibility in April during each of the prior two school years and is returning to a part-time bus driver position for the third year.

- Is she eligible for the employer contribution toward SEBB benefits when she returns to work in the same bus driver position for the third school year? **Yes, unless the SEBB Organization informs the bus driver in writing of the specific reasons why she is not anticipated to work at least 630 hours in the current school year.**

Eligibility presumed based on hours worked the previous school year

Example #2

Example: Classified Employee (part-time food service worker)

A part-time food service worker earned eligibility in April during each of the prior two school years and is returning to a part-time food service worker type position for the third year.

- Is he eligible for the employer contribution toward SEBB benefits when he returns to work in the same food service position for the third school year? **Yes, unless the SEBB Organization informs the food service worker, in writing, of the specific reasons why he is not anticipated to work at least 630 hours in the current school year.**

Next Steps

- Incorporate Board feedback in the proposed policy
- Send the proposed policy to stakeholders (*after today's meeting*)
- Bring a recommended policy resolution to the Board to take action on at the November 8, 2018 Board Meeting

Questions?

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Appendix

Proposed Policy Resolution SEBB 2018-32 (as presented July 30, 2018)

Mid-year hires for positions that are anticipated to work 630 hours in the next school year

School employees who are not anticipated to work 630 hours within the current school year because of the time of year they are hired establish eligibility for the employer contribution toward SEBB benefits as of their first working day if they:

- Are anticipated to work at least 52.5 hours per month in each remaining month of the school year; and
- Are anticipated to work at least 630 hours the next school year.

Proposed Policy Resolution SEBB 2018-36

(as presented August 30, 2018)

Eligibility presumed based on hours worked
the previous school year

A school employee is presumed eligible if they:

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

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

TAB 11



Dual Enrollment

Kim Wallace
SEBB Finance Manager
Financial Services Division
October 4, 2018

Overview

- What is dual enrollment?
- Monthly premiums: Who pays what?
- Benefits: How are claims paid?
- Financial considerations
- Issues and Impacts
- Proposed Policy Resolution (Board action scheduled for November 8, 2018)

What is Dual Enrollment?

- SEBB/SEBB dual enrollment would occur if one SEBB member – adult or child – was enrolled under two SEBB medical plan accounts, two SEBB dental plan accounts, or two SEBB vision plan accounts.
- SEBB/PEBB dual enrollment would occur if a SEBB member – adult or child – was enrolled under a SEBB medical plan account and a PEBB medical plan account. Same applies for dental and group vision plan accounts.
- Today, we are continuing the discussion of SEBB/SEBB dual enrollment.

Example of SEBB/SEBB Dual Enrollment

- A benefits-eligible employee enrolls as the subscriber in one of the medical plans offered to her as an employee, say UMP Achieve 2.
- Her spouse who is also a SEBB benefits-eligible employee enrolls as the subscriber in one of the medical plans offered to him as an employee – could be UMP Achieve 2 or a SEBB fully insured medical plan.
- One or both of them also enrolls the other as a “spouse dependent” on her/his plan.

Monthly Premiums: Who Pays What?

- Per Policy Resolution SEBB 2018-14 which established a tiered premium structure for SEBB medical plans, this creates a Tier 2 (employee and spouse) enrollment scenario.
- Under Tier 2, the employer and the employee pay their premium contributions for both the employee and the spouse.
- In this dual enrollment situation, the employer and employee are paying premium contributions twice for both individuals (under two separate subscriber accounts).

Benefits: How Are Claims Paid?

- Coordination of benefits (COB)
 - The plan determined to be “primary” pays its share of the cost first; the general rule is that an employee’s own plan is primary.
 - Rules for COB can vary; generally, if there is any remaining amount owed by the member after the “primary” plan has paid, the “secondary” plan processes the claim and may cover some or all of the rest. The member will not receive coverage for more than 100% of the allowed cost.

Financial Considerations

- If SEBB/SEBB dual enrollment is allowed, the employer will pay premiums for an individual employee twice – once to cover their enrollment as an employee and once to cover their enrollment as a spouse.
 - If the employee owes part of the monthly premium, they will pay the monthly premium “twice.”
 - If the employer pays 100% of the monthly premium, the “double cost” is paid by the employer.
- Delta Dental of WA, a carrier with over 200,000 K-12 enrollees, reports that at least 5% of K-12 members are currently dually enrolled in dental plan coverage.

Issues and Impacts

- Increases the cost of launching the SEBB Program
 - Remember, PEBB/PEBB dual enrollment is prohibited in the PEBB Program.
- Creates pressure on the Legislature to make changes to eligibility criteria and/or benefits design

Proposed Policy Resolution SEBB 2018-15

Dual enrollment in SEBB Benefits is prohibited

School Employees Benefits Board (SEBB)
medical, dental, and vision coverage is
limited to a single enrollment per individual.

Questions

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TAB 12



Fully Insured Medical Benefits

Lauren Johnston
SEBB Procurement and Account Manager

Cade Walker
Special Assistant to the ERB Division Director
Employees and Retirees Benefits Division
October 4, 2018

RFP Proposals Outcome

- 6 Apparently Successful Bidders (ASBs)
- Contract negotiations have begun
- Board action requested in November to proceed with rate development on proposed plan designs
- No rates at this time; contract is focused on other aspects: plan designs, operations, clinical programs, etc.
 - Not to exceed rates will be obtained in December/January
- Fully insured HMO and PPO offerings: 2 HMO/4 PPO network types

Initial Plan Development Process

- Unscoored plan designs submitted with RFP responses
- Instructed all ASBs at end of August to submit updated plan designs based on some parameters:
 - About 2 plans for Clark, King, Snohomish, and Spokane and about 3 plans for all other counties
 - Reminded them of self-insured SEBB Plan AVs
 - Foreshadowed to assume vision would be carved out
 - Premium tier ratio would be applied to employer contribution for medical benefits

Accumulator Variability

The proposed plans included a wide range of accumulators:

Accumulators	Single Subscriber	Full Family
Medical Benefit		
Deductibles	\$125 – \$1,750	\$250 – \$5,250
Maximum Out-of-Pocket	\$2,000 – \$5,000	\$4,000 – \$15,000
Pharmacy Benefit		
Deductibles	<ul style="list-style-type: none"> • Combined with medical deductible • \$0 – \$500 	<ul style="list-style-type: none"> • Combined with medical deductible • \$0 – \$1,250
Maximum Out-of-Pocket	All accumulate towards the medical benefit maximum out-of-pocket	

Benefit Cost Share Ranges

Coinsurance (in general)	In-Network: 10%–25%	Out-of-Network: 40%–100%*
Covered Service Type	Copay	Coinsurance
Emergency Room	\$0 to \$250	10%–25%
Hospital: Inpatient	\$0 to \$300/admission	10%–25%
Hospital: Outpatient	\$0	10%–25%
Office Visits: Primary Care	\$0–\$40	15%–20%
Office Visits: Specialty Care	\$30–\$50	15%–20%
Urgent Care	\$0–\$50	15%–25%

* Exception for emergency care and, for some carriers, urgent care.

Proposed Treatment Limitations

Service	Limitation Range	
Acupuncture	12, 16, or 20	
Chiropractic	10, 12, 20, 52 or No limit listed	
Massage Therapy	Limited to 45 or 80 (depending on the plan). No limit for NDT	12, 16, 20
Combined OT/PT/ ST/NDT*		45 or 60 combined Per calendar year

* Occupational Therapy / Physical Therapy / Speech
Therapy / Neurodevelopmental Therapy

Actuarial Value (AV) Ranges

- Fairly even distribution from ~79% - ~91%
- A concentration of plans submitted around 83% - 84%
- Lowest AV: one plan at ~76%
- Highest AV: two plans at ~91%
- Uniform Medical Plan AVs:
 - UMP Achieve 1 = 82%
 - UMP Achieve 2 = 88%
 - UMP Plus = ~89 - 90%

IRS Qualified High Deductible Health Plan (HDHP)

- Only 1 HDHP proposed, which would not be available statewide
- UMP HDHP is available statewide

Variability Impacts

- Standardizing some cost-share aspects of plan designs would:
 - Make comparing plans easier
 - Improve the member plan selection experience
 - Provide some parity among the plans
- Standardizing all cost-share aspects of plan designs would:
 - Limit the potential range of plan AVs
 - Shift the primary focus of member selections away from plan design and to provider networks

Standardizing Deductibles

- Carriers recently submitted update plan designs focused on four different deductible levels
- June 13 Board vote for UMP deductibles helped inform this process:
 - \$125 (UMP Plus)
 - \$250 (UMP Achieve 2)
 - \$750 (UMP Achieve 1)
- The fourth deductible level of \$1,250 was informed by the initial carrier plan designs submitted

Questions for the Board

- Are there other components of plan design you are interested in seeing more standardization?
- Is there a point where you become concerned about “too much plan choice” for a member?

Next Steps

- HCA will incorporate Board insight in ongoing negotiations
- At the November Board Meeting, specific plan design components will be shared (see next slide)
 - This information will be provided to the Board as early as possible prior to the November meeting
- Action will be requested on Policy Resolutions SEBB 2018-45 through SEBB 2018-50 at the November Board Meeting to proceed with rate development

Proposed Medical Plan Design

	Carrier Name		
	Plan Name		
	XX% AV		
	Medical		
Deductible (single/family)			
Coinsurance			
Max OOP* (single/family)			
	Drug		
Deductible (single/family)			
Coinsurance			
Max OOP* (single/family)			
	Copay	Coinsurance	Subject to Deductible?
Emergency Room			
Hospital: Inpatient			
Hospital: Outpatient			
Office Visits: Primary Care			
Office Visits: Specialist			
Urgent Care			

*OOP = Out-of-Pocket

Proposed Policy Resolution

SEBB 2018-45

Fully Insured Medical Plans (Aetna)

The SEB Board endorses Aetna's proposed fully insured plan designs presented at the November 8, 2018 Board Meeting for the purposes of rate development.

Proposed Policy Resolution SEBB 2018-46

Fully Insured Medical Plans (Kaiser Foundation Health Plan of the Northwest)

The SEB Board endorses Kaiser Foundation Health Plan of the Northwest's (KPNW) proposed fully insured plan designs presented at the November 8, 2018 Board Meeting for the purposes of rate development.

Proposed Policy Resolution SEBB 2018-47

Fully Insured Medical Plans (Kaiser Foundation Health Plan of Washington)

The SEB Board endorses Kaiser Foundation Health Plan of Washington's (KPWA) proposed fully insured plan designs presented at the November 8, 2018 Board Meeting for the purposes of rate development.

Proposed Policy Resolution

SEBB 2018-48

Fully Insured Medical Plans (Kaiser Foundation Health Plan of Washington Options, Inc.)

The SEB Board endorses Kaiser Foundation Health Plan of Washington Options, Inc. (KPWAO) proposed fully insured plan designs presented at the November 8, 2018 Board Meeting for the purposes of rate development.

Proposed Policy Resolution SEBB 2018-49

Fully Insured Medical Plans (Premera)

The SEB Board endorses Premera Blue Cross' proposed fully insured plan designs presented at the November 8, 2018 Board Meeting for the purposes of rate development.

Proposed Policy Resolution

SEBB 2018-50

Fully Insured Medical Plans (Providence Health Plan)

The SEB Board endorses Providence Health Plan's proposed fully insured plan designs presented at the November 8, 2018 Board Meeting for the purposes of rate development.

Questions?

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Appendix

Non-CDHP Medical Portfolio Overview

	Health Care Authority (PEBB Benefits)	Lynden Public School District	Seattle Public School District	Spokane Public School District
Portfolio of Medical Benefits	<p>UMP: 1 PPO plan 1 ACN plan (2 networks)</p> <p>KPWA: 3 HMO plans</p> <p>KPNW: 1 HMO plan</p>	<p>KPWA: 1 HMO plan</p> <p>Regence: 5 PPO plans</p>	<p>KPWA: 2 HMO plans 4 PPO plans</p>	<p>KPWA: 2 PPO plans 3 HMO plans</p> <p>Premiera: 3 PPO plans</p>

Note: Does not include Medicare and CDHP plans

Medical Benefits Ranges Comparison

	Health Care Authority (PEBB Benefits)	Lynden Public School District	Seattle Public School District	Spokane Public School District	WEA Select Plans
Annual Deductible (The amount the member must pay before the plan begins to pay for covered services)	\$125 – \$300 Individual \$375 – \$900 Family	\$500 – \$2,500 Individual \$2,250 – \$7,500 Family	\$100 – \$1,000 Individual \$200 – \$2,000 Family	\$100 – \$1,250 Individual \$400 – \$3,750 Family	\$200 – \$2,100 Individual \$600 – \$ 4,200 Family
Copayment (Fixed dollar amount the member pays for covered health services upon receipt of service)	<u>Primary Care Office Visit</u> \$0 – \$30	<u>Primary Care Office Visit</u> \$15 – \$45	<u>Primary Care Office Visit</u> \$15 – \$35	<u>Primary Care Office Visit</u> \$20 – \$35	<u>Primary Care Office Visit</u> \$20 – \$35
Coinsurance (The member's share of the costs of covered services calculated as a percent of the allowed amount)	<u>Physician/Surgeon Fees</u> 85%/15% split – 80%/20% split	<u>Physician/Surgeon Fees</u> 80%/20% split – 60%/40% split	<u>Physician/Surgeon Fees</u> 70%/30% split – 80%/20% split	<u>Physician/Surgeon Fees</u> 90%/10% split – 75%/25% split	<u>Physician/Surgeon Fees</u> 70%/30% split – 90%/10% split

Note: Does not include Medicare and CDHP plans

Medical Benefits Ranges Comparison (*cont.*)

	Health Care Authority (PEBB Benefits)	Lynden Public School District	Seattle Public School District	Spokane Public School District	WEA Select Plans
Annual Out-of-Pocket Limit (The most the member could pay during a coverage period for the share of the member's costs of covered services)	\$2,000 – \$3,000 Individual \$4,000 – \$6,000 Family	\$3,000 – \$3,750 Individual \$9,000 – \$11,500 Family	\$2,000 – \$5,000 Individual \$4,000 – \$10,00 Family	\$1,000 – 6,000 Individual \$2,000 – \$12,000 Family	\$1,000 – \$6,600 Individual \$3,000 – \$13,200 Family

Note: Does not include Medicare and CDHP plans

Medical CDHP Portfolio Overview

	Health Care Authority (PEBB Benefits)	Seattle Public School District	Spokane Public School District	WEA Select Plans
Portfolio of CDHP Benefits	<p>UMP: 1 CDHP plan</p> <p>KPWA: 1 CDHP plan</p> <p>KPNW: 1 CDHP plan</p>	KPWA: 1 CDHP plan	Premiera: 1 CDHP plan	UnitedHealthcare: 2 CDHP plans

Note: Lynden Public School District does not have a CDHP plan

Note: Does not include Medicare

Medical CDHP Benefits Ranges Comparison

	Health Care Authority (PEBB Benefits)	Seattle Public School District	Spokane Public School District	WEA Select Plans
Annual Deductible (The amount the member must pay before the plan begins to pay for covered services)	\$1,400 Individual \$2,800 Family	\$1,500 Individual \$3,000 Family	\$1,750 Individual \$3,000 Family	\$1,750 Individual \$3,500 Family
Coinsurance (The member's share of the costs of covered services calculated as a percent of the allowed amount)	<u>Physician/Surgeon Fees</u> 90%/10% split – 85%/15% split	<u>Physician/Surgeon Fees</u> 90%/10% split	<u>Physician/Surgeon Fees</u> 80%/20% split	<u>Physician/Surgeon Fees</u> 80%/20% split

Note: Does not include Medicare

Medical CDHP Benefits Ranges Comparison (*cont.*)

	Health Care Authority (PEBB Benefits)	Seattle Public School District	Spokane Public School District	WEA Select Plans
Annual Out-of-Pocket Limit (The most the member could pay during a coverage period for the share of the member's costs of covered services)	\$4,200 – \$5,100 Individual \$8,400 – \$10,200 Family	\$3,500 Individual \$7,000 Family	\$5,000 Individual \$10,000 Family	\$5,000 Individual \$10,000 Family

Note: Does not include Medicare

TAB 13



Centers of Excellence Program

Marty Thies, Program Manager
Employees and Retirees Benefits Division
October 4, 2018



Overview

The Centers of Excellence (COE) Program is:

- A benefit option that currently overlays the UMP Classic and CDHP plans in the PEBB Program
- Clinically effective and helps to control costs

SEB Board can choose to adopt this COE Program overlay on:

- UMP Achieve 1
- UMP Achieve 2
- UMP High Deductible

Procedures: Total Joint Replacement (TJR), Spinal Fusion

Selection

- High utilization
- High variability in cost and outcomes

COE Quality: Compliance with Bree Criteria (TJR)

- Appropriateness: conservative therapy, documentation
- Fitness: BMI, nicotine use, A1c, circulation, opioid use
- Surgery: surgeons perform 50+/year, begin before 5 PM
- Recovery: pain control, physical therapy, return-to-function, follow-up

Benefit Design

For members: Incentivizing toward quality

- Voluntary participation
- Low to no out-of-pocket costs,* including:
 - Surgery and associated inpatient services
 - Implant and Durable Medical Equipment (DME)
 - Case Management
 - Transportation and accommodations for patient and care companion
- Prospective payment
- 90-day warranty for specified complications

*UMP High Deductible Plan members must pay their deductible first, as required by IRS regulations.

TJR Quality & Costs

Outcomes:

- **Zero readmissions** for members undergoing their TJR at the Center of Excellence
- **Zero complications** indicated in claims data
- Member Experience survey score: **9.5 out of 10**

Costs:

- **Savings to participating members**
- For the UMP population, TJR surgeries performed at the Center of Excellence **were less expensive** than those performed elsewhere

Recommendation

Adopt the Centers of Excellence Program within the following plans:

- UMP Achieve 1
- UMP Achieve 2
- UMP High Deductible

Proposed Policy Resolution SEBB 2018-51 Centers of Excellence Program

The SEBB Program will offer the Uniform Medical Plan Centers of Excellence Program (COE) starting in Plan Year 2020.

Questions?

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Account Manager

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TAB 14




Uniform Medical Plan (UMP) Follow-up Exclusions and Treatment Limits

Shawna Lang, Senior Account Manager
Employees and Retirees Benefits Division

Kim Wallace, SEBB Finance Manager
Financial Services Division

October 4, 2018



Exclusion comparison criteria between fully and self-insured medical plans

Services were not compared if:

- Services were subject to Health Technology Clinical Committee (HTCC) decisions
- The majority of carriers aligned with the UMP exclusion
- Contractually the exclusion cannot be changed

Comparison Results

- No services passed criteria
- Examples of services that criteria were applied to:
 - Skilled nursing facility services or confinement: when primary use of the facility is as a place of residence, when treatment is primarily custodial
 - Air ambulance, if ground ambulance would serve the same purpose
 - Non-Affordable Care Act (ACA) immunizations
 - Treatment caused during voluntary participation in riots, rebellions, and illegal acts

Recommendation

- After completing the comparison there are no UMP exclusions recommended for Board action

Review of Treatment Limits Considered June – August 2018

SEBB June 13, 2018

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

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

SEBB July 30, 2018

Illustration - Changes in Visit Limits

	Current State	Option #1	Option #2	Option #3	Option #4
Visit Limits					
Chiropractic	10	16	24	36	52
Acupuncture	16	16	24	36	52
Massage	16	16	24	36	52
PT/OT/ST/NDT*	60	80	80	80	80
Increase in plan paid (PSPM**)	\$0.00	\$0.60	\$1.00	\$1.30	\$2.30
Increase in plan paid per year	\$0.00	\$450,000	\$750,000	\$950,000	\$1,700,000

- Dollar figures are rounded and represent estimated changes to PEBB Program UMP Classic non-Medicare – State Active plan paid amounts under various treatment limit options/scenarios
- Based on 2017 calendar year data

* Physical Therapy / Occupational Therapy / Speech Therapy / Neurodevelopmental Therapy

** Per Subscriber Per Month

Data and Methodology

- Figures shown are based on 2017 experience data; 2016 and 2015 data produced similar results.
- A small percentage of UMP members used CAM* services, and of those who did, most did not reach the limits.
- Estimated increases in plan paid amounts assumed both increased utilization by members who had hit existing limits and new claimants due to increased limits, i.e., benefit induced utilization.
- Important notes:
 - Amounts shown represent a view of the order of magnitude increase that could be seen in a SEBB self-insured plan; they do not represent an estimate of the costs under a SEBB plan.
 - Amounts shown are well within the margin of error for SEBB Program modeling.

SEBB August 30, 2018

Benefit Change Impact Analysis Follow-up

- Due to data limitations, we are unable to duplicate the July 30 analysis using K-12 data
- Historical K-12 data shows the amount spent in 2017 per subscriber on CAM* and therapy benefits were 40% lower for K-12 population than for UMP Classic Non-Medicare State Active population
- Average number of visits per claimant does not reach “current state” UMP treatment limits in either population

*Chiropractic, Acupuncture, Massage

Benefit Change Impact Analysis Follow-up (*cont.*)

- There are three key components needed to estimate the cost of benefits:
 - (1) Percentage of members who are claimants
 - (2) Average visits per claimant
 - (3) Average cost per service
- Percentage of members who are claimants and average visits per claimant are both lower in K-12 than in the UMP Classic Non-Medicare State Active population
- Average cost per service varied by service type and between UMP and K-12

Comparison of Proposed Treatment Limits for Chiropractic, Acupuncture, Massage, and Therapies

Comparison of Treatment Limits

Proposed Fully Insured Medical Plans

Service	Limitation Range	
Acupuncture	12, 16, or 20	
Chiropractic	10, 12, 20, 52 or No limit listed	
Massage Therapy	Limited to 45 or 80 (depending on the plan). No limit for NDT	12, 16, 20
Combined OT/PT/ST/NDT*		45 or 60 combined Per calendar year

* Occupational Therapy / Physical Therapy / Speech
Therapy / Neurodevelopmental Therapy

Recommendation

Align with Current State for 2020

	Current State	Option #1	Option #2	Option #3	Option #4
Visit Limits					
Chiropractic	10	16	24	36	52
Acupuncture	16	16	24	36	52
Massage	16	16	24	36	52
PT/OT/ST/NDT*	60	80	80	80	80
Increase in plan paid (PSPM*)	\$0.00	\$0.60	\$1.00	\$1.30	\$2.30
Increase in plan paid per year	\$0.00	\$450,000	\$750,000	\$950,000	\$1,700,000

- Dollar figures are rounded and represent estimated changes to PEBB Program UMP Classic non-Medicare – State Active plan paid amounts under various treatment limit options/scenarios
- Based on 2017 calendar year data

* Physical Therapy / Occupational Therapy / Speech Therapy / Neurodevelopmental Therapy

** Per Subscriber Per Month

Proposed Policy Resolution SEBB 2018-52* Self-Insured Plans Treatment Limitations

Amending Policy Resolutions SEBB 2018-20, SEBB 2018-21, and SEBB 2018-22 to change the treatment limitations as follows:

- Chiropractic visits are limited to 52 per calendar year
- Acupuncture visits are limited to 52 per calendar year
- Massage visits are limited to 52 per calendar year

** Resolution requested by certificated board members*

Questions

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