

School Employees Benefits Board Meeting

May 16, 2019

School Employees Benefits Board

May 16, 2019

9:00 a.m. – 4:00 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
May 16, 2019
9:00 a.m. – 4:00 p.m.
Sue Crystal Rooms A & B

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. | April 10, 2019 Board Meeting Follow-up | | David Iseminger, Director ERB Division | Information/ Discussion |
| 9:20 a.m. | 2019-21 State Operating Budget | TAB 3 | Megan Atkinson, Chief Financial Officer, Financial Services Division | Information/ Discussion |
| 10:20 a.m. | 2019 Legislative Session Update | TAB 4 | Cade Walker, Special Assistant to ERB Division Director | Information/ Discussion |
| 10:40 a.m. | BREAK | | | |
| 10:55 a.m. | Policy Resolution | TAB 5 | Rob Parkman, Policy and Rules Coordinator, ERB Division | Action |
| 11:10 a.m. | 2019 Annual Rule Making | TAB 6 | Rob Parkman, Policy and Rules Coordinator, ERB Division | Information/ Discussion |
| 11:25 a.m. | Affordable Care Act (ACA) Reporting | TAB 7 | James Koch Benefits Accounts, ERB Division | Information/ Discussion |
| 12:00 p.m. | Executive Session and Lunch | | | |
| 1:15 p.m. | <ul style="list-style-type: none"> • Procurement • Benefits Refinement Update | TAB 8 | Lauren Johnston, Contracts Manager School Employees Benefits Section, ERB Division | Information/ Discussion |
| 1:30 p.m. | UMP Pharmacy Benefit | TAB 9 | Marcia Peterson, Manager Benefits Strategy & Design Section, ERB Division | Action |
| 2:15 p.m. | 2020 Benefit Refinements Policy Development | TAB 10 | David Iseminger, Director Employees & Retirees Benefits (ERB) Division | Information/ Discussion |
| 3:00 p.m. | BREAK | | | |

| | | | | |
|-----------|---|--------|--|----------------------------|
| 3:15 p.m. | Flexible Spending Arrangement (FSA) and Dependent Care Assistance Program (DCAP) | TAB 11 | Marty Thies, Account Manager Portfolio Management & Monitoring Section, ERB Division | Information/ Discussion |
| 3:45 p.m. | Public Comment | | | |
| 4:00 p.m. | Adjourn Meeting | | | |

***All Times Approximate**

The School Employees Benefits Board will meet Thursday, May 16, 2019, 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, 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 12:00 p.m. on May 16, 2019 and conclude no later 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 May 13, 2019.

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@hca.wa.gov | Employee Health Benefits Policy and Administration |
| Pete Cutler 7605 Ostrich DR SE Olympia WA 98513 C 360-789-2787 pete.cutler@hca.wa.gov | Employee Health Benefits Policy and Administration |
| Patty Estes 7904 155 th Street CT E Puyallup WA 98375 C 360-621-9610 patty.estes@hca.wa.gov | Classified Employees |
| Dan Gossett 603 Veralene Way SW Everett WA 98203 C 425-737-2983 dan.gossett@hca.wa.gov | Certificated Employees |

SEB Board Members

| Name | Representing |
|---|--|
| Katy Henry Spokane Public Schools 200 North Bernard Spokane WA 99201 V 509-325-4503 katy.henry@hca.wa.gov | Certificated Employees |
| Terri House Marysville School District 4220 80 th ST NE Marysville WA 98270 V 360-965-1610 terri.house@hca.wa.gov | 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@hca.wa.gov | Employee Health Benefits Policy and Administration (WASBO) |
| Alison Poulsen 12515 South Hangman Valley RD Valleyford WA 99036 C 509-499-0482 alison.poulsen@hca.wa.gov | 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 | |

5/10/19



STATE OF WASHINGTON
HEALTH CARE AUTHORITY
626 8th Avenue SE • P.O. Box 45502 • Olympia, Washington 98504-5502

UPDATED SEBB MEETING SCHEDULE

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 29, 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 11/27/18

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: November 27, 2018

TIME: 3:36 PM

WSR 18-24-024

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



SEBB Finance

2019-21 State Operating Budget

Megan Atkinson, Chief Financial Officer
Financial Services Division
May 16, 2019

Overview

- Monthly Funding Rate Comparison
 - HCA Legislative Update from 3/1 vs. 2019-21 State Operating Budget
- Funding Rate Assumptions
- Flow of Funding Rate
- Decision Packages

Monthly Funding Rate Comparison

| | 2019-21 State Operating Budget | |
|---|-----------------------------------|-----------------|
| Funding Rate | FY20 | FY21 |
| HCA - SPM Suggested - 3/1/19 ¹ | \$ 1,096 | \$ 1,127 |
| 2019-21 State Operating Budget | \$ 994 | \$ 1,056 |
| <i>Difference</i> | <i>\$ (102)</i> | <i>\$ (71)</i> |

Note:

1. SEBB Projection Model Suggested Funding Rate from 3/1/19 Leg Budget Scenario

Funding Rate Assumptions – as of 4/27/19

| HCA Legislative Update - 3/1/19 | 2019-21 State Operating Budget |
|--|--|
| 2019-21 Biennium | 2019-21 Biennium |
| <p>GF-S Loan Repayment Assumptions:</p> <ul style="list-style-type: none"> - All loans repaid within the 2019-21 Biennium <p>Premium Stabilization Reserve (PSR) Funding Level Assumptions:</p> <ul style="list-style-type: none"> - Starting at 7% PSR for Medical in FY20 - Starting at 4% PSR for Dental in FY20 <p>Inflation Assumption:</p> <ul style="list-style-type: none"> - Medical Trend Inflation of 6.9% for CY2020 and 6.5% for CY2021 <p><i>SEBB Projection Model (SPM) Suggested Funding Rate from 3/1/19 Leg Budget Scenario</i></p> | <p>GF-S Loan Repayment Assumptions:</p> <ul style="list-style-type: none"> - Loans would be repaid by June 30, 2022 (end of FY2022). <p>Funding Rate:</p> <ul style="list-style-type: none"> - SEBB funding rate was derived off the most recent PEBB Modeling basis: PFPM (PEBB Financial Projection Model) 6.0 Net Funding Rate. <p><u>Adopting the PFPM 6.0 net funding rate reduces the SEBB funding rate by approximately \$102 and \$71 for FY20 & FY21, respectively.</u></p> <p><i>Engrossed Substitute House Bill 1109 (\$4569.2) - 4/27/19</i></p> |

Flow of Funding Rate

- 2019-21 State Operating Budget:
 - K-12 health benefit funding will be allocated by OPSI to the districts and districts would send payments to HCA
 - Additionally, districts must provide payment to HCA within three business days of receiving the January 2020 allocation for insurance benefits

Decision Packages

| Decision Packages | Fund | 2019-21 State Operating Budget | | |
|---------------------------------------|------|--------------------------------|-----------|---------------------------|
| | | FY20 | FY21 | 2019-21 Biennium Total |
| PL-09 Online Decision Tool | 492 | 75,000 | 75,000 | 150,000 |
| PL-28 Employee Retirees Benefit Staff | 492 | 508,000 | 541,000 | 1,049,000 |
| PL-29 SEBB Dependent Verification | 492 | 512,000 | - | 512,000 |
| PL-34 Pay1 Replacement ¹ | 492 | - | - | - |
| PL-31 SEBB TPA Payment - FSA/DCAP | 474 | 312,000 | 625,000 | 937,000 |
| PL-31 SEBB TPA Payment - UDP | 475 | 2,000,000 | 4,000,000 | 6,000,000 |
| PL-31 SEBB TPA Payment - UMP | 494 | 3,450,000 | 6,899,000 | 10,349,000 |
| PL-30 Centers of Excellence | 494 | 209,000 | 893,000 | 1,102,000 |

Notes:

1. \$150,000 appropriation for an independent assessment and evaluation of options for Pay1 replacement.

Fully Funded

Not Fully Funded

Questions?

Megan Atkinson, Chief Financial Officer

Financial Services Division

Megan.Atkinson@hca.wa.gov

TAB 4



2019 Legislative Session Debrief

Cade Walker
Executive Special Assistant
Employees & Retirees Benefits (ERB) Division

Number of Bills Analyzed by ERB Division

| | ERB Lead | ERB Support | |
|-------------|----------|-------------|-----|
| High Impact | 39 | 51 | 90 |
| Low Impact | 96 | 150 | 246 |
| | 135 | 201 | 336 |



Passed Legislation

- **2SHB 1065:** protects consumers from charges for out-of-network health care services
- **EHB 1074:** increases the legal age of sale for tobacco products from 18 to 21
- **ESHB 1099:** requires each carrier to post on its provider network whether mental health providers are accepting new patients and publish certain information regarding its network accessibility

Passed Legislation (*cont.*)

- **ESSB 5526 (Cascade Care/Public Option):** the Health Benefit Exchange and HCA are to develop standardized plans, contract with health carriers, and develop a plan for premium subsidies for individuals purchasing coverage on the Health Benefit Exchange
- **2SSB 5602:** directs HCA to administer family planning programs for individuals 19+, prohibits discrimination on the basis of gender identity or expression, and requires health plans to provide coverage for certain reproductive treatment and services



Passed Legislation (*cont.*)

- **SSB 5889:** protects communications between health carriers/providers and adults covered as a dependent on a parent or legal guardian's health insurance



Passed Rx Legislation

- **E2SHB 1224:** health carriers, pharmacy benefit managers and services administration organizations, and drug manufacturers have to report certain Rx data to HCA and provide advance notice of price increases on certain drugs. HCA also must provide an annual report.
- **ESHB 1879:** requires health carriers to use evidence-based Rx utilization management criteria, and to have a clear and convenient exemption/step therapy exemption process

Newly Required Reports for ERB

- November 1, 2019: Benefit options available to Medicare-eligible retirees to address the rising cost of prescription drugs and member premiums
- February 5, 2020: Total amount of SEBB Organizations billed for benefits, and which did not remit payment as of January 31, 2020
- November 15, 2020: Feasibility of consolidation of the SEBB Program into the PEBB Program by January 1, 2022
- December 31, 2020: Current costs and health plans offered by ESDs, a comparison on costs and benefits if ESDs were to participate in SEBB Program, and revenue sources for ESDs



Questions?

Cade Walker, Executive Special Assistant
Employees and Retirees Benefits Division

cade.walker@hca.wa.gov



TAB 5



Policy Resolution

Rob Parkman, Policy and Rules Coordinator
Policy, Rules, and Compliance Section
Employees and Retirees Benefits Division
May 16, 2019

SEB Board Policy Resolution

- SEBB 2019-09 Error Correction Recourse
- SEBB 2019-10 Error Correction Premium Responsibilities

RCW 41.05.740(6)(c)&(d)

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

(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; [...]

(f) **Establish penalties to be imposed when a school employees' benefits board organization fails to comply with established participation criteria; and**

Policy Resolution SEBB 2019-09

Error Correction Recourse

Resolved that, if a SEBB Organization fails to provide notice of benefits eligibility or accurately enroll a school employee or their dependents in benefits, the error will be corrected prospectively with enrollment in benefits effective the first day of the month following the date the error is identified. The Health Care Authority approves all error correction actions and determines if additional recourse is warranted.

Policy Resolution SEBB 2019-10

Error Correction Premium Responsibilities

Resolved that, if a SEBB Organization errs and enrolls a school employee or their dependents in SEBB insurance coverage when they are not eligible and there was no fraud or intentional misrepresentation by the school employee involved, premiums and any applicable premium surcharges already paid by the school employee will be refunded by the SEBB Organization to the school employee. The error will be corrected prospectively with termination of benefits effective the first day of the month following the date the error is identified.

Next Steps

Incorporate policy resolutions into SEBB
Program rules.

Questions?

Rob Parkman, Policy and Rules Coordinator
Policy, Rules, and Compliance Section
Employees and Retirees Benefits Division

rob.parkman@hca.wa.gov

Tel: 360-725-0883

APPENDIX

Proposed Policy Resolution SEBB 2019-09

Error Correction Recourse

(as presented April 10, 2019)

If a SEBB Organization fails to provide notice of benefits eligibility or accurately enroll a school employee or their dependents in benefits, the error will be corrected prospectively with enrollment in benefits effective the first day of the month following the date the error is identified, unless the Health Care Authority determines additional recourse is warranted.

Proposed Policy Resolution SEBB 2019-10 Error Correction Premium Responsibilities (as presented April 10, 2019)

If a SEBB Organization errs and enrolls a school employee or their dependents in SEBB insurance coverage when they are not eligible and it is clear there was no fraud or intentional misrepresentation by the school employee involved, premiums and any applicable premium surcharges paid by the school employee will be refunded by the SEBB Organization to the school employee without rescinding the insurance coverage.

TAB 6



Annual Rule Making 2019

Rob Parkman, Policy and Rules Coordinator
Policy, Rules, and Compliance Section
Employees and Retirees Benefits Division
May 16, 2019

Rule Making Timeline

| | |
|-----------|--|
| May 22 | File the CR-102 |
| June 25 | Conduct public hearing |
| July 3 | File the CR-103 |
| October 1 | Amended rules will be effective on 10/1/2019 |

Focus of Rule Making

- Add rules that were planned for this year of rule making
 - Two year plan to develop rules for the SEBB Program
- Administration and benefits management
- Regulatory alignment
- Amendments within HCA's authority
- Implement SEB Board Policy Resolutions

New sections added this year

- SEBB Program Washington Administrative Code (WACs)
- **WAC 182-30** (Enrollment Chapter) – Total of 16 sections with 6 sections added this year
- **WAC 182-31** (Eligibility Chapter) - Total of 19 sections with 7 sections added this year
- **WAC 182-32** (Appeals Chapter) - Total of 44 sections with 1 section added this year

Administration & Benefits Management

- Amended or added multiple definitions to help with clarity and to increase readability
- Changed some sections to maintain alignment and consistency with other program rules

Regulatory Alignment

- Amended the federal Family and Medical Leave Act (FMLA) rule to incorporate information on the new Washington State Paid Family and Medical Leave (PFML) Program
- Amended definitions to support the passage of ESHB 2140

Amendments within HCA's Authority

- Amended special open enrollment (SOE) guidance to clarify that newly hired school employees must use the new school employee enrollment rule (31 days) and not use the 60 day SOE rule (change in employment)
- Amended the continuity of care rule to add clarity on allowable treatments
- Amended the dependent move to or out of the U.S. special open enrollment
 - Added --- *“and that change in residence resulted in the dependent losing their health insurance”*

Implement SEB Board Policy Resolutions

- Implemented 17 SEB Board resolutions
- All eligibility and enrollment policies approved between November 2018 and May 2019 are incorporated within the current draft rules

Questions?

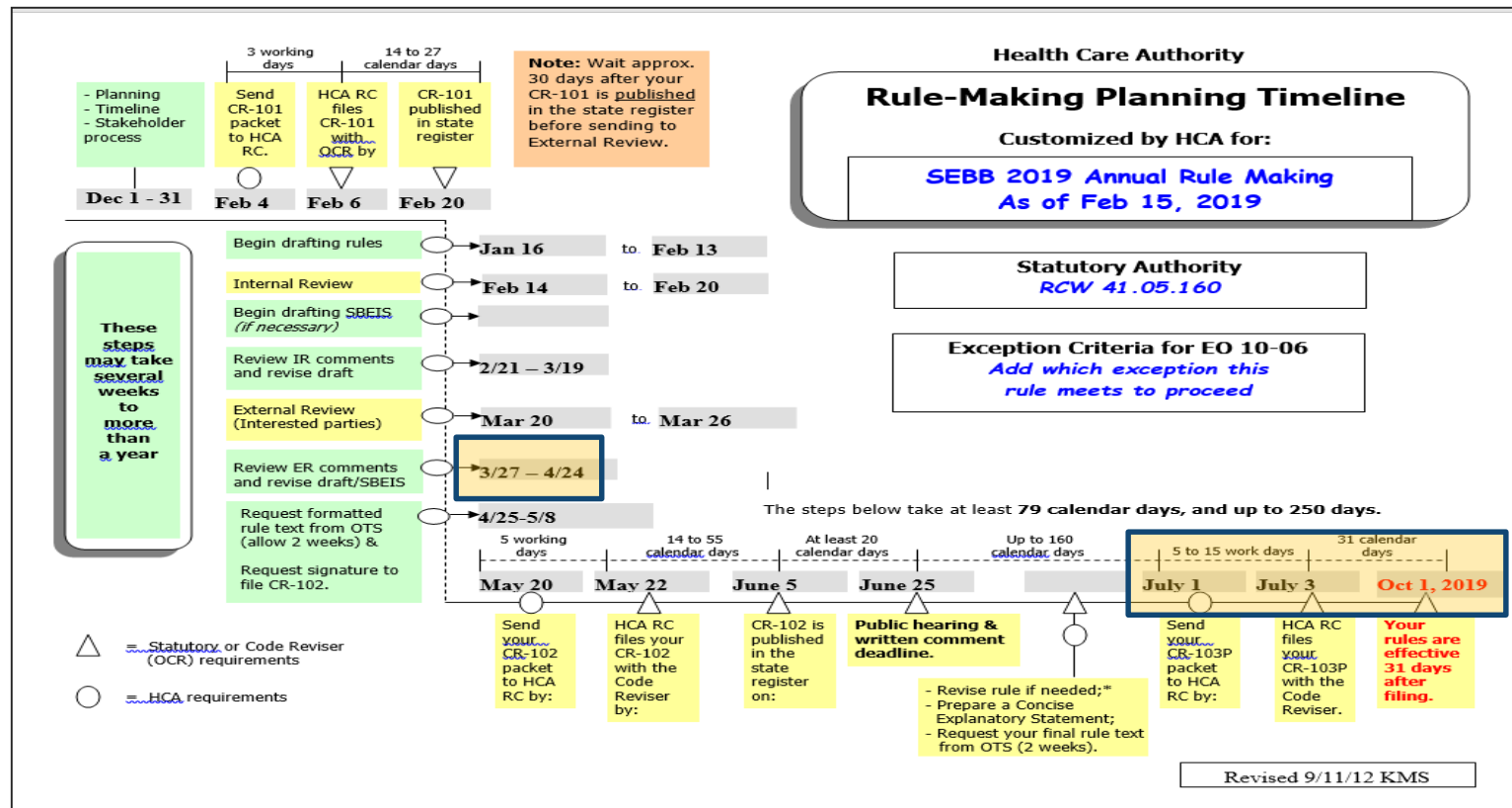
Rob Parkman, Policy and Rules Coordinator
Policy, Rules, and Compliance Section
Employees and Retirees Benefits Division

Robert.Parkman@hca.wa.gov

(360) 725-0883

APPENDIX

2019 SEBB Program Rule Making Plan



SEB Board Resolutions Since November 2018

| SEBB Resolution # | Description of SEBB Resolution | Status of Resolution | Date Passed | Comments |
|-------------------|--|----------------------|--------------|----------------------------|
| 2018-15 | Dual enrollment in SEBB Benefits is prohibited | Active | 11/8/2018 | Used within WAC 182-31-070 |
| 2018-32 | Mid-year hires for positions that are anticipated to work 630 hours in the next school year | Active | (11/8/2018) | Used within WAC 182-31-040 |
| 2018-36 | School employees eligibility will be presumed based on hours worked the previous school year | Active | (11/8/2018) | Used within WAC 182-31-040 |
| 2018-53 | School employee's may waive enrollment in medical | Active | (12/13/2018) | used within WAC 182-31-080 |
| 2018-54 | Default enrollment for a school employee who fails to make a timely election | Active | (12/13/2018) | used within WAC 182-31-080 |
| 2018-55 | Eligibility for Participation in the SEBB Wellness Program | Active | (1/24/2019) | used within WAC 182-31-190 |
| 2018-56 | Deadline for completing wellness activities | Active | (1/24/2019) | used within WAC 182-31-190 |
| 2018-57 | Maximum number of months that self-pay coverage is allowed | Active | (1/24/2019) | used within WAC 182-31-100 |
| 2018-58 | Continuation coverage for dependents not eligible under SEBB | Active | (1/24/2019) | used within WAC 182-31-091 |
| 2019-01 | Requirement to negotiate by group under RCW 41.05.740(6/e) | Active | (3/7/2019) | used within WAC 182-30-130 |
| 2019-02 | Anticipated work hours eligibility range under RCW 41.05.740 (6/e) | Active | (3/7/2019) | used within WAC 182-30-130 |
| 2019-03 | SEBB benefits authorized under RCW 41.05.740 (6/e) | Active | (3/7/2019) | used within WAC 182-30-130 |
| 2019-04 | SEBB tier categories and premium tier ratios authorized under RCW 41.05.740 (6/e) | Active | (3/7/2019) | used within WAC 182-30-130 |
| 2019-05 | Employer share requirement under RCW 41.05.740 (6/e) | Active | (3/7/2019) | used within WAC 182-30-130 |
| 2019-06 | SEBB continuation coverage eligibility for school employees not eligible for benefits under the SEBB program | Active | (3/7/2019) | used within WAC 182-31-091 |
| 2019-07 | SEBB continuation coverage eligibility for dependents already on a SEBB Organization's continuation coverage | Active | (3/7/2019) | used within WAC 182-31-091 |
| 2019-08 | 6e program follows the rest of the rules | Active | (4/10/2019) | used within WAC 182-30-130 |

TAB 7



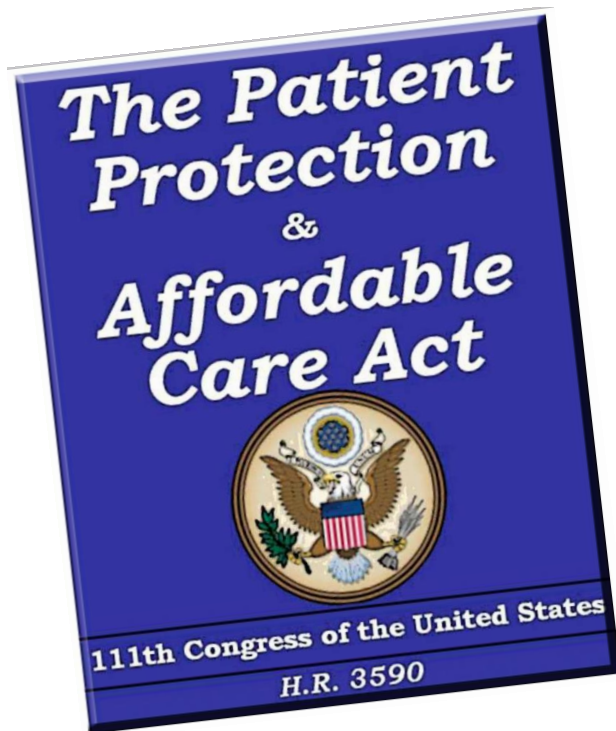
Affordable Care Act (ACA) Reporting

James Koch, Management Analyst
Benefits Accounts Section
Employees and Retirees Benefits Division
May 16, 2019

Presentation Overview

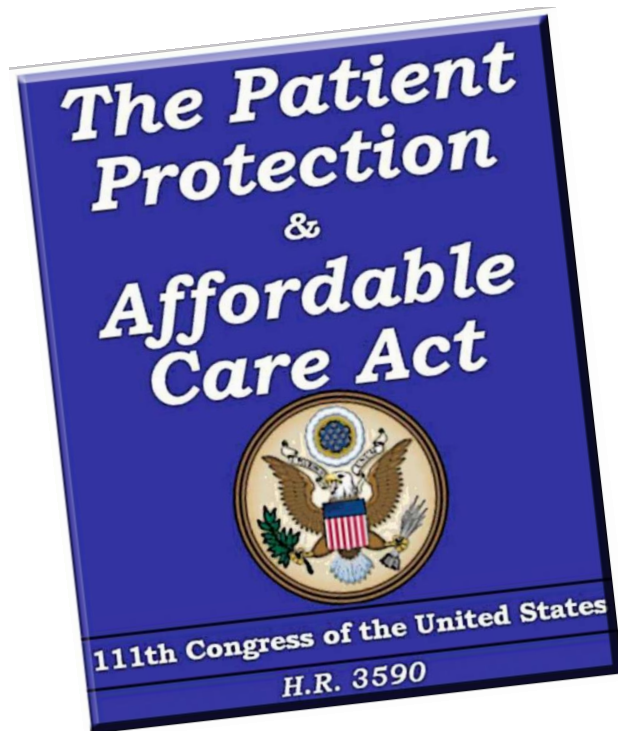
- Affordable Care Act (ACA)
Reporting Requirements and Penalties
- How the Employees and Retirees Benefits (ERB) Division helps support school district ACA reporting

ACA Background



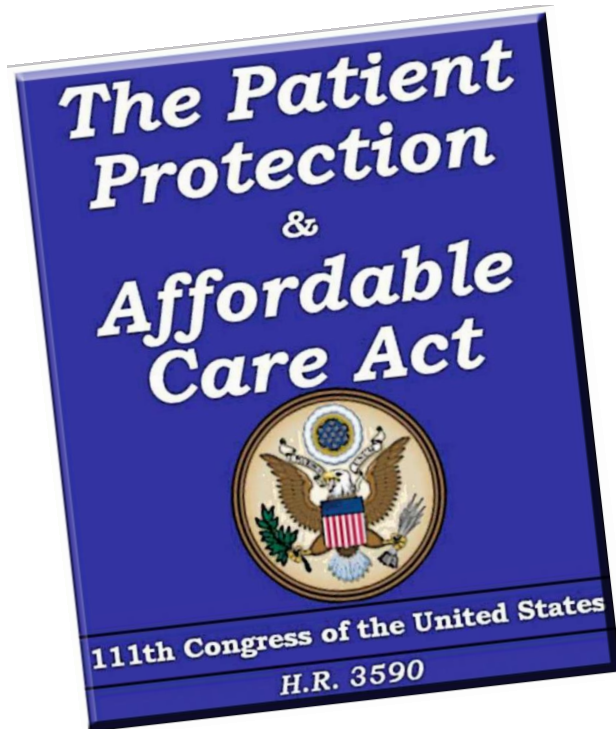
- Expand access to insurance
- Increase consumer protections
- Emphasize prevention and wellness
- Improve quality and system performance
- Expand the health workforce
- Address rising health care costs

ACA Provisions Include



- Coverage for children up to age 26
- Tax treatment of children under age 27
- No pre-existing conditions
- No lifetime limits
- No rescissions of coverage
- Standardized Summaries of Benefits and Coverage
- Forms W-2 report the full cost of employer coverage

ACA Provisions Include (*cont.*)



- Health Benefit Exchanges
- Individual Mandate
- Employer Shared Responsibility (ESR) Payment

ACA Medical Coverage Reporting

Health Insurance Issuers
(fully insured plan enrollment)
and Government-Sponsored Programs
(e.g., Medicaid, Medicare, Tricare)

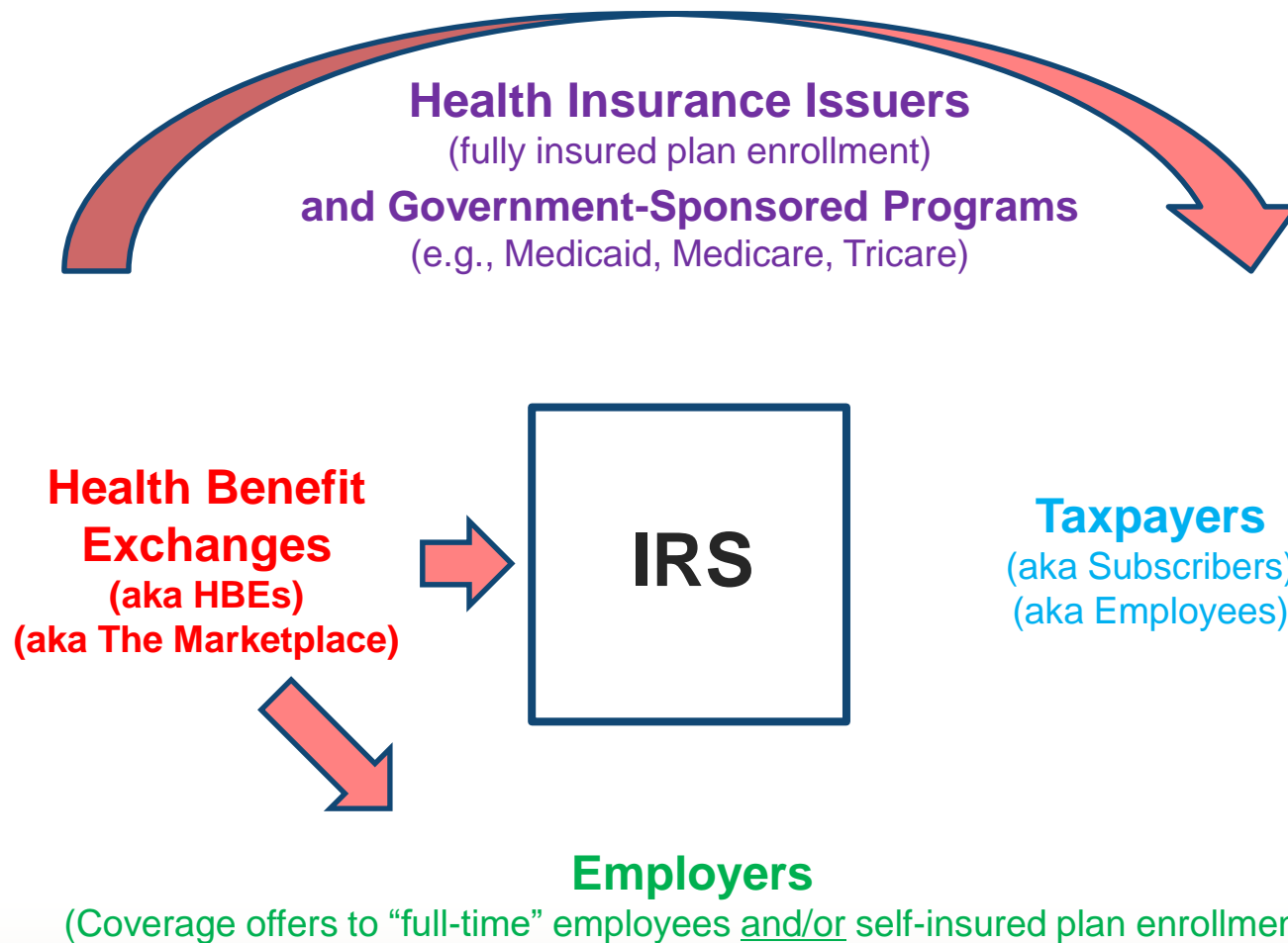
**Health Benefit
Exchanges**
(aka HBEs)
(aka The Marketplace)

IRS

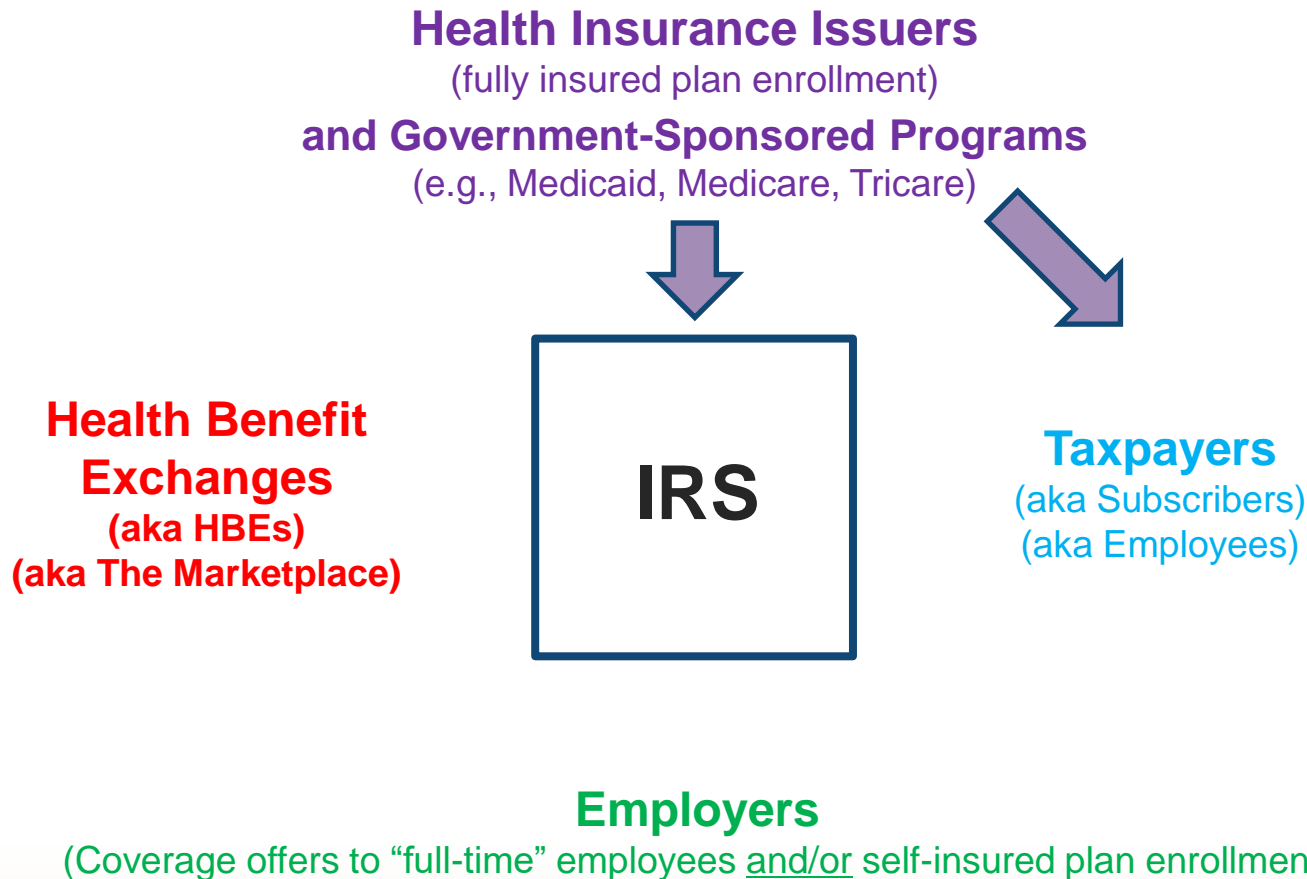
Taxpayers
(aka Subscribers)
(aka Employees)

Employers
(Coverage offers to “full-time” employees and/or self-insured plan enrollment)

ACA Medical Coverage Reporting (*cont.*)



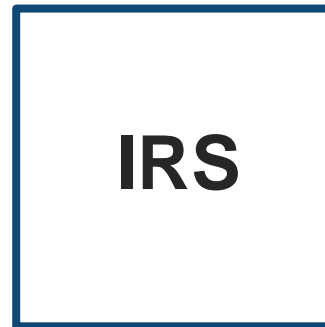
ACA Medical Coverage Reporting (*cont.*)



ACA Medical Coverage Reporting (*cont.*)

Health Insurance Issuers
(fully insured plan enrollment)
and Government-Sponsored Programs
(e.g., Medicaid, Medicare, Tricare)

**Health Benefit
Exchanges**
(aka HBEs)
(aka The Marketplace)



Taxpayers
(aka Subscribers)
(aka Employees)

Employers

(Coverage offers to “full-time” employees and/or self-insured plan enrollment)

ACA Medical Coverage Reporting (*cont.*)

Health Insurance Issuers
(fully insured plan enrollment)
and Government-Sponsored Programs
(e.g., Medicaid, Medicare, Tricare)

**Health Benefit
Exchanges**
(aka HBEs)
(aka The Marketplace)

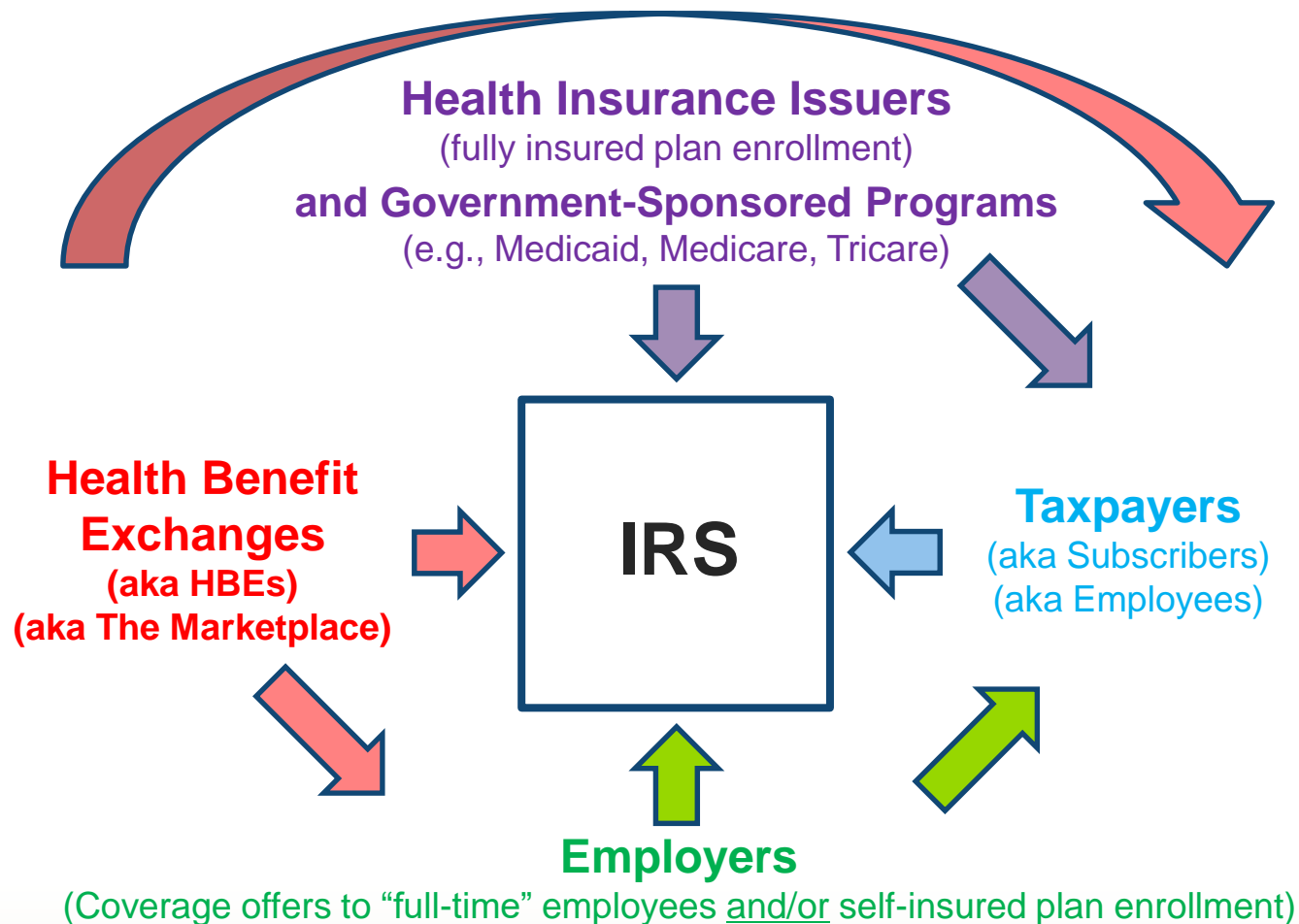
IRS



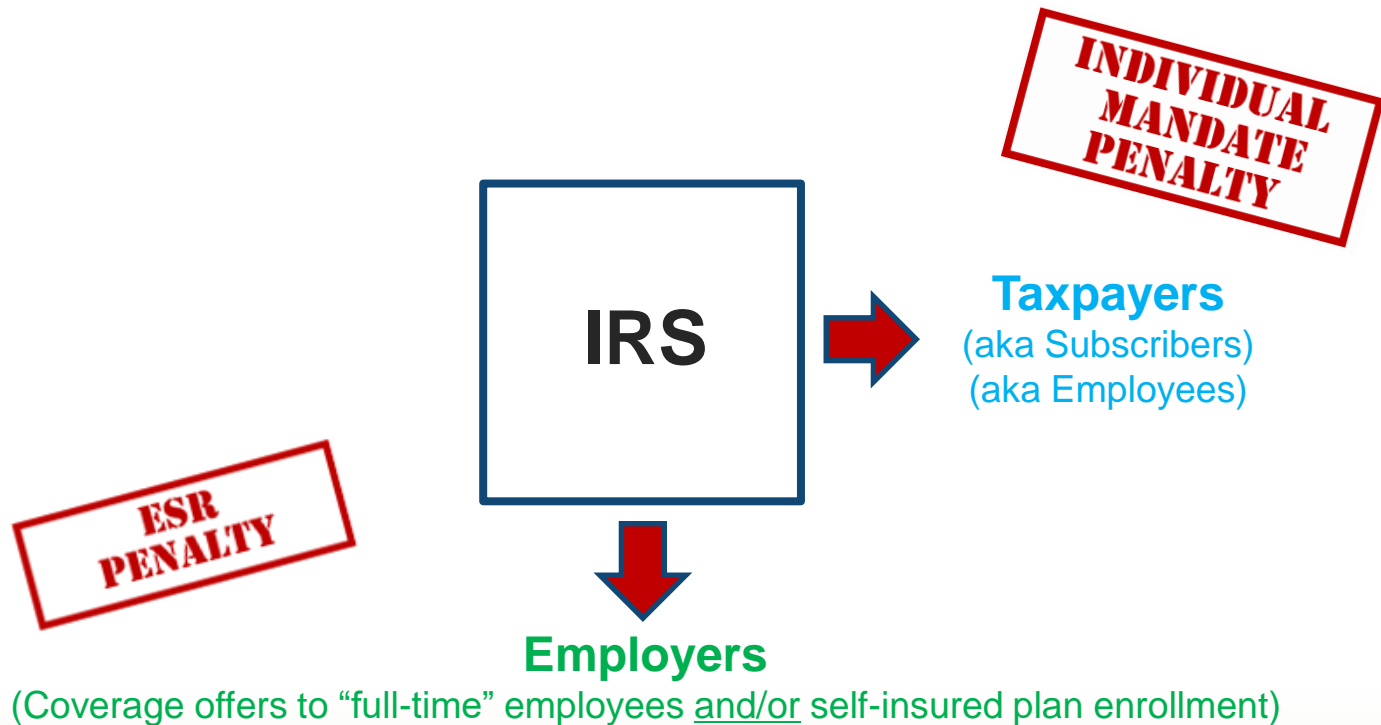
Taxpayers
(aka Subscribers)
(aka Employees)

Employers
(Coverage offers to “full-time” employees and/or self-insured plan enrollment)

ACA Medical Coverage Reporting (*cont.*)



ACA Medical Coverage Reporting (*cont.*)



ACA Reporting

- Reporting regulations for fully insured health plans and employers who offer self-insured coverage
- Reporting regulations for employer “offers of coverage” and related penalties
- Form 1095 report samples

ACA Reporting Health Insurance Coverage

- IRC § 6055
- Health plans **(and employers with self-insured health plans)** must:
 - Report health plan enrollment to covered individuals on Forms 1095-C or 1095-B; and
 - Report the same information to IRS.
- **School Districts: Report self-insured enrollment.**
- Fully Insured Plans: Report their plan enrollment.

ACA Reporting Employer Shared Responsibility (ESR)

- IRC § 6056
- Large employers must:
 - Report offers of coverage to full-time employees on Form 1095-C; and
 - Report the same information to IRS.

ACA Reporting Employer Shared Responsibility (ESR) (*cont.*)

- IRC § 4980H: “Small” or “Large” employer penalties may apply if:
 - 1) a large employer (≥ 50 FTEs);
 - 2) fails to offer full-time employees medical coverage;
(30 hours/week; 130 hours/month)
 - 3) that is affordable;
(Cost of self-only coverage $< 9.5\%$ household income)
 - 4) and provides minimum value.
(Plan’s share of the total allowed costs of benefits $\geq 60\%$)

ACA Reporting Employer Shared Responsibility (ESR) (*cont.*)

- IRC § 4980H(b)
- “Small” penalty will be assessed when:
 - 1) Employer offers coverage to $\geq 95\%$ full-time employees, **and**
 - 2) Employer does not offer coverage to a full-time employee, **and**
 - 3) That employee enrolls in HBE/Marketplace coverage, **and**
 - 4) That employee receives premium tax credit for coverage.
- Per-employee-per-month penalty; annually adjusted (Tax Year 2019 \$312.50).

ACA Reporting Employer Shared Responsibility (ESR) (*cont.*)

- “Small” penalty example:

Offered (95%) all 12 months



Not Offered (5%)
any month



☹️ “*Dave*,” who
enrolls in HBE
coverage with
Premium Subsidy

- Penalty Calculation: $\$312.50 \times 12 \text{ mo.} = \mathbf{\$3,750}$

ACA Reporting Employer Shared Responsibility (ESR) (*cont.*)

- IRC § 4980H(a)
- “Large” penalty will be assessed when:
 - 1) Employer offers coverage to < 95% of full-time employees, **and**
 - 2) One full-time employee not offered coverage enrolls in HBE/Marketplace coverage, **and**
 - 3) That employee receives premium tax credit for coverage.
- Monthly penalty rate x count of all “full-time” employees; annually adjusted (Tax Year 2019 \$208.33).

ACA Reporting Employer Shared Responsibility (ESR) (*cont.*)

- “Large” penalty example:

Offered (94%) all 12 months



Not Offered (6%)
any month



☹️ “*Dave*,” who
enrolls in HBE
coverage with
Premium Subsidy

- \$208.33 x 12 mo. x 100 “full-time” employees
= \$249,996

IRS Form 1095-C

600118

Form 1095-C
Department of the Treasury
Internal Revenue Service

Employer-Provided Health Insurance Offer and Coverage
Do not attach to your tax return. Keep for your records.
Go to www.irs.gov/Form1095C for instructions and the latest information.

☐ VOID
☐ CORRECTED

OMB No. 1545-2251
2018

| Part I Employee | | | | Applicable Large Employer Member (Employer) | | | |
|---|--|---|--|---|--|--|--|
| 1 Name of employee (first name, middle initial, last name) John Q Public | | 2 Social security number (SSN) ***-**-1234 | | 7 Name of employer Anytown School District | | 8 Employer identification number (EIN) 91-1234567 | |
| 3 Street address (including apartment no.) 123 Main Street Anytown WA 98501 | | | | 9 Street address (including room or suite no.) 4321 Anytown Lane Anytown WA 98501 | | | |
| 4 City or town Anytown WA 98501 | | | | 10 Contact telephone number 360-123-4567 | | | |
| 5 State or province WA | | | | 11 City or town Anytown WA 98501 | | | |
| 6 Country and ZIP or foreign postal code 98501 | | | | 12 State or province WA | | | |
| 13 Country and ZIP or foreign postal code 98501 | | | | 14 Plan start month (enter 2-digit number): 01 | | | |

| Part II Employee Offer of Coverage | | Plan Start Month (enter 2-digit number): 01 | | | | | | | | | | | |
|---|---------------|---|-----|-----|-----|-----|------|------|-----|------|-----|-----|-----|
| | All 12 Months | Jan | Feb | Mar | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec |
| 14 Offer of Coverage (enter required code) 1E | | | | | | | | | | | | | |
| 15 Employee Required Contribution (see instructions) \$ 25 | | | | | | | | | | | | | |
| 16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable) 2C | | | | | | | | | | | | | |

Part III Covered Individuals
If Employer provided self-insured coverage, check the box and enter the information for each individual enrolled in coverage, including the employee. ☒

| | (a) Name of covered individual(s) First name, middle initial, last name | (b) SSN or other TIN | (c) DOB (if SSN or other TIN is not available) | (d) Covered all 12 months | (e) Months of Coverage | | | | | | | | | | | |
|----|--|----------------------|--|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | | | | | Jan | Feb | Mar | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec |
| 17 | John Q Public | ***-**-1234 | | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 18 | Jane Q Public | ***-**-5678 | | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 19 | Johnny Q Public | ***-**-9876 | | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 20 | | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 21 | | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 22 | | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 60705M Form **1095-C** (2018)

IRS Form 1095-C (*cont.*)

- Large employers issue the form to:

Criteria 1:

Employees who were determined “full-time” for one or more months of the year.

and/or

Criteria 2:

Employees or former employees enrolled in self-insured coverage for one or more months of the year.

1095-C
Form 1095-C
Department of the Treasury
Internal Revenue Service

Employer-Provided Health Insurance Details
Do not attach to your tax return.
Go to www.irs.gov/Form1095C

Part I Employee

1 Name of employee (first name, middle initial, last name)
John

2 Social Security number
9850

3 Street address (including apartment no.)
123 Main Street

4 City or town
Anytown

5 State or province
WA

Part II Employee Offer of Coverage

14 Offer of Coverage (enter required code)
1E

15 Employee Required Contribution (see instructions)
\$ 25

16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)
2C

Part III Covered Individuals
If Employer provided self-insured coverage

(a) Name of covered individual(s)
First name, middle initial, last name

(b) SSN

| | Q | Public |
|-----------|---|--------|
| 17 John | Q | Public |
| 18 Jane | Q | Public |
| 19 Johnny | Q | Public |
| 20 | | |
| 21 | | |
| 22 | | |

For Privacy Act and Paperwork Reduction Project

IRS Form 1095-C (*cont.*)

Criteria 1: Employees who were determined “full-time” for one or more months of the year

| Part II Employee Offer of Coverage | | | | | |
|--|---------------|-----|-----|-----|-----|
| | All 12 Months | Jan | Feb | Mar | Apr |
| 14 Offer of Coverage (enter required code) | 1E | | | | |
| 15 Employee Required Contribution (see instructions) | \$ 25 | \$ | \$ | \$ | \$ |
| 16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable) | 2C | | | | |

IRS Form 1095-C (*cont.*)

Criteria 2: Employees or former employees enrolled in self-insured coverage for one or more months of the year

| Part III Covered Individuals If Employer provided self-insured coverage, check the box and enter the information for each individual enrolled | | | | | | | | | | |
|---|--------|---|--------|----------------------|--|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------|--------------------------|
| (a) Name of covered individual(s) First name, middle initial, last name | | | | (b) SSN or other TIN | (c) DOB (if SSN or other TIN is not available) | (d) Covered all 12 months | Jan | Feb | Mar | Apr |
| 17 | John | Q | Public | ***-**-1234 | | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 18 | Jane | Q | Public | ***-**-5678 | | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 19 | Johnny | Q | Public | ***-**-9876 | | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 20 | | | | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 21 | | | | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 22 | | | | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 60705

IRS Form 1095-B

560118

Form 1095-B **Health Coverage** ☐ VOID ☐ CORRECTED OMB No. 1545-2252
 Department of the Treasury Internal Revenue Service **2018**
 ▶ Do not attach to your tax return. Keep for your records.
 ▶ Go to www.irs.gov/Form1095B for instructions and the latest information.

Part I Responsible Individual

1 Name of responsible individual—First name, middle name, last name 2 Social security number (SSN) or other TIN 3 Date of birth (if SSN or other TIN is not available)

4 Street address (including apartment no.) 5 City or town 6 State or province 7 Country and ZIP or foreign postal code

9 Reserved

8 Enter letter identifying Origin of the Health Coverage (see instructions for codes): . . . ▶ ☐

Part II Information About Certain Employer-Sponsored Coverage (see instructions)

10 Employer name 11 Employer identification number (EIN)

12 Street address (including room or suite no.) 13 City or town 14 State or province 15 Country and ZIP or foreign postal code

Part III Issuer or Other Coverage Provider (see instructions)

16 Name 17 Employer identification number (EIN) 18 Contact telephone number

19 Street address (including room or suite no.) 20 City or town 21 State or province 22 Country and ZIP or foreign postal code

Part IV Covered Individuals (Enter the information for each covered individual.)

| (a) Name of covered individual(s) First name, middle initial, last name | (b) SSN or other TIN | (c) DOB (if SSN or other TIN is not available) | (d) Covered all 12 months | (e) Months of coverage | | | | | | | | | | | | |
|--|----------------------|--|---------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | | | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | |
| 23 | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 24 | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 25 | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 26 | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 27 | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 28 | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 60704B Form **1095-B** (2018)

IRS Form 1095-B (*cont.*)

- Fully insured plans report covered individual enrollment
- Small employers (less than 50 FTEs) report self-insured enrollment
- Some large employers report former employee self-insured enrollment
- Government-Sponsored Programs (Medicaid, Medicare, Tricare)

Form **1095-B**
Department of the Treasury
Internal Revenue Service

► Do not attach to your tax return
► Go to www.irs.gov/1095-b

Part I Responsible Individual

1 Name of responsible individual—First name, middle name, last name

4 Street address (including apartment no.)

8 Enter letter identifying Origin of the Health Coverage (see instructions)

Part II Information About Certain Employer-Sponsored Health Coverage

10 Employer name

12 Street address (including room or suite no.)

Part III Issuer or Other Coverage Provider

16 Name

19 Street address (including room or suite no.)

Part IV Covered Individuals (Enter the information for each individual covered by the plan)

(a) Name of covered individual(s)
First name, middle initial, last name

23

24

25

26

27

28

For Privacy Act and Paperwork Reduction Project

How does the ERB Division support school district reporting?

- Since 2015, ERB Division provides PEBB Program enrollment data to all school districts
 - Participating districts receive:
 - Employee Enrollment
 - Former Employee Enrollment (e.g., Retirees, COBRA)
 - Non-participating districts receive:
 - Former Employee Enrollment (e.g., Retirees)

How does the ERB Division support school district reporting? (*cont.*)

- Annually verify data distribution contacts at all school districts
- Provide sample enrollment data files and guidance documents
- Provide group and individual trainings for school district staff

How does the ERB Division support school district reporting? (*cont.*)

- Securely distribute enrollment data:
 - Prior year enrollment data: Early January
 - Retroactive data corrections: Monthly
 - Additions (e.g., retroactive enrollment)
 - Changes (e.g., corrections to previously keyed data)
 - Deletions (e.g., retroactive termination)

School District ACA Reporting

- SEBB/PEBB Program enrollment data
 - District payroll data
 - District's method for determining "full-time" status under regulations
-
- Forms 1095 for employees/former employees
 - Copies/Data transmission to IRS

Questions?

James Koch, Management Analyst
Benefits Accounts Section
Employees and Retirees Benefits Division
James.koch@hca.wa.gov
Tel: 360-725-1251

TAB 8



Procurement Benefits Refinement Update

Lauren Johnston
Senior Account Manager
Employees and Retirees Benefits Division
May 16, 2019

Objective

- Procurement update
- Further benefit actions needed
- Default plan process overview

Procurement Update

| Signed Contracts | Ongoing Contract Negotiations |
|---|---|
| Self-insured medical (UMP Achieve 1, Achieve 2, HDHP) | UMP Plus Network Contracts |
| All Centers of Excellence | All fully insured medical* |
| All dental (self- and fully insured) | Flexible Spending Arrangement/ Dependent Care Assistance Program |
| Vision (Davis and EyeMed) | MetLife Vision |
| Long-term disability | |
| Life and AD&D | |
| Plan selection tool | |
| Dependent verification - initial launch support | |

* Aetna withdrew as a potential carrier after confirming they cannot participate in the state-based exchange for individual market coverage.

Future Board Actions

- Further actions required by the Board:
 - June 12: Finalize plan designs based on the Board's direction provided today
 - July 25/August 1: Approve final plan offerings, service areas, and monthly employee premium

Finalizing Fully Insured Medical Benefit Design

- Guidance on any further modifications to plan designs needs to occur by the June 12 meeting
 - Not-to-Exceed (NTE) rates on the plan designs endorsed in November 2018 may limit the extent of changes

Default Considerations

In setting statewide default plans, HCA will consider:

- Monthly Employee Premium (or plan rates for benefits 100% Employer paid) and the Actuarial Value of the plan
- Extent of Service Area
- Provider network and access

Are there other considerations you feel we should consider?

Default Setting Timeline

- During final rate setting between the June 12 and July Board meetings, HCA will identify a default plan for medical, dental, and vision benefits
- HCA will present the intended default plans along with final rate information in July for Board discussion
- HCA will formalize the default plans once the Board endorses the medical plan monthly employee premiums

APPENDIX

Benefits Comparison Chart

SEBB Program Medical Benefits Comparison Chart

Note: Subject to legislative funding and final decisions by the SEB Board

| | Kaiser NW | | | Kaiser WA | | | | Kaiser WA Options | | | Premera | | | Providence | | UMP | | | |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|---------------------|----------------------|----------------------|---------------------|------------------------------|------------------------------|---------------------------|---------------------|
| Annual Costs/ Benefits ^ | Plan 1 | Plan 2 | Plan 3 | Plan 1 | Plan 2 | Plan 3 | Plan 4 | Plan 1 | Plan 2 | Plan 3 | Plan 1 | Plan 2 | Plan 3 | HSA | Plan 2 | UMP Achieve 1 (82% AV) | UMP Achieve 2 (88% AV) | UMP High Deductible | UMP Plus |
| Deductible (single/ family) | \$1,250/ \$2,500 | \$750/ \$1,500 | \$125/ \$250 | \$1,250/ \$3,750 | \$750/ \$2,250 | \$250/ \$750 | \$125/ \$375 | \$1,250/\$ 3,750 | \$750/ \$2,250 | \$250/ \$750 | \$1,250/ \$3,125 | \$750/ \$1,875 | \$1,250/ \$3,125 | \$1,750/ \$3,500 | \$750/ \$1,500 | \$750/ \$2,250 | \$250/ \$750 | \$1,400/ \$2,800 | \$125/ \$375 |
| Max out-of- pocket limit | \$4,000/ \$8,000 | \$3,500/ \$7,000 | \$2,000/\$ 4,000 | \$4,000/ \$8,000 | \$3,000/ \$6,000 | \$2,000/ \$4,000 | \$2,000/ \$4,000 | \$4,500/\$ 9,000 | \$3,500/\$ 7,000 | \$2,500/\$ 5,000 | \$5,000/ \$10,000 | \$3,500/\$ 7,000 | \$5,000/ \$10,000 | \$5,000/ \$10,000 | \$2,500/ \$5,000 | \$3,500/ \$7,000 | \$2,000/ \$4,000 | \$4,200/ \$8,400** | \$2,000/ \$4,000 |
| Coinsurance | 20% | 20% | 20% | 20% | 20% | 20% | 15% | 20% | 20% | 20% | 20% | 25% | 20% | 20% | 20% | 20% | 15% | 15% | 15% |

| | | | | | | | | | | | | | | | | | | | |
|--|-----------------|-----------------|-----------------|----------------------|----------------------|-----------------|-----------------|-----------------|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------------------------|--------------------------------------|-----------------|--------------------------------------|
| Ambulance (air/ground, per trip) | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 25% | 20% | 20% | 20% | 20% | 20% | 20% | 20% |
| Diagnostic tests, lab, and x-rays | \$30 | \$25 | \$20 | 20% over \$500 | 20% over \$500 | 20% | 15% | 20% | 20% over \$500 | 20% | 20% | 25% | 20% | 20% | 20% | 20% | 15% | 15% | 15% |
| Emergency room | 20% | 20% | 20% | \$150 + 20% | \$150 + 20% | \$150 + 20% | \$150 + 15% | \$150 + 20% | \$150 + 20% | \$150 + 20% | \$150 + 20% | \$150 + 25% | \$150 + 20% | 20% | \$75 | \$75 + 20% | \$75 + 15% | 15% | \$75 + 15% |
| Inpatient services | 20% | 20% | 20% | 20% | 20% | 20% | 15% | 20% | 20% | 20% | 20% | 25% | 20% | 20% | 20% | \$200/day up to \$600 + 20% | \$200/day up to \$600 + 15% | 15% | \$200/day up to \$600 + 15% |
| Outpatient services | 20% | 20% | 20% | 20% | 20% | 20% | 15% | 20% | 20% | 20% | 20% | 25% | 20% | 20% | 20% | 20% | 15% | 15% | 15% |
| Preventive care | Covered 100% | Covered 100% | Covered 100% | Covered 100% | Covered 100% | Covered 100% | Covered 100% | Covered 100% | Covered 100% | Covered 100% | Covered 100% | Covered 100% | Covered 100% | Covered 100% | Covered 100% | Covered 100% | Covered 100% | Covered 100% | Covered 100% |
| Spinal manipulations | \$40 | \$35 | \$30 | \$30 | \$25 | \$20 | \$0 | \$30 | \$25 | \$20 | 20% | 25% | 20% | 20% | 20% | 20% | 15% | 15% | 15% |

| | | | | | | | | | | | | | | | | | | | |
|---|------|------|------|------|------|------|------|------|------|------|------|------|------|-----|-----|-----|-----|-----|-----|
| Primary care | \$30 | \$25 | \$20 | \$30 | \$25 | \$20 | \$0 | \$30 | \$25 | \$20 | \$20 | \$20 | \$20 | 20% | 20% | 20% | 15% | 15% | \$0 |
| Specialist | \$40 | \$35 | \$30 | \$40 | \$35 | \$30 | \$30 | \$40 | \$35 | \$30 | \$40 | \$40 | \$40 | 20% | 20% | 20% | 15% | 15% | 15% |
| Urgent care | \$50 | \$45 | \$40 | \$30 | \$25 | \$20 | \$0 | \$30 | \$25 | \$20 | 20% | 25% | 20% | 20% | 20% | 20% | 15% | 15% | 15% |
| Mental health (outpatient) | \$30 | \$25 | \$20 | \$30 | \$25 | \$20 | \$0 | \$30 | \$25 | \$20 | \$20 | \$20 | \$20 | 20% | 20% | 20% | 15% | 15% | 15% |
| Physical, occupational, and speech therapy | \$40 | \$35 | \$30 | \$40 | \$35 | \$30 | \$30 | \$40 | \$35 | \$30 | \$40 | \$40 | \$40 | 20% | 20% | 20% | 15% | 15% | 15% |

^ In-network

** Out of pocket expenses for a single member under a family account are not to exceed \$6,850.

SEBB Program Medical Benefits Comparison Chart

Note: Subject to legislative funding and final decisions by the SEB Board

| | Kaiser NW | | | Kaiser WA | | | | Kaiser WA Options | | | Premera | | | Providence | | UMP | | | |
|--|--------------------|--------------------|--------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|-------------------|---|---|------------------------------|------------------------------|-------------------------------------|--------------------|
| Annual Costs/ Benefits ^ | Plan 1 | Plan 2 | Plan 3 | Plan 1 | Plan 2 | Plan 3 | Plan 4 | Plan 1 | Plan 2 | Plan 3 | Plan 1 | Plan 2 | Plan 3 | HSA | Plan 2 | UMP Achieve 1 (82% AV) | UMP Achieve 2 (88% AV) | UMP High Deductible | UMP Plus |
| Rx deductible | None | None | None | None | None | None | None | None | None | None | \$500/ \$1,250* | \$250/ \$625*‡ | \$250/ \$750* | Combine with medical deductibles | Combine with medical deductibles | \$250/ \$750 | Tiers 2-4 \$100/ \$300 | Applied to medical deductible | None |
| Rx out-of-pocket limit | Applies to max | Applies to max | Applies to max | Applies to max | Applies to max | Applies to max | Applies to max | Applies to max | Applies to max | Applies to max | Applies to max | Applies to max | Applies to max | Applies to max | Applies to max | \$2,000/ person | \$2,000/ person | \$2,000/ person | \$2,000/ person |
| Retail: Value tier | | | | | | | | | | | | | | | | 5% up to \$10 | 5% up to \$10 | 15% | 5% up to \$10 |
| Retail: Tier 1 (Generics) | \$20 | \$15 | \$10 | \$5 | \$10 | \$10 | \$10 | \$10 | \$10 | \$10 | \$7 | \$7 | \$7 | 20% | \$10-\$15 | 10% up to \$25 | 10% up to \$25 | 15% | 10% up to \$25 |
| Retail: Tier 2 (Preferred Brand) | \$40 | \$30 | \$20 | \$25 | \$25 | \$25 | \$25 | \$50 | \$50 | \$50 | 30% | \$30 | 30% | 20% | \$45 | 30% up to \$75 | 30% up to \$75 | 15% | 30% up to \$75 |
| Retail: Tier 3 (Non-preferred) | 50% up to \$100 | 50% up to \$100 | 50% up to \$100 | \$50 | \$50 | \$50 | \$50 | 50% up to \$125 | 50% up to \$125 | 50% up to \$125 | 50% | 30% | 50% | 50% | \$75 | 50% | 50% | 15% (non- specialty) | 50% up to \$150 |
| (Most Specialty) | 50% up to \$150 | 50% up to \$150 | 50% up to \$150 | 50% up to 150 | 50% up to \$150 | 50% up to \$150 | 50% up to \$150 | 50% up to \$150 | 50% up to \$150 | 50% up to \$150 | 40% | \$50 | 40% | 50% up to \$200 | 50% up to \$150 | 50% up To \$150 | 50% up to \$150 | 15% | 50% up to \$150 |

^ In-network

*Waived for preferred generic prescription drugs.

‡ Rx deductible for Premera Plan 2 shows the SEB Board-approved deductible at the November 2018 Board meeting; Premera has proposed changing this figure to \$125 / \$312.

Note: The retail pharmacy benefit member costs are based on a 30-day supply.

Questions?

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TAB 9



UMP Pharmacy Benefit

Marcia Peterson, Manager
Benefit Strategy and Design Section
Employees and Retirees Benefits Division
May 16, 2019

Follow up from last meeting

- Comparison of formularies for Kaiser, Premera, and Providence, with UMP
- What evidentiary standards will be required for someone if they have already gone through an exceptions process
- Transition period
- Clarification on website information regarding the exception process and how many formulary drugs a member must try

Pharmacy Benefit Comparisons

- Kaiser NW Commercial Formulary
- Kaiser WA Drug Formulary
- Premera Essentials Formulary
- Providence Formulary B or F
- UMP Value Formulary

Tiered Pricing & Copays

| | Kaiser NW | Kaiser WA | Premera | Providence | UMP Value |
|--------------------|--------------|--------------|---------|------------|--------------|
| Tiered pricing* | ✓ | ✓ | ✓ | ✓ | ✓ |
| Copays | ✓ | ✓ | ✓ | ✓ | ✓ |

*They all have a benefit design using tiered pricing and copays to encourage the use of preferred or high-value drugs, and discourage the use of non-preferred high-cost and low-value drugs.

Pharmacy & Therapeutics Committees

| | Kaiser NW | Kaiser WA | Premera | Providence | UMP Value |
|----------------------|--------------|--------------|---------|------------|--------------|
| P&T Committee | ✓ | ✓ | ✓ | ✓ | ✓ |
| Medical necessity | ✓ | ✓ | ✓ | ✓ | ✓ |

*They all use some form of a P&T committee made up of physicians and pharmacists to review the most current clinical evidence on the safety, efficacy, and relative effectiveness of drugs, and provide guidance to plans regarding the formularies.

Drug Exclusions & Exceptions

| | Kaiser NW | Kaiser WA | Premera | Providence | UMP Value |
|----------------------|--------------|--------------|---------|------------|--------------|
| Drug Exclusions | ✓ | ✓ | ✓ | ✓ | ✓ |
| Exception Process | ✓ | ✓ | ✓ | ✓ | ✓ |

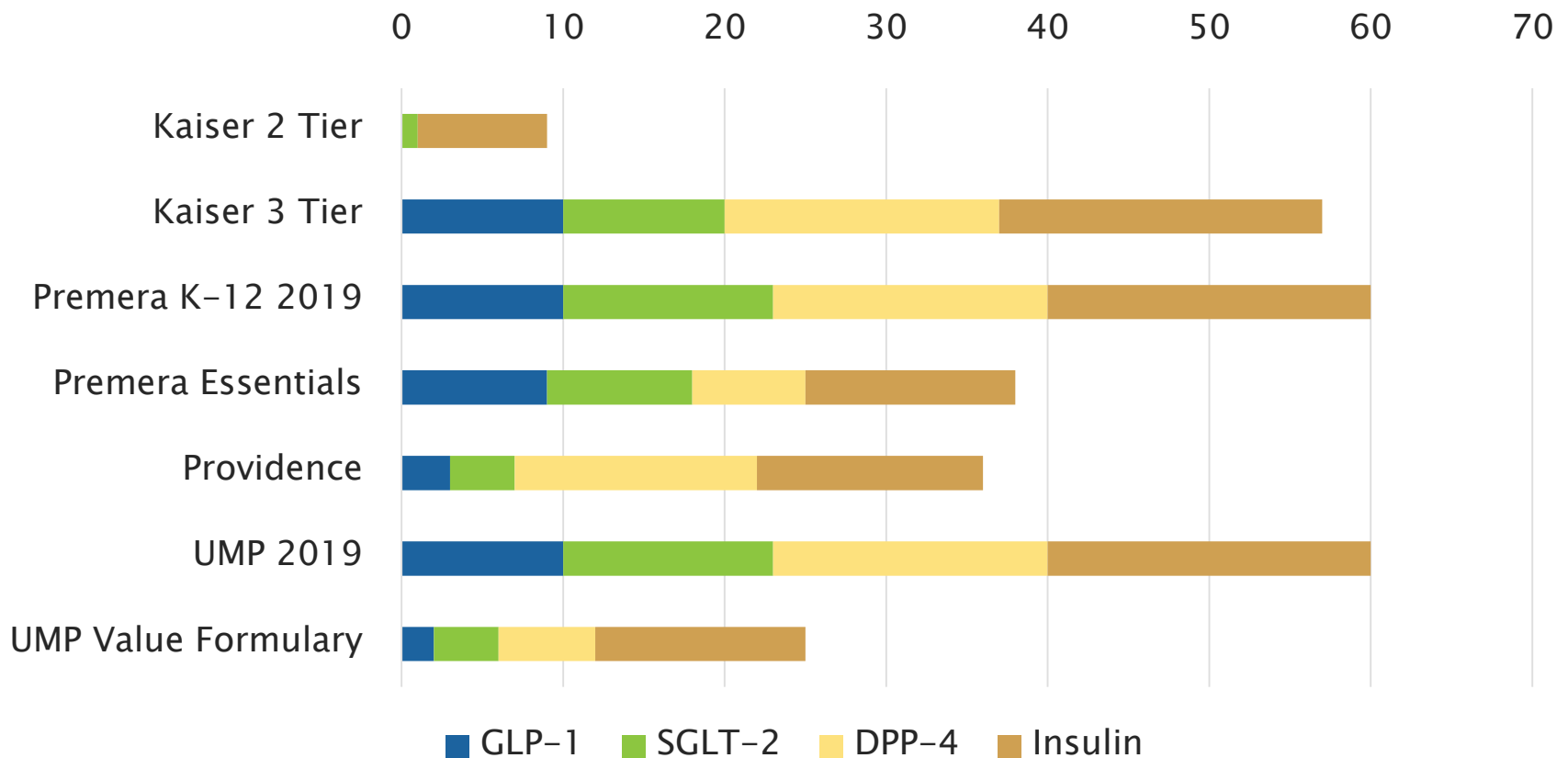
They all have some drugs that are excluded, either over-the-counter drugs, or very high-cost, low-value drugs. For those non-covered drugs that are not on the formulary, they all have some kind of exception process where the physician works with the plan to establish whether or not there is a medical necessity that merits the use of the non-formulary drug.

Pharmacy Benefit Comparisons

- In summary, all of these plans appear to be using a similar approach
 - to encourage the use of lower-cost, high-value drugs
 - to address the out-of-control pricing of some new drugs
 - while still providing access to members who have a medical necessity

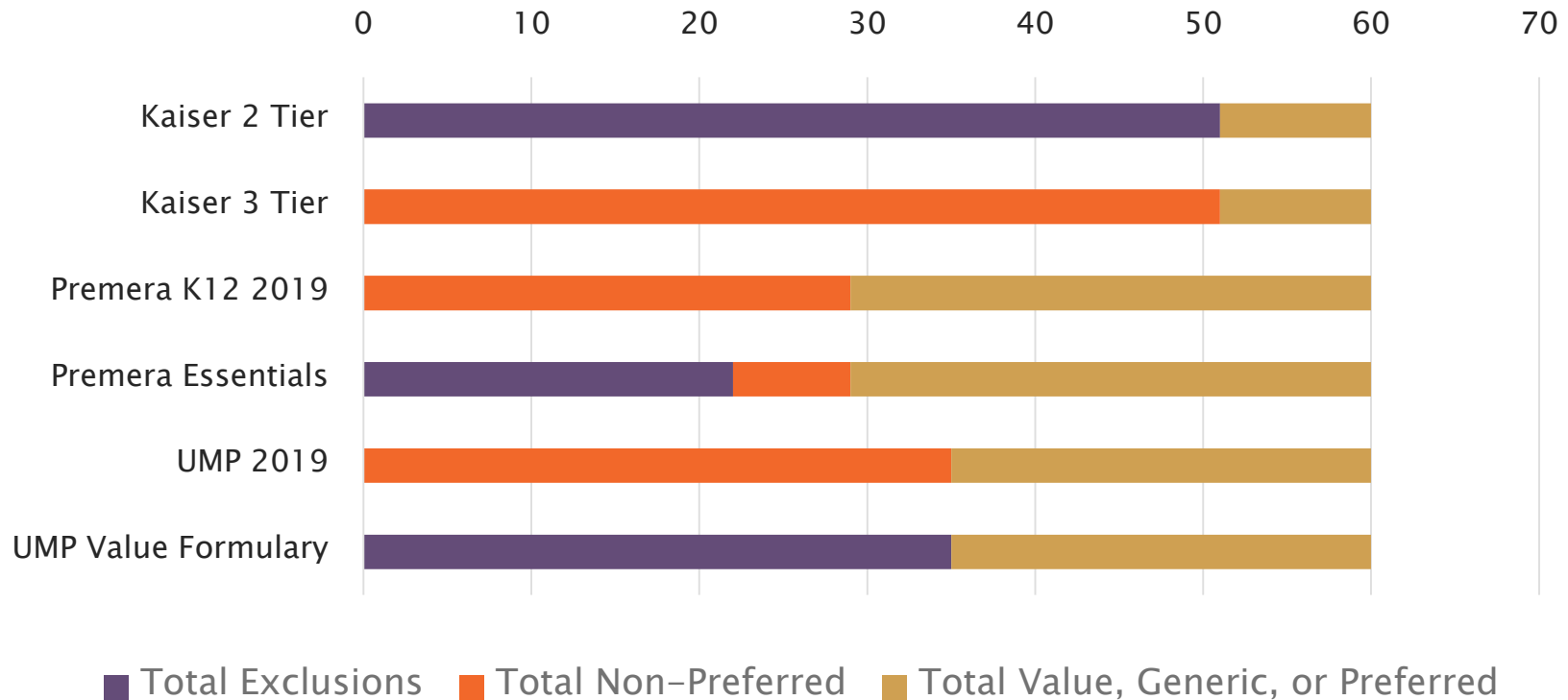
Formulary Comparisons

Covered Diabetes Drugs By Drug Class



Formulary Comparisons

Formulary Coverage for Diabetes Drugs Number of Drugs in Each Coverage Category



Evidentiary Standards

If a new member is taking a non-formulary drug and has tried other drugs in the past, what is the process of getting the exception?

- Lower tier alternatives must be tried and failed or the ***provider must submit rationale for why a medication may not be appropriate***
- The doctor would need to ***provide the names of the drugs that a member tried*** when requesting a formulary exception

Transition Period

If a new member is taking a non-formulary drug, will the 90-day transition period enable them to get that drug under UMP?

- No, the automatic 90-day transition period only applies to drugs that have prior authorization or STEP therapy requirements
- This programming does not apply to Specialty
- We are working with Moda to create a process to accommodate new members taking non-formulary drugs

Exception process clarification

- How many drugs does a member have to try within a drug class?
- The UMP web pages do not discuss preferred vs non-preferred drugs
- Members are directed to the UMP Preferred Drug List (<https://www.hca.wa.gov/ump/ump-plus/search-ump-preferred-drug-list>)

Proposed change

- It is simpler, more consistent with other plans, offers more value
- Addresses an equity issue in the current pharmacy benefit by allowing for a lower copay if the member goes through the exception process
- Could save members money at the pharmacy when there is a less expensive alternative

Proposed change (*cont.*)

- Could protect the plan from extreme volatility in drug pricing
- Allows members already taking drugs in refill protected drug classes to remain on their drugs
- It could control the trend and premium prices and keep the drug spend at a manageable level
- This is the best time to do this to avoid member disruption a year from now
- Continuity for K-12 employees moving to PEBB Program benefits when they retire

If the UMP Value Formulary is
going to go into effect on
January 1, 2020

Note:
PEB Board
Approved
4/24/2019

SEB Board will need to
approve no later than
June 12, 2019

Policy Resolution SEBB 2019-11

Self-Insured Value Formulary

Resolved that, beginning January 1, 2020, contingent upon approval of a value formulary resolution by both the PEB Board and SEB Board, all UMP plans require the use of a value-based formulary and:

- Non-formulary drugs are covered only when medically necessary and all formulary drugs were ineffective or are not clinically appropriate for that member, and
- Multi-source brand-name drugs, including those in refill protected classes, are covered only when medically necessary and all formulary drugs have been ineffective or are clinically inappropriate for that member, and

Policy Resolution SEBB 2019-11

Self-Insured Value Formulary (*cont.*)

- Members who have been taking a non-formulary drug are required to switch to the formulary drug, unless:
 - they receive or have already gone through the exception process and been approved, or
 - their drug is within one of the refill protected drug classes which include: antipsychotics, antidepressants, antiepileptics, chemotherapy, antiretrovirals, immunosuppressives, and immunomodulatory/antiviral treatment for Hepatitis C.

Questions?

More Information:

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TAB 10



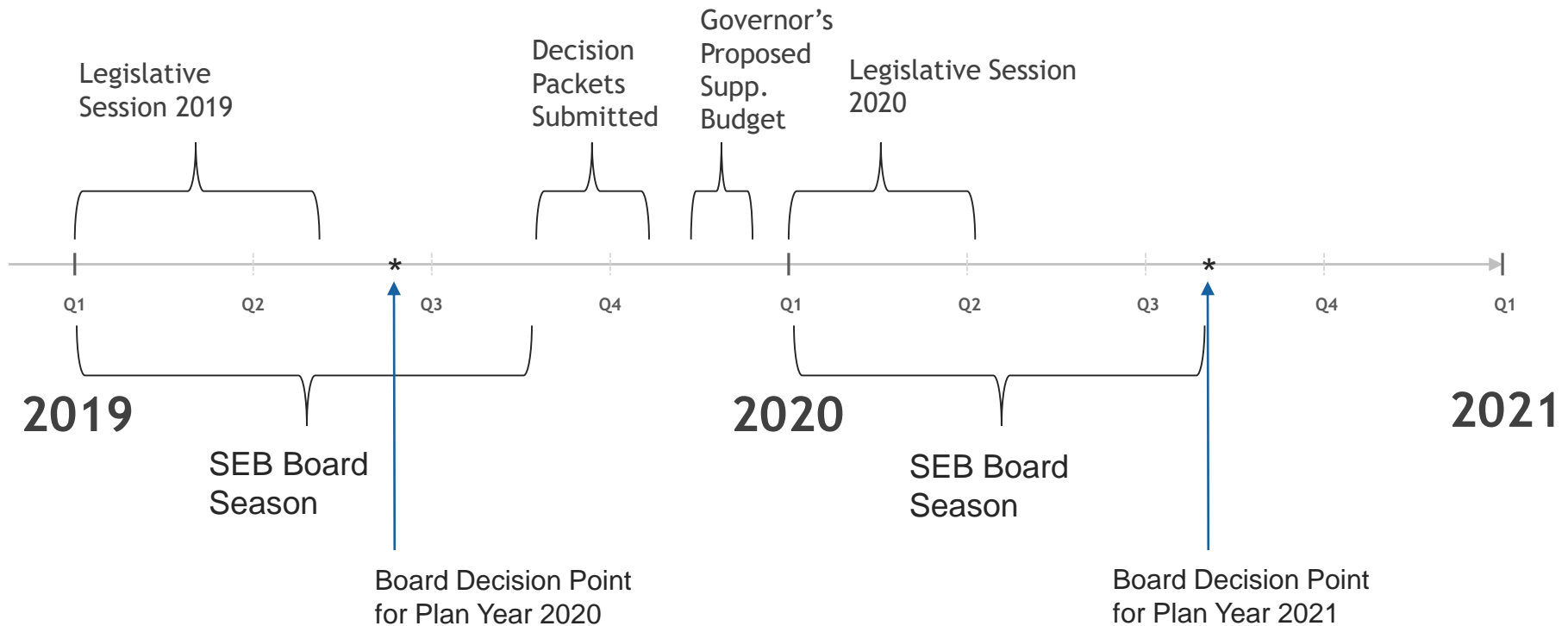
2020 Benefit Refinements Policy Development

David Iseminger, Director
Employees and Retirees Benefits Division
May 16, 2019

Preliminary Considerations

- Recently passed state funding confirms the long-standing assumption of funding parity between SEBB and PEBB.
 - The Board is not required to decrease benefits, nor is there support to increase benefit richness.
 - Therefore, any benefit changes require the Board to reduce projected claims expenditures and other benefits in the portfolio.
- Any benefit changes must be made at the June 12, 2019 SEB Board Meeting.

Timeline for Decision Making on SEBB Program Basic LTD Benefit



Strategies Related to Long-Term Disability (LTD) Benefit

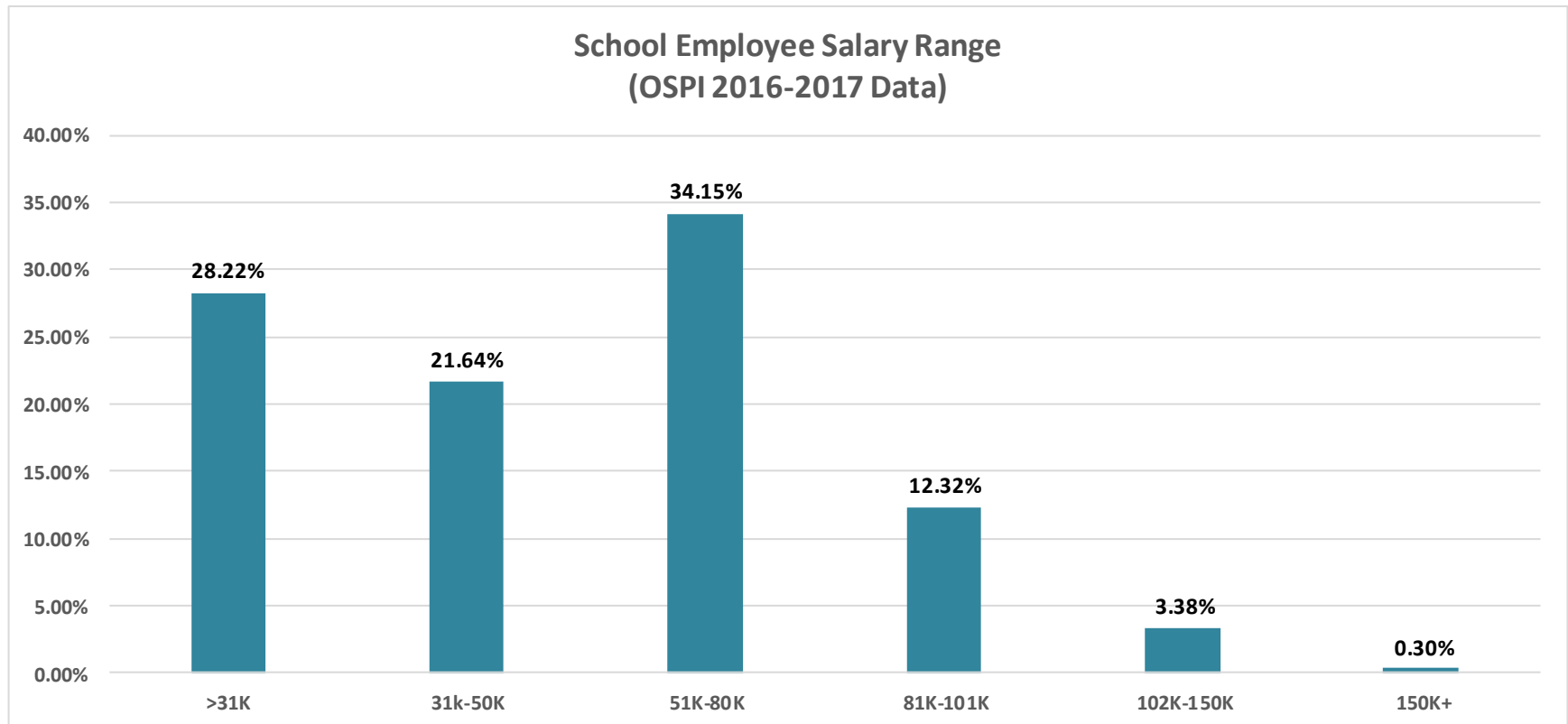
- HCA has arranged for a second Open Enrollment without Statement of Health during the Fall 2020 open enrollment
- Staff are working on a decision package for the 2020 Legislative Session

Basic LTD Plan Design Financial Insight

| | 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 |

* PSPM – Per Subscriber Per Month

Washington School Districts – Income*



*OSPI S-275 2016-2017 Certificated and
Classified Salary Data

Previously Presented Basic LTD Benefit Change Options

1. Decrease Basic Life insurance from \$35,000 to \$25,000
2. Changes to the dental plan benefit designs
3. Cap the fully insured dental plan orthodontia benefit at \$1,750 lifetime to match UDP
4. Eliminate the orthodontia benefit from all the dental plans

Basic Life and AD&D Insurance Summary

- The Board previously passed Resolution SEBB 2018-30 setting the basic life and basic AD&D benefit levels at:
 - \$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

Dental Portfolio Alternative Benefit Design

The Board previously passed Resolutions SEBB 2018-37, SEBB 2018-43, and SEBB 2018-44, which could be amended:

- 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

Cap the Fully Insured Orthodontia Benefit

The Board previously passed Resolutions SEBB 2018-43 and SEBB 2018-44, which could be amended:

- Cap the fully insured dental plan orthodontia benefit at \$1,750 lifetime to match UDP

This change would not generate sufficient annual premium dollars to support increasing the Basic Long-Term Disability benefit because of the projected enrollment in the fully insured plans

- Enrollment assumptions indicate that the majority of enrollment will be in UDP

Eliminate Orthodontia Coverage in All SEBB Dental Plans

The Board previously passed Resolutions SEBB 2018-37, SEBB 2018-43, and SEBB 2018-44, which could be amended:

- Eliminate the orthodontia benefit from all dental plans

This change could generate sufficient annual premium dollars to support increasing the Basic Long-Term Disability benefit to ~\$1,000/month.

Other Benefit Change Ideas

Does the Board have any other ideas for benefit changes that they would like us to research for consideration in the refinement process?

For the 2020 plan year launch any changes to plan design must be completed no later than the June 12, 2019 Board Meeting.

Questions?

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TAB 11



Flexible Spending Arrangement Dependent Care Assistance Program (FSA & DCAP)

Martin Thies, Account Manager
Employees and Retirees Benefits Division
May 16, 2019

Objectives

- Refresh the Board regarding FSA/DCAP
- Design, Experience, Implementation

Topics

- Medical Flexible Spending Arrangement (FSA)
- Dependent Care Assistance Program (DCAP)
- Plan logistics
- FSA/DCAP Experience within PEBB Program
- Implementation 2019

Definitions

- Salary Reduction Plan:
School employees agree to a reduction of salary on a pre-tax basis in order to participate
- Medical Flexible Spending Arrangement (FSA)
Also known as a “Medical FSA,” this is a benefit plan whereby school employees may reduce their salaries before taxes to pay for medical expenses not reimbursed by insurance
- Dependent Care Assistance Program (DCAP)
A benefit plan whereby school employees may pay for certain employment related dependent care with pre-tax dollars

How a Medical FSA Works

- Annually, employees elect pre-tax amount to defer from their pay, up to limit set by the Plan Sponsor
- On the Day 1 of the Plan Year, the TOTAL annual deferral amount is available for use
- The employee uses an FSA debit card, or submits claims after purchase to the FSA vendor, and is reimbursed for those expenses
- Annually, unclaimed funds are forfeited

Examples: Eligible/Ineligible Expenses

- Eligible

- Bandages, sun screen
- Birth control
- Co-pays, deductibles
- Dental, Vision, Lasik
- Labs & imaging
- Mileage to/from eligible care
- Orthodontia
- OTC medications with a prescription
- Pharmacy

- Ineligible

- Adoption fees
- Electrolysis
- Funeral expenses
- Health Insurance and other premiums
- Maternity clothes
- Medical marijuana
- Student health fees
- Sunglasses
- Weight loss foods

Pros & Cons

- For Employees
 - Reduction of Income Taxes ($\$2,700 \times 12\% = \324)
 - Total annual deferrals are available on Day 1 of the Plan Year
 - Possibility exists that deferred earnings will be forfeited
 - Lowering taxable earnings impacts Social Security calculations
- SEBB Organizations are not liable for payroll taxes on deferred income (7.65%)
- Forfeitures go to the plan sponsor (HCA), reducing the Per Participant Per Month (PPPM) administrative fee

FSA: Key Dates

- **2005**: IRS adopts the “*grace period*”* whereby employees can continue to use their total annual deferral amount from one plan year up to 2½ months into the next plan year (*SEBB Program will have a grace period*)
- **2013**:
 - Authorized by the Accountable Care Act (ACA), a “*carryover*”* option of up to \$500 is implemented by the IRS
 - Carryover funds are available for the duration of the subsequent Plan Year

**A plan sponsor can offer one or the other, or neither, but not both.*

FSA/HSA Incompatibility

- An employee with a Medical FSA cannot contribute to a Health Savings Account (HSA) in the same plan year
- HSAs offered to high deductible plan enrollees
- Annually after open enrollment, the HCA scrubs enrollment data to ensure compliance



Dependent Care Assistance Program (DCAP)

- Employees elect an annual pre-tax amount to defer from their pay, up to IRS limit (\$5,000)
- Expenses reimbursed only up to the amount contributed at any time during the plan year
- Only for expenses incurred during plan year
- No rollover, no grace period: *“use it or lose it”*
- Annually, unclaimed funds are forfeited

Examples: Eligible/Ineligible Expenses

- Eligible

- After school programs
- Au pair, nanny
- Child care
- Dependent or elder care (work related)
- Preschool
- Senior day care
- Summer day camp
- Supervised extended care

- Ineligible

- Babysitting (not work related)
- Dance/piano lessons
- Diapers, clothing
- Field trips
- Kindergarten tuition
- Medical care
- Nursing home care
- Tutoring
- Transportation

FSA/DCAP Vendor

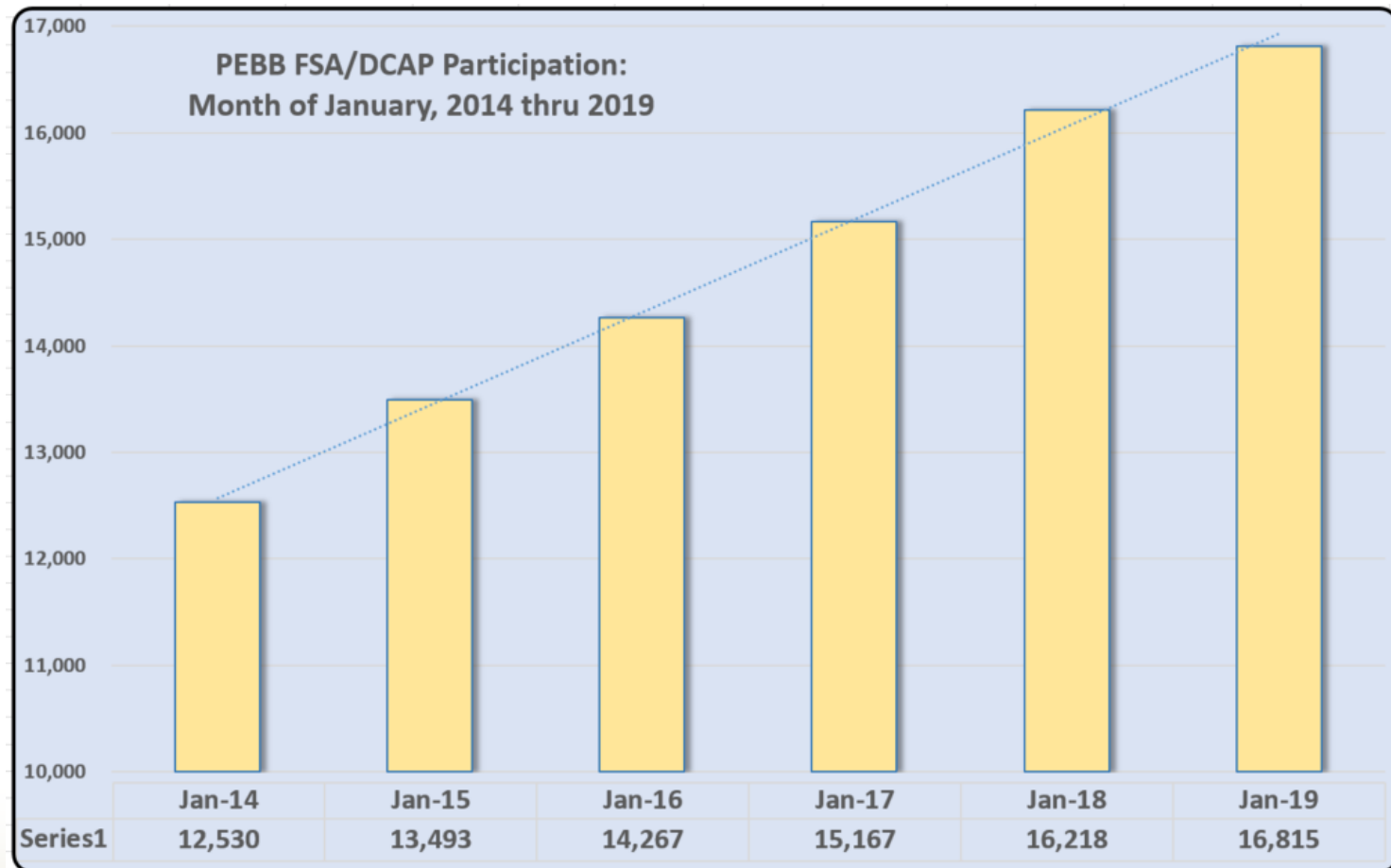
- Since Plan Year 2014, **Navia Benefit Solutions**
- Nationwide administrator, based in Bellevue
- Current Navia contracts include:
 - Several other states, many large counties
 - 32 WA school districts
 - Seattle to Castle Rock
 - Eastern and Western Washington
 - More than 6,000 school employee participants

FSA/DCAP Logistics

- Employees sign up for an account with the program administrator, Navia Benefit Solutions
- Deductions are set up by the SEBB Organization
- Pay period deferrals go to the HCA
- Employees use their debit card or file a claim
- Navia pays the claims and bills HCA for the funds as they are used
- Monthly PPPM to Navia are offset by annual forfeitures

Benefit Utilization

- PEBB Program Annual Participation increase: 6.7%



Benefit Utilization

- 24 million employers nationwide offer FSAs
- PEBB Program: Since Plan Year 2014
 - Employee tax reductions: \$18 million
 - Agency FICA savings : \$11.3 million

SEBB Program FSA/DCAP: Implementation

- Transitioning to a calendar year plan
- Creating communications
- Engaging with personnel, payroll, and technical staff to prepare for deductions and data sharing

Questions?

More Information:

<http://pebb.naviabenefits.com/>

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