

School Employees Benefits Board
Meeting Minutes

June 12, 2019
Health Care Authority
Sue Crystal Rooms A & B
Olympia, Washington
10:00 p.m. – 2:00 p.m.

Members Present

Wayne Leonard
Terri House
Dan Gossett
Alison Poulsen
Pete Cutler
Patty Estes
Lou McDermott

Member via Phone

Katy Henry
Sean Corry joined after break and left after Executive Session

SEB Board Counsel

Katy Hatfield

Call to Order

Lou McDermott, Chair, called the meeting to order at 10:02 a.m. Sufficient members were present to allow a quorum. Board self-introductions followed.

Agenda Overview

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

May 16, 2019 Board Meeting Follow Up

Dave Iseminger, Director, ERB Division. At last month's Board Meeting there was action on the UMP value formulary. There were additional questions about getting a documented step-by-step process for the exception process.

Slides 3-5 – Uniform Medical Plan (UMP) Value Formulary Exception Process describes what the tier structure will look like. Drugs not on the formulary will be covered only when medically necessary and all formulary drugs were found to have been ineffective or are not clinically appropriate. This is language stemming from the resolution. It's a one-page slide summation on Slide 3. Slides 4 and 5 talk about the exception process.

I'm going go to Slide 5 for purposes of today, which goes through the step-by-step process.

If somebody wants an exception for a drug not covered under the value formulary, the member or the provider can request a formulary exception by contacting Washington Prescription Services. Prescription Services will contact the member's provider and put in motion the exchange with that provider about the clinical information needed in order to get an exception. The clinical team at Washington Prescription Services will review the submitted information and make its determination. If there's any consultation under the Uniform Medical Plan that's needed or questions, there's the ability for our clinical staff to communicate and work with Washington Prescription Services on any difficult cases. HCA will also have an audit review process over them if there are member concerns with a particular appeal. Ultimately, the decision will be by the clinical team for Washington Prescription Services. If all alternatives have not been tried, the member could continue taking the non-formulary drug by paying the full cost. If they are approved, they would get the non-formulary drug at the cost that is included within the tiering structure of the plan. This is the boiled down, step-by-step process we will be communicating out to members as they are transitioning into the UMP if that is their plan selection.

Pete Cutler: That last point is what I'm interested in. Will this be displayed prominently on the website? How accessible will this information be as we get beyond the first few months? How easy will it be for members who have a concern about this issue be able to find this exception process information?

Dave Iseminger: There's a lot of information, Pete, people are going to be receiving this fall. There's going to probably be a saturation point where there are so many important things to communicate. But once we're up and running and we don't have to generally communicate the core eligibility rules to everybody in the system, that real estate will not be as prominent or needed from the school employees' perspective. We will be focusing even more on highlighting and raising the awareness of things like this.

I'm anticipating as we go forward and have our standard communications and newsletters with individuals, we'll make sure we are highlighting pieces that indicate where to find this information. It is important to note that as of plan year 2021, under one of the bills whose number I already forget that passed this last legislative session, there are rules and requirements about communicating clear exception processes to enrollees. We'll also be making sure that we're complying with those pieces. After we get through this saturation of launch information that individuals need, we will make sure this type of information is prominent and easier to find for members and highlighted in communications.

Pete Cutler: Great, thank you.

Lou McDermott: Dave, I know with our newsletter, I'm assuming we're going to be doing a SEBB newsletter as well. It's an opportunity to highlight different facets of the benefit. It goes on an annual basis.

Dave Iseminger: We're anticipating we'll have a newsletter at least three, sometimes four times a year. The first newsletter is at the printers and will be mailed towards the

end of next week. I think it's 12 pages plus four pages of nondiscrimination notices. There is a lot of content to help orient people to what's coming and how they're going to be getting new information. Once we get through the core information, we will have a standard communication cadence with the school employees directly. We take the opportunity to highlight things like this on an annual cadence.

Slide 6 – Cafeteria Plan Benefit Follow Ups. There were questions at the last meeting about HRAs, Medical FSAs, DCAPs.

Slide 7 – HRAs – Health Reimbursement Accounts. This is not a particular benefit design that fits within any of the benefits in the SEBB Program portfolio suite, nor the PEBB Program portfolio suite. But it is something that many people have heard about and they try to understand if it relates. So this isn't something that is necessarily a benefit design within the SEBB portfolio. But it is juxtaposed because people often hear some parts of IRS code and lump them all together. I want to provide a bit of education about HRAs even though it's not directly applicable to the portfolio that school employees would access.

These are tax reimbursement accounts that employees don't contribute to. They're contributions the employer makes available. Typically a common cadence is an employer might make a wellness benefit and if you do three of the following eight activities, we'll put X number of dollars in an HRA and then as you have claims that come in, the first amount that would normally be charged to the member is deducted from the HRA. It's treated almost as first dollar coverage to cover the member's out-of-pocket expenses. Because it's employer-owned, the employer owns the funds themselves. They set the rules for when they can be used and when the use expires. Typically, an employer will set it on the plan year. If it's unused at the end of the plan year, it reverts back to the employer. It's not like an HSA that is employee-owned and rolls over year over year, or Medical FSA, which many people think of as a short term employer loan that is repaid via employee contributions.

That's where this is fundamentally different. All of it is employer contributions. The employer owns it so if it's unused, it reverts back to the employer. Generally, the rules for expenditures are very similar to a Medical FSA. There are qualified expenses but most of the time what people are using it for is that out-of-pocket copayment or other out-of-pocket expenses, or even prescription drug expenses. It's based on the claims experience of the enrollee. They are compatible with many other health plans. They don't have specific enrollment requirements, unlike an HSA where you have to be enrolled on a high deductible health plan that meets IRS requirements in order for the contributions.

There's nothing that overlays HRAs. It's purely a separate revolving account that an employer can set up within many different plan structures. We already talked a little bit about the bottom pieces. The reason so many people hear components about HRAs is they know they are tax-free contributions and there are tax advantages to the employer. And so that's why people hear different tax advantage pieces with Medical FSAs, HRAs, HSAs. They put the alphabet soup together and start to get confused.

Slide 8 – Medical FSAs: Split Accounts. There was a separate question about Medical FSAs and the concept of split accounts. If you have two employees eligible for benefits

in two completely unrelated employers, what are the rules for an individual to be able to elect funds? Can they elect the full IRS or employer allowed maximum at both employers, or is it a single contribution coordinated between the employers? If you have that type of situation, you are allowed to elect the maximum your employer allows you to elect. It's important from a Medical FSA standpoint to remember that the IRS sets the ceiling, but the employer can set a number that's lower than that ceiling. Whatever the employer allows, if you have eligibility in separate areas, you would be able to elect multiple Medical FSAs at the end of the day. Where that difference breaks down is if you work for multiple employers that ultimately are in these same employer control and they bubble up to the same parent company. That employer could have limitations within its subsidiaries.

Slide 9 – HSAs, Medical FSAs, and Medicare. The last question was related to HSAs and Medical FSAs and their interaction with Medicare. An individual can't be enrolled in Medicare and have access to making contributions to an HSA account because you have to be in an IRS qualified health plan and Medicare plans don't meet those qualifications. There is no way enroll in Medicare and have access to the health savings account aspect. For Medical FSAs, there is no such linkage. The Medical FSA eligibility is rooted solely on your employment relationship and whether the employer or plan sponsor has eligibility requirements that allow you to access it. HSA is completely incompatible with Medicare. Medical FSAs could exist for an individual who enrolls in Medicare.

Pete Cutler: Regarding Medical FSAs, am I correct the Health Care Authority will be providing the Medical FSA option to school employees and school districts are prohibited from offering their own parallel or alternative Medical FSA program?

Dave Iseminger: That is correct. There are multiple types of flexible spending arrangements. There's what people call a full Medical FSA and a limited Medical FSA used primarily for dental or vision. We are working to communicate to everyone the fact that the Cafeteria Plan authority with the agency is for all types of Medical FSAs. The authority for a district to offer benefits doesn't include any form of a Medical FSA, DCAP, disability, life insurance, dental, vision, or medical. We are working on being able to clarify that for folks.

Pete Cutler: I would follow then that for school employees, even though they worked a couple different school districts that had no interaction with each other and could be considered separate employers, they're not going to be able to double up in terms of Medical FSA coverage because they are going to be in the one Medical FSA plan. It doesn't matter which school district they're in.

Dave Iseminger: Correct, Pete, because the state is putting forth the Cafeteria Plan benefit on Medical FSA. We are, as a single program, offering that benefit fitting that common control language on the prior slide. There won't be a way for somebody to double dip into the program because it's all bubbling up through the SEBB Program.

Pete Cutler: Right, unless they had a job with a completely different employer that was not included under SEBB coverage.

Dave Iseminger: Correct.

Patty Estes: I wanted to point out that you said people that are enrolled in Medicare can't contribute to an HSA but they can still use their HSA if they're --

Dave Iseminger: Yes, that's correct. A lot of nuances are, if you have an HSA and you previously put contributions in that met all IRS requirements, you can spend them whenever you want. But you only get the tax advantage if it's for qualified expenses.

Patty Estes: Perfect, thank you.

Dave Iseminger: There was another follow-up question not in the slide materials. It was about utilization management criteria requirements under House Bill 1879 that was part of Cade's legislative update. The piece I have to bring back to the Board is that the bill doesn't address a requirement for carriers to specifically post their utilization management criteria. That was the crux of the question, do UM requirements have to be posted or what is the notice for requirements? They are required to provide it but that doesn't necessarily mean an affirmative posting of it.

Pete Cutler: Following that up, that's implying the member would have to know to ask and figure out how to appropriately ask for any given health plan?

Dave Iseminger: At this point, yes.

Pete Cutler: Would it be possible for the agency to send us an email, somehow post information on the exact sections of the budget that have an impact on the SEBB Program? We're told subsections five and section nine. But I realize it's a big document. It would certainly be a lot easier if you could hone us in on the exact sections.

Dave Iseminger: Yes, we can definitely provide that information. It is scattered throughout the budget. There's many different components to it. That would make sense that we can work on providing a roadmap.

Rate Development Process

Megan Atkinson, Chief Financial Officer. This presentation is to prepare you for the July meetings where we will present final rates, final employer and employee contributions and asking you to take action. That's a huge milestone in this journey that we've been on for the last couple of years. We'll walk through where we are on our rate development and our negotiations with plans. We'll give you a little bit of an update and then I'm going to walk you through the sample spreadsheets.

Slide 3 – Medical Rate Development and Negotiations. With the fully insured carriers, we have gone through two or three rounds of bid rates with them. We've sent out the benefit package and had the carriers propose in different plan designs. We've had a multitude of conversations with them, both on the financial side and the program side. Service area, benefits, deductibles, etc. Where we're getting close to being to conclusion is doing our own UMP self-insured bid rates. It's a self-insured product, it's not really a bid rate, but we still call them that. It allows us to talk about apples to apples comparison. We most recently had an additional year of claims experience for the K-12 population that we were able to bring in and update our data book. That was the 2018 year. That was released to the plans. We have the same data book. The

data book we use for our self-insured product is the same data book we have available for the plans. Everyone has the same information. With that, we're updating our self-insured rates. And then we show to the plans our self-insured rates. We don't share rates across the plans because those are propriety when we're in negotiations. But we do let them see our self-insured product rates. That helps our managed care partners understand where we're positioning our products and it allows them to make a more informed decision about how they want to position their own portfolios.

In addition, it can drive an interesting conversation about what our actuaries are seeing in the experience and what the plans' actuaries are seeing in the experience. That's where we are now, getting to the final round of rates.

Slide 4 – Next Steps: July SEB Board Meetings. On July 18 we'll be bringing you the numbers and the proposed resolutions. On July 25 we'll ask you to take action on the resolutions.

Dave Iseminger: Typically we introduce resolutions and then ask you to take action after a 30-day period between one meeting to the next. As we get into the rate setting process, year over year, there's often this crunch that happens in July. At the end of the day, when it gets to July 25, it's an up or down vote. At that point, it's too late to go back and tweak further. That's why we use Executive Sessions in May, the one we'll have today, and the ones we've been having all along to get your insight as we're going through the negotiation process. We know when it comes to July, there will be this point where we say publicly where we are. It's up to you to say yes or no at that point.

You'll note on the calendar we have an August 1 meeting on the books. When we created the schedule for the SEB Board back in October 2017, we had no idea exactly what the legislative process would look like. Our experience over the last decade is that we've often had a lot to do in July because the information that is critical for us to complete the work isn't available until late May or late June. We always plan accordingly.

This year the Legislature got out early. We're anticipating you will take action at the July 25 meeting. It's going to be important, especially in this launch year. If all goes well, the August 1 meeting would get canceled. We're only 66 days away from open enrollment. An extra six or seven days is critical to be able to get information into the materials, do quality checks, finish the rate books, push everything into the system, and do the final IT checks as we march towards that October 1 open enrollment date.

Megan Atkinson: That's another reason why we wanted to walk you through this presentation today, to get you familiar with the structure of what we will be presenting so you'll be comfortable and ready to take action on July 25.

Slide 5 – Rates Update. You'll get final proposed service area maps. I'll be coordinating with Lauren on the program side to give you that comprehensive look across the portfolio with the different carriers, different plans, different offerings, what is the value assessment for the member. Hopefully, that will help you make your decisions. If there are concerns, the Board can take action to remove a carrier or a plan from the portfolio. Premiums will be an up vote for yes or a down vote for no. You wouldn't be in a position to do additional negotiations at that point.

Slide 6 – Employee Premium Contributions: Sample Spreadsheets (Medical). I'll walk you through what the sample spreadsheets would look like for medical.

Slide 7 – Employee/Employer Premium Contributions. These numbers are for illustration purposes. These are not the final numbers. We'll be showing you, for the medical premiums, the employee and employer contributions. Again, for the SEBB Program, the employer contributions on the medical side are the employer medical contribution. That is detailed in the Collective Bargaining Agreement and it is 85% of the 88% AV self-insured plan. It'll be 85% of the UMP Achieve 2 bid rate. Once you do that, it's really just math, but I'm going to walk you through the spreadsheet because the spreadsheet goes from right to left.

The proposed 2020 bid rates are in the far right column. The employer medical contribution, again, spring boarding off the Achieve 2 bid rate. Moving left, the gray column, the proposed 2020 employee contribution is just the math. We populated this with sample numbers so you can see how it works. We will be showing you the four UMP offerings and the full set of fully insured plans by carrier and plan.

Dave Iseminger: Although they're sample numbers, these is the most recent not-to-exceed (NTE) UMP bid rate information that we've presented to you in prior meetings. The tables were goldenrod with green rows that indicate the employer contribution. These are the most recent NTE rates for UMP.

Megan Atkinson: But these are not the final rates. They are the most recent ones you have seen, but they are not the final. They do not reflect the updated 2018 experience. These don't reflect the last round of data book that we updated and shared with the plans and that we used with our actuaries for our own rate development.

Slide 8 – Employee Contribution by Tier. We've taken off the employer side and building out the employee contribution by tier. We did a tier ratio conversation earlier in our journey together, talked you through the proposed tier ratios, and took action. We have a statutory direction around the spread of the tier ratios. The top gray row is subscribers of 1.0, subscriber and spouse 2.0, subscriber and children 1.75. Regardless of whether you have one child or ten, it is 1.75. The far row on the right is the subscriber, spouse or partner, and child or children. The rows moving down are the self-insured and fully insured offerings.

Again, numbers are for illustration purposes but the math works where you take the single subscriber amount and multiply it by the tier ratio and that gives you the amount. Taking the first row down to the UMP Achieve 1, under single subscriber, the employee contribution would be \$34. When you move to the subscriber and spouse or partner tier where the tier ratio is 2.0, you take the 34 times 2.0, you get \$68 and then etc. as you go across.

Below the bottom gray line there are two surcharges we are directed to assess. One is the tobacco surcharge and one is the spousal surcharge. You can see in the tier ratios how those work. You only have the spousal surcharge on the two tiers where you would have a spouse or partner enrolled as a dependent. This is the format we will use when we walk you through this next Board Meeting.

Slide 9 – Employer Contributions: Sample Spreadsheets. Now we'll discuss employer contributions for the additional benefit offerings, dental, vision, etc. This is slightly different in that there is not an employee contribution on these benefits. The employer contribution is 100% of the premium and is a result of our procurement at this stage of the game. Depending on how successful we've been with our procurement drives how the rates come out.

Slide 10 – Dental Premiums. We'll have our self-insured Uniform Dental Plan and then our fully insured offerings.

Slide 11 – Vision Premiums. We don't have a self-insured vision offering so we'll be showing you our contracted plans. In the SEBB Program offering, we have vision carved out of medical and it is 100% employer paid.

Slide 12 – Basic Life/LTD and Basic Long-Term Disability. We'll have subscriber rates. We don't self-insure for that.

Slide 13 – Supplemental Benefits. These are the benefit offerings the employee can choose to add on to their own portfolio of benefits that they're carrying. Because these are the supplemental benefits, what we'll be showing you is the cost to the employee. There is not an employer contribution on these.

Supplemental Life/AD&D will be the result of how successful we'll have been on our procurement so you'll have rates there. There's supplemental life smoker and nonsmoker rates. On the far right is Supplemental AD&D for the employee, spouse, and child. There are footnotes of how to calculate member premiums.

Slide 15 – Supplemental Long-Term Disability. These rates change by age. People move through the rate brackets as time marches on. Again, it'll be the result of how successful we are with our procurement.

Slide 16 – Sample Proposed Resolution. This is a sample of a proposed resolution. "The SEB Board endorses the [carrier name] employee premiums." You can vote yes or no.

Dave Iseminger: As an additional piece of context, the resolutions only relate to the medical plans because your authority includes the setting of the employee premiums. For the employer-paid benefits, we provide you the information, but there's no action for you to take.

Megan Atkinson: Pete, you asked for a follow-up on the budget. We do have a listing of all the places in the budget where we have pulled out directions specifically to SEBB. We'll get those put together and get that to you.

Pete Cutler: That'd be great. Thank you very much. And just for the record, I want you to know I think the very last stage when you have actuaries discussing the nuances of the different items, that's the *crème de la crème*. And exciting portion of the process.

Megan Atkinson: It is pretty interesting.

SEBB Program Stakeholder Activities

John Bowden, Manager, School Employees Benefits Section, ERB Division. I'm setting up future presentations, two today, one on stakeholder communications and one on SEBB My Account.

Slide 2 – SEBB Program Stakeholder Engagement. We have a lot going on but it's a coordinated effort that we have underway. We did presentations to public school employees, the Washington Education Association (WEA), and benefit advisory committees. The employee newsletter and the enrollment benefit guide will be coming out in September. For SEBB Organizations, there have been lots of regional meetings at Educational Service Districts (ESDs) with superintendents, finance officers, HR folks. We've presented at WASBO, School Personnel Association. We have some coming up at WASA with school principals. We've done several WSIPC pieces and some Business Plus conferences.

We have lots of resources we'll provide to the benefits administrators in the SEBB Organizations to help them assist their employees in making benefit selections and managing the selections they've made. One of the areas where it overlaps is we have some onsite benefits fairs coming up. The agency is creating a virtual benefits fair because we can't get to everywhere in the state.

We have a pilot project, ALEX, a benefit selection support tool. I've heard a lot from the SEBB Organizations benefits administrators about how excited they are about the availability of ALEX. Later today, Chatrina Pitsch will present to you where we are with SEBB My Account. In developing SEBB My Account, we have done a lot of work with the SEBB Organizations and involved them, as well as the end users, in doing beta testing. We have user acceptance testing going on within the agency. There is a lot going on to make sure SEBB My Account will be ready.

We have an IT Support Contact Center we're developing so if there are problems, people will be able to call in, send emails in, and get assistance. One of the areas they may need assistance is creating accounts and getting secure access, Washington login or confidentiality security

SEBB My Account videos are being developed. You can find information on questions you may have. You can say you want to know how to enter my dependents and there'll be a little video clip on that. Maybe you want to know more about making a benefit selection or how to take somebody off of SEBB My Account, or how to make changes. There will be video clips to offer guidance.

Slide 3 – SEBB Program Stakeholder Timeline. This timeline shows some of the things we have going on, starting with the SEBB My Account piece and the beta testing I talked about. We're getting information from the SEBB Organizations about who within their organization should have access in SEBB My Account to add employees, make employee changes. Those are authorized by superintendents and that's going on now. We have training materials being produced. We will probably have a webinar coming up in a couple of weeks to talk with SEBB Organizations about submitting eligibility files so we can have all of the eligible employees. It's actually not going to be all of them. People get hired, even after the start of the school year. But we'll have as many of the

eligible employees in as we can so they can find themselves in the system and start making benefit selections. The two-day training coming up is August 1 through nearly the end of September. The SEBB Organization benefits administrators will know how to help people with the SEBB My Account, how to work it themselves, as well as all of the eligibility and enrollment types of rules this Board has passed. The virtual benefits fair goes live October 1. The enrollment guide will be going out mid-September. After they have the enrollment guides, we'll provide them with the virtual benefits fair and the ALEX tool.

Pete Cutler: Just to be clear, I think we had clear instructions. We should have them finished before August 1.

John Bowden: Yes. The first open enrollment starts October 1 and goes through November 15. We have a lot going on in a short amount of time.

Dave Iseminger: Before we move off this slide, I want to highlight one piece. The green bar, the SEBB My Account final eligibility file uploads, is a key piece. SEBB Organizations putting that information in SEBB My Account is what will enable us to push the data through the system so an individual can access the system when they go in on October 1 at 12:01 a.m. And there will be someone who does that on 11:59 p.m. on November 15.

We are working on getting to districts file specifications as early as we can. This summer we're trying to target the end of this month so districts are aware of the eligibility rules. They may be able to start to pre-load into the specifications and the file itself the information needed to be put into that file so they can upload it in September. We're anticipating districts will be able to at least start core eligibility determinations in July. There'll be many people they know are coming back that clearly meets 630 hours. They can put them in the file, so to speak.

As they're working through those eligibility requirements, they'll start to see employees where they're not quite understanding what the eligibility requirements are and how it works. Those are great questions to bring to the training in August and September. Once they've answered and gotten information about that you can go back, finish the files, and upload things in early September. That way there's as much time to populate and push the data through the system. Although the file eligibility upload is really what that green bar is about, there is work that we're anticipating SEBB Organizations will be able to do this summer once we get the file specifications out later this month.

John Bowden: For the districts, ESDs, and charter schools in the Washington School Information Processing Cooperative (WSIPC), we are working with WSIPC to get those eligibility files.

Slide 4 – SEBB Stakeholder Presentations. This list is some of the presentations made in the past month and then a few that we have going forward. Some additional presentations have been added.

Alison Poulsen: I had one comment and it may be more appropriate for the next section. I am a mom so my kids go to the Freeman School District and I've been

intrigued and slightly disappointed, I will be honest, at some of the communication about budget cuts coming to the district, being very specifically tied in their communication about SEBB. And it peaked for me the missing point, which is all these people who are going to get health insurance now that haven't had it in a much more equitable way. I wondered if the agency had been thinking about some op-eds around sort of the more productive message. I can appreciate the effect this is having on the school district. I'm not sure this is the only thing that is putting financial pressure, considering we just had a huge legislative action with McCleary and so forth. It feels a little convenient and yet sort of missing out on, I think, one of the intents behind the Legislature of having such a low threshold for people being able to access health benefits.

Dave Iseminger: Thanks, Alison, for that question. At the beginning of the legislative session, before the final answer came from the Legislature, there had been efforts to do some op-eds since there were some initial questions around what this whole cost would be and the impact it would have on the budgetary process. We had done a bit at the beginning of the session. What we have been doing is we have a robust pressroom. Our central communications team has information they periodically update for news organizations. We've been responding to various reporter questions.

I've done several interviews with a couple of newspapers in the state to get out different key messages. A lot of the questions I've been directly asked in those news conversations have been about explaining why an employer has to pay when somebody doesn't want benefits. We talk about how the funding rate's an average. And I always bring it back to the 3:1 ratio. We are going to have roughly 40,000 people between that 630 hour and 720 hour threshold who have access to more coverage than they've ever had before. Our anecdotes, through the studies year over year with the Health Care Authority, are there will be people who get family coverage and have more they take home out of their paychecks versus writing their employer a paycheck to have health care. We've brought that up as a talking point because that's something both Patty and Terri have prominently mentioned many times in prior Board Meetings.

We do have different pieces of the puzzle in place. I'll talk with our communications team and Director Birch about other things we can do to help combat that perception. We have a keen insight and tracking of where the different news stories are and how the SEBB Program is talked about in the media. And so far, there are some ties. It hasn't felt, from our perspective, that it's been overly targeted towards the SEBB Program. It's acknowledging the SEBB Program is a piece of the puzzle. I'd be interested if there are pieces you're seeing that you think are more targeted that we can work on responses to. We haven't felt that there's been such a pervasive negative connotation solely focused on the SEBB Program that we've done a pure proactive campaign at this point. We've discussed it a couple of different times.

Alison Poulsen: That's great. Ours was actually direct communication from the district to parents saying, "These are the cuts we are expecting because of SEBB."

Patty Estes: I did have a member reach out to me last week saying the exact same thing that she's a leader for classified employees saying the rates were going to kill the employees. I said, "How is that possible? We haven't set rates yet." She said the districts are telling them that same exact message that these people are getting laid off

because of SEBB. I think that message needs to be put out there that it's not necessarily true.

Dave Iseminger: There's one fortunate thing, we do have direct access to communicate with the school employees themselves and there are key things that we have to communicate as an agency and as a program. A good one is the newsletter that is going out and hitting mailboxes starting late next week. I can't remember all the articles in it but we do have the venue to be able to make sure we're pushing things out. And believe me when I say that everybody who reads those has different views of every sentence in them. Some people love every sentence and some people hate every sentence.

This agency's responsible for the messaging of the core foundational aspects of this program and ensuring that notice of various requirements, of various benefits, the changes to those benefits on an annual basis are communicated to school employees. We take that responsibility very seriously because at the end of the day, the Legislature has given you the authority to set the eligibility framework. This agency's administering it. We sub-delegate a lot of that authority to the employer but as issues come up in appeals, it bubbles back up to this agency. We make a decision because we have that authority and then we defend that decision.

Pete Cutler: By way of comparison, working with Insurance Commissioner's Office, when the Affordable Care Act went into place, we had carriers who I will choose not to name, when some of the Affordable Care Act provisions went into place, their yearly increases in the individual market came up. They were going for 15%, 20%, 25% increases and they blamed it on the Affordable Care Act. Even their actuaries admitted about 2% or 3%, maybe 4% of the 15% to 25% increase was Affordable Care Act. It was a part but it was not the only part. In fact, it was not even the driving factor.

My guess is with school districts it varies among the 200, almost 300 school districts quite a bit in that for some, maybe they do have a large number of non-state funded positions and maybe for them, it's a huge factor. But my guess is a little bit of a dynamic is that the SEBB Program is a lot easier for people to conceptualize than a lot of the other more complex factors that would drive budget finance challenges. In whatever case, I'm glad to know that the agency will be communicating with the districts trying to encourage them at least not to deny that there is an impact but trying to have a fair presentation of the relative impact. So thank you.

Katy Henry: To follow up with what Pete said, I think that every message to districts should be clear that every district has a different situation. Like Pete referenced, in Spokane we have a much higher number of unfunded positions. Your district has to go out and they're much more cautious and careful about how many part-time positions they are rolling out because it does have a significant impact when they are paying full medical benefits for, what used to be, a large number of part-time employees. That has impacted where we fit in terms of layoffs and with the budget going forward. While it's not the biggest piece of where we are, it is a factor in how they're looking at everything. I think there's not one size that fits all in terms of messaging but I would hope you keep that in mind in whatever you message out.

Dave Iseminger: We know that in the PEBB Program, the variety of employers and their financial situations is very different than in the SEBB Program. We are very keen to try to thread that needle. Like I said, every sentence we write we've realized there's going to be at least 295 different perspectives. We try to balance each communication saying this is a foundational piece that everybody needs to know. Ultimately, we make those judgment calls about exactly what we communicate about the Program directly to school employees. But we do have a keen awareness and regularly are talking about how one message does not fit all. There are 317 SEBB Organizations. Charter schools are different than ESDs, which are different than districts. A common thing we say is, does that happen in K-12 land? The answer is somewhere yes, undoubtedly it does. We know there is not a one size fits all approach when it comes to communication.

Alison Poulsen: I want to make sure my point was clearly articulated. I have zero doubt that there is actual financial impact on our school district. Part of what I feel like is missing out of the message though is all of the people who are going to get access to health care at an affordable price. And yes, that costs the whole system and the collective, but it's actually a much fairer way when the collective is paying for it than asking bus drivers to just pay for it. That's the part that feels like it's missing. There is absolutely no doubt that education is a very complex financial equation. I think what felt sad to me was sort of penalizing folks who have just story after story that we had heard like, "You're the reason somebody else is losing their job," or "We're not doing this," versus, "This is how we start to build a healthier community."

[break]

Benefits Administrator Communications

Rochelle Andrade, SEBB Program Communications Supervisor. Jesse and I are here to talk about employer communications for SEBB Organizations. We'll be back next month to talk about open enrollment communications specific to school employees.

Slide 2 – Communications to SEBB Organizations. We've been communicating with SEBB Organizations for over a year now preparing them for the transition to SEB Board benefits. As enrollment has grown closer, communications to benefits administrators in particular have increased. Since November, we've been sharing information with benefits administrators regularly, providing them with resources about the SEBB Program to share with employees. These materials are like posters and flyers they can display and distribute, as well as articles they can post in employee newsletters or in email communications.

In addition, we reached out to SEBB Organizations to request contact information so we could send direct mail communications to employees. There have been several messages recently regarding the implementation of SEBB My Account as the online enrollment system, particularly to provide an opportunity to participate in testing and also to authorize administrator access, which is crucial so that SEBB Organizations can authorize their employees to use SEBB My Account to enroll this fall. We've also been working with benefits administrators to implement payroll processes between the SEBB Organizations, HCA, and our insurance carriers.

Dave Iseminger: We've been communicating for over a year. We started last November. That doesn't mean that communication was a predominant two-way street.

It was primarily a one-way street for the most part at the beginning. We were able to see evidence that some school districts, even before the legislative session, were beginning to communicate things to their school employees. Other school districts had a “wait-and-see” approach, wondering what the Legislature would do. But since April, that communication street has become much more robust in a two-way communication. We have many questions. I alluded to this before the break that every sentence the Health Care Authority writes has questions about it from somebody. We’re always talking about ways to improve those communications. We definitely take feedback.

Ultimately, we have a responsibility as the administrators for the program with the authority given by the Legislature to make the final decisions about the pieces we directly communicate to school employees. We do, after we’ve completed communications, send copies of things in advance to school districts to show what we’re sending to their employees. For example, I believe in the last day or two, we’ve sent a copy of the newsletter that will be hitting school employees’ mailboxes next week so they have a good five-day period to be able to have a sense as to the types of questions that might come towards them.

We anticipate that even though we’re directly communicating, there will be questions from those that are directed to the school districts. Over time, we have definitely seen an uptick in questions, comments, and suggestions on all the communications we’re providing. We take very seriously the fact there is a foundational level of information we want to make sure that gets out. We rely on the employer’s to do additional communications. We give them many prepackaged tools they can use. We have noticed they have been using them more and more.

Pete Cutler: I’m curious, do you feel like you have at least one good definite contact source for each school district? Do you feel like those contacts, in terms of when I want to get ahold of a school district, I know exactly who it is and it’s actually a successful connection?

Rochelle Andrade: Yes, I believe so. Jesse will tell you a little bit more about responses that we’ve been getting regarding when we actually need them to take action on things. We’re getting more of a response than we anticipated.

Pete Cutler: I was going to say when I was with the Insurance Commissioner’s Office and we were trying to collect data, that was a huge hurdle for us. You would get a name, an email address, or phone number, and weeks later when you tried to make contact, that person had nothing to do with that. Pinning down the right person for each district is a huge step.

Rochelle Andrade: I wanted to add on to what Dave was saying. As much as it is a one-way street, whenever we do receive feedback through whatever channel it may be, we tie it into our communications. We try to send out and run key messages by some stakeholders to ensure we’re actually sending messages that resonate with the employees and the employers, giving them answers to their questions. As we hear things, we update our FAQs to stay on top of what it is they really want to know.

Slide 3 – Benefits Administrator’s Role. These communications to SEBB Organizations, and particularly the benefits administrator, are vital because of the key role the benefits

administrator plays in their organization. They are the conduit between the SEBB Organization and HCA. They're the main point of contact for employees who have questions about their eligibility or enrollment in SEBB Program benefits. As mentioned earlier, the benefits administrator is often the primary SEBB My Account administrator for their organization, assigning system access and user roles. Because their role in administering SEB Board benefits to their organization is so important to the success of the program, we've been communicating with them often to prepare them for what lies ahead. Recently, we provided benefits administrators with even more information about their integral role and how we're going to get them trained and prepared for open enrollment.

Jesse Paulsboe, Outreach and Training Manager, ERB Division. On the previous slides, Rochelle outlined the role of the SEBB benefits administrator and now I will provide you with an overview of our strategy for training and communicating with benefits administrators as we progress through the months prior to, and then eventually into, SEBB's first annual open enrollment.

Slide 4 - Benefits Administrator Communication Timeline. This timeline is for communicating with benefits administrators. It stretches from early May and goes into mid-November. The two-day benefits administrator trainings followed by the benefits fairs, nests within the initial enrollment window. Although the training doesn't really ever end for benefits administrators, for the purposes of this presentation, we just stopped at the end of the first annual open enrollment.

Slide 5 – WASBO Spring Conference. The WASBO conference served as a milestone and catalyst for launching the two-way benefits administrator communication plan. We chose the WASBO spring conference as our communications' stepping off point because the event was ideally positioned both in location and timing. We had enough details about the upcoming training events solidified we could present it to large audiences and conveniently, a significant population of benefits administrators were at this event. They were able to learn firsthand from us about the upcoming training, the strategy, and the plan we have for them in the following months. We conducted five hours of presentations and introduced them to the training objectives. We told them about the locations and the resources that we have available.

We had ten staff at a booth for three days to sit and talk with them one-on-one and answer questions and alleviate concerns we were hearing. It was really beneficial and it prepped them for what was to come in the following weeks.

Dave Iseminger: It ended up being fortunate good timing. The Legislature had just adjourned roughly two weeks beforehand. The question of "is this going to happen" was not at all pervasive during the WASBO conference, whereas if the Legislature had not adjourned, that would have added another dynamic to the WASBO presentations. I keep saying, as I look back on the last two years, this is supposed to happen because there's a lot of things that could make things more difficult along the way. This was another shining example. The Legislature had adjourned, there was funding, this is happening. Let's talk about the nuts and bolts of it. It really helped be a very good launching point for working with the benefits administrators.

Jesse Paulsboe: Slide 6 – Benefits Administrator Training Registration. We're actually in the training registration window now. On Monday, an invitation was sent to the SEBB Organization benefits administrators. As of now, which is less than 48 hours after the invitation was sent, 189 out of the 317 SEBB Organizations have representation at our training. We're already at 60% representation for SEBB Organizations for our trainings.

As we move further into the registration, we can identify which Organizations have not registered yet. We can proactively engage them with these training opportunities as we move along. This registration is important because it serves a dual purpose. Upon registration, benefits administrators actually receive a link to a page that provides them a series of follow-up instructions that will assist them in preparing their organizations for initial open enrollment and beyond. We definitively have 60% of the SEBB Organization population who has proactively signed up. We're also averaging about two representatives per district.

Slide 7 – Benefits Administrator Resources. The screenshot on this slide is the SEBB initial enrollment webpage. As soon as they enroll, they get a chance to go here. This takes them through a series of three steps they need to prepare ahead of initial enrollment. The first is establish communication with HCA. We've provided them a link to FUZE, which is a secure email correspondence we use. It's the primary way people can communicate with the Outreach and Training staff to get their questions or issues answered. GovDelivery is for alerts and bulletins. It's our fastest way of communicating. They have the link to sign up for that. They are also provided a dedicated 1-800 number that goes directly to the Outreach and Training team. So benefits administrators have a direct line to a human being that will answer questions for them. In addition, the initial enrollment page serves as a placeholder to get them started. It will be replaced by a SEBB benefits administrator website, which is going to be much more comprehensive and will be a permanent resource for reference and educational information for years to come, like it is with the PEBB Program now.

Slide 8 – Benefits Administrator Training. These are the main training events for benefits administrators. We have 19 events across August and September to educate SEBB benefits administrators on eligibility, enrollment, and the benefits administration through SEBB My Account. It's a two-day training event.

Pete Cutler: How many trainings are there going to be and what locations are being used?

Jesse Paulsboe: There are 19 trainings. Each region has at least one training in August and September. Spokane has a third training because it's such a large area.

Pete Cutler: Okay and Seattle even being bigger didn't rate a third?

Jesse Paulsboe: The actual area is broken apart a little better so we were able to distribute more evenly across the ESDs. Bremerton and Tumwater took some of that share where you have almost the whole eastern side of the state –

Pete Cutler: That's true. That's spread a lot of area. Are the trainings primarily being done at the ESD offices?

Jesse Paulsboe: Primarily, there are some exceptions where I know Wenatchee had some remodeling going on and we were unable to host there. Some of the other ones were unable to host as well. We've found areas that are very close to those areas. For instance, in Tumwater, we're hosting it at Labor and Industries.

Pete Cutler: The initial choice would've been the ESD location if they had one? But when that wasn't feasible then something in the general vicinity?

Jesse Paulsboe: That's correct.

Dave Iseminger: Although these trainings are in August and September, we're wanting districts to make decisions as early as possible. You might be trying to reconcile how are there trainings in September if Dave just said we want uploads at the beginning of September. These trainings are geared towards August. If you need a second stab at it, if you want to send additional staff to get training, send them in September. We're trying to get as many people in August as possible.

The other thing I'm personally excited about, mostly because it shows that my third grade teacher had an impact on my life, is that we have a pre-homework assignment for benefits administrators as they come to their first class. When I was entering third grade, three weeks before class I got a coin from Czechoslovakia and was told to bring a two-page report, it will be graded. Everybody in my class had a European coin and we had to educate each other about their countries. I said we have a lot of people to train so let's give them some pre-homework assignments, give them a difficult eligibility question or two. Make them work through a worksheet. So there is homework, even for the benefits administrators on the first day of school, so to speak.

Jesse Paulsboe: Slide 9 – SEBB Program Benefits Fairs. We are hosting 20 employee benefits fairs across the state. Slide 10 is a map. In addition to the benefits fairs, SEBB Organizations also have the freedom to host their own benefits fairs. Some have expressed a desire to do so when we were at the conference. Not everybody has the opportunity to travel to a centralized location and attend an in-person benefits fair. To supplement those fairs and provide an additional option, we're creating a virtual benefits fair, which serves the same purpose as an in-person benefits fair in terms of putting employees in touch with plans and information required to make an informed decision. It's online and open 24 hours a day. It's going to be a one-stop shop for information, the ALEX tool, and some of the additional resources - videos and training guides that we have prepared for both the benefits administrator and the employees.

Slide 10 - SEBB Benefits Fair Map. I've overlaid all of the benefits fairs on top of a map showing the main population centers. We're pretty well represented. For Moses Lake, we'll be at Moses Lake High School. It's a pretty aggressive schedule.

Dan Gossett: Just a question about the times not the date that these benefit fairs will happen.

Jesse Paulsboe: That was a consideration, understanding that this particular demographic is much different than PEBB Program members. Teachers can't get away from their classroom so we're hosting these in the evening and we're doubling the time.

Most benefits fairs are two and a half hours. Ours are now four hours for SEBB Program members. About four to eight in each location.

Pete Cutler: I'm very impressed with the breadth and intensity of the outreach to all the different SEBB Organizations. That's a very, very hopeful sign.

SEBB My Account Demo

Chatrina Pitsch, Business Analyst, Enterprise Technology Services. Today I will give you an overview of where we came from, where we're at, and present a recorded demonstration so you can get the latest look and feel for the online enrollment. SEBB My Account is the online enrollment platform. We have the two pieces, the front online enrollment and Pay1, our back end accounting system.

Slide 2 – Information Systems. SEBB My Account was custom done in-house. We're able to use agile methodology for development, which means we develop in small chunks, present that to the group, get feedback, and make adjustments along the way. That has proved to be helpful in the short compressed timeframe we had. We are finishing up our beta testing which involved SEBB Organization staff. They're using SEBB My Account in a test environment, operating both as subscribers and benefits administrators and providing feedback. For Pay1, we modified a copy of our existing PEBB Program application and added some functionality for the SEBB Program.

Slide 3. Currently, we have the major functionality done and ready for go live on September 3 for benefits administrators. We're focusing on completing minor bug fixes and language enhancements. We are doing user acceptance testing for internal HCA staff. We're about 100% complete on that. Pay1 work is ahead of schedule, over 90% complete. We've been fixing bugs as we go along.

Dave Iseminger: The SEBB My Account piece is key for the open enrollment functions of October 1. Pay1 is more critical for the administrative go live, which is no later than January 1. They are decoupled and on slightly different timelines. We will go through additional testing during open enrollment for the Pay1 aspects. I want to delink those in your minds.

Pete Cutler: My understanding is Pay1 is a very old programming language. I want to say COBOL, Fortran, or something like that.

Chatrina Pitsch: COBOL.

Pete Cutler: Do I understand that what you have for the SEBB Program is an equivalent of a copy of Pay1, the process as PEBB, or is it one system where you're running some risk of your work on the SEBB Program piece somehow inadvertently impacting the PEBB Program accounting? Is that question clear?

Dave Iseminger: Yes, your question is clear and you're correct. We took a separate copy. That way what's done in the SEBB Program can't mess up the PEBB Program. Any future changes for the PEBB Program can't mess up the SEBB Program. They're separate systems. If one breaks, the other one isn't inherently broken.

Pete Cutler: Right and you're not at risk of inadvertently making changes to the other because of linkages. From my understanding, it's very old, very complex.

Dave Iseminger: 1977, Gerald Ford was president. I have a whole slew of facts of what Pay1 is older than. But they're in separate rooms.

Pete Cutler: I came on when the original budget proposals to replace when Pay1 came in. That was 2002. I know it's been identified as needing upgrading for a long time. Thank you.

Wayne Leonard: You said these were two separate systems, but is the SEBB My Account really just a graphical interface for inputting data into Pay1? Or is it really a separate system?

Chatrina Pitsch: It's truly a separate system. At the end of each day, it's basically a batch process that sends updates from SEBB My Account into Pay1. Rochelle and Jesse touched on a number of different stakeholdering efforts we've been making. We have definitely received great feedback from school districts, both from our beta testing and from the additional events we've been attending. We have recorded some of their enhancement requests and overall suggestions.

One enhancement we were excited to implement was the application programming interface, which is an automated way for data to come from a payroll system into SEBB My Account without having to manually enter the information. This takes some of the burden off the school districts to have to do double entry. They were very happy about that. We will continue to engage with SEBB Organizations as we move forward, even past go live so we can continue to log enhancements and suggestions and make sure it's the most user friendly application it possibly can be.

Lou McDermott: I don't think most people understand, even in the PEBB Program, the front end, what the administrators use and what the members use is still pretty antiquated. The SEBB Program front end is on a modern platform and is state of the art.

Dave Iseminger: And was created since September 2018.

Chatrina Pitsch: Yes. The main difference is the benefits administrators for the PEBB Program are currently working in that old antiquated system, in Pay1. In this case, they'll be able to work in SEBB My Account with the modern front end. We'll demonstrate that shortly.

Dave Iseminger: A PEBB Program employer now signs into a black and green flashing screen, doing command entry to find the screen. They have to know, type in A.43 to get to the screen to type in the information. They are truly keying into an Atari gaming system, actually Pay1 predates Atari. They're in a Pong system. Whereas, in SEBB My Account, you're going to see what their experience is from a benefit administrator standpoint.

Lou McDermott: The PEBB Program has been around a long time and that's what they get to do. The SEBB Program is brand new, 2020, and they get the cool new toy.

Dave Iseminger: We will be leveraging our experience here to improve things for state agencies and higher education.

Chatrina Pitsch: Can we queue up the video?

Dave Iseminger: As we go through the demonstration, can I ask you to feel free to jot your questions down and we'll come back to them. I'd like to get through the whole video. It's about 11 minutes long.

[video plays]

Dave Iseminger: That was the quick demonstration. It's come a long way since the first demo we provided to you in January. There have been a lot of questions: how many times can a district or SEBB Organization upload an eligibility file? What's the turnaround time? Is this real time? The answer is it is real time. If you have a school district that has 6,000 employees, it takes three or four minutes for it to run all its checks and show the number of errors. Basically, every five minutes that school district could upload a file. The amount of time it takes to process is pretty much real time.

You also have the scenario of an individual employee struggling for whatever reason to get their verification document in person. You saw how easy it would be for a school district administrator to verify the documentation. That can also work in person. I could walk up to my benefits administrator and provide a hard copy of the birth certificate. They can log into the account, click that they saw it, hand back the birth certificate and it's done.

As new state systems are brought online, and SEBB My Account is one of them, there's a push at the state to have a secure system access portal where you can eventually add state services that you are trying to access through one portal. We need to overlay the SecureAccess Washington® (SAW) account feature for school employees who have not yet created a SAW account elsewhere. It's requiring an extra login feature before you can get to SEBB My Account. We are working on building up our tech call center and they will be able to help people through that process. We're also working with WATECH to make sure there are additional self-service question and answers and troubleshooting that people can access.

If you haven't heard about SAW, you're going to be hearing about SAW a lot more coming from the state as more and more systems are built. It's envisioned that it would be something you would be able to access Department of Licensing and your driver's records, or your TANF benefits through DSHS, or your employer benefits from the PEBB and SEBB Programs. It's a new piece being rolled out across many state systems.

Pete Cutler: I'm curious, in terms of the infrastructure especially of the front end program, what kind of magnitude of business or volume can it handle? I'm thinking you're going to have a period with this initial enrollment where you may have thousands of people wanting to come on roughly at the same time. How is it being designed in order to deal with those workload stresses?

Chatrina Pitsch: Ideally, we've developed it to handle 150,000 users at once but we know not everybody's going to hit the system at the same time. We've looked at PEBB Program data and know their peak times. We're also doing performance and load balance testing to make sure we are adequately set up and tested when we do have those peak times, we don't have any blips or issues.

Pete Cutler: Great. When the Health Benefit Exchange went live, both in this state and at the federal level, it was frustrating and embarrassing that both systems were swamped. I'm glad you're looking ahead and I sure hope it doesn't suffer similar starting hiccups.

Dave Iseminger: There's still a lot of polishing to do. We have a lot of copy edit, text edits to go. That wasn't the final version of all the words that will literally be on the page. We're working through that process now. I want to assure you if there were terms that were confusing, as part of our beta testing we're getting feedback about language and going through a separate language review to make the language as clear as possible. And consistent.

Lou McDermott: 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 conclude no later than 1:15 p.m. The public portion of the meeting will resume no earlier than 1:15 p.m.

Executive Session and Lunch

Dave Iseminger: Chair McDermott, I want to acknowledge that we were in Executive Session an extra 15 minutes. The Chair came back and announced we would be in Executive Session longer. Some people were on the phone and we weren't unmuted so they were wondering why we were late. I wanted to make sure people knew we followed the Open Public Meetings Act. Apologies for those on the phone who didn't get that information.

Lou McDermott: Thank you, Dave.

SEBB Program Medical Plan Update

Lauren Johnston, Contracts Manager, **Leanna Olive**, UMP Account Manager, and **Patty Conway**, Contractor.

Lauren Johnston. Slide 3 – Plan Update. I am happy to announce that we have one of the medical fully insured contracts out for signature. The others are very close. Approximately 98% of school employees will have access to at least two carriers and at least four to five plans. Of those 98%, approximately 79% of school employees will have access to three or more carriers and 8 to 13 plans.

Dave Iseminger: The slide says five plans, but it was supposed to say four to five. We'll get that corrected in the record.

Lauren Johnston: Slide 4 – Plan Names. The column on the left is the original HCA draft plan name. The column on the right are the updated plan names. One of the major changes is that the Kaiser Permanente Washington Plan 4 is now Kaiser Permanente WA SoundChoice.

Slide 5 – Plan Names (*cont.*). Slide 5 shows the Premera plan names. The Premera High PPO and the Peak Care EPO are the same benefit design when it comes to the plan. The only difference is they are offered in different service areas.

We received word from Providence that they have decided to pull out of contract negotiations.

Dave Iseminger: That information came from Providence late last week after we finished the slides. We will remove their information from these slides, as well as the summary documents similar to when Aetna ended negotiations. That means the only high deductible health plan offering within the portfolio is the UMP High Deductible plan, which is statewide.

Lauren Johnston: The total joint replacement bundle through the Centers of Excellence Program will not be part of the SEBB Program Premera plans. It was originally on their bid template in error and has been removed.

Dave Iseminger: Working with Premera to see about possibilities of including it in future iterations of the plan designs.

Lauren Johnston: Slide 6 – Rates Update. Rates will be presented in July along with the final proposed service area maps. At that time, if there are concerns, the Board could take action to remove a plan, plans, or carrier from the portfolio. Keep in mind that if the Board chooses not to endorse a premium, it would remove that plan from all of the service areas that pertained to that plan.

Slides 7-8 – Contractual Obligations. We've been through some of these in the past. All contracts are performance-based and include performance guarantees. The medical contracts include value-based purchasing models as well as quality measures. The contractors must comply with all OIC regulations. We developed office visit access standards within Premera. They agreed to some excellent office visit access standards.

All carriers must have a SEBB Program-specific microsite. A member, a member of the public, or a SEBB Program eligible member not enrolled in a Premera plan, could look at the provider's search tools. They could review the certificates of coverage, the summary of benefits and coverage, and put information into a cost calculator to get information around costs for different services or procedures. Their customer service has extended hours for school employees to be able to access either earlier in the morning or later in the evening.

Pete Cutler: When developing office visit access standards, I assume that would include if somebody wants to see a behavioral health, mental health provider or visit mental health services? Can you provide, at some point, the specifics of what those standards are for the behavior health access? In my own mind, delays that may be

acceptable for a routine office visit may not be acceptable for somebody in need of more immediate behavioral health services.

Lauren Johnston: I have one example. I would have to go back to them and ask if this would meet the behavioral health, but they committed to a member who experienced acute and non-urgent symptomatic office visits that they'd be available to see a primary care or alternate provider within seven calendar days.

Pete Cutler: Seven calendar days is not a good performance standard for behavioral health. At least I'm glad to know that's the standard; but I have to admit, I'm disappointed that's the best they apparently are willing to commit to. Thank you.

Lauren Johnston: Slide 9 - House Bill 1099. This ties into the public comment you heard in April. Effect January 1, 2020, all carrier provider directories must include mental health or substance abuse providers that are not accepting new patients. They are required to provide enhanced information on their websites regarding notification and access standards for mental health and substance abuse providers, treatment, and services. If you want to read more on that bill, we've provided the link.

Slide 10 – Implementation is underway for all of our plans, not just medical. We continue to take an active role in implementation, as well as monitoring the implementation, to be prepared for go live.

Dave Iseminger: We have a variety of different resources. It depends on the different product line, but we have hired project managers to help shepherd implementation and identify risks. For example, the payroll processes, life insurance, and with Navia for Medical FSA. We have a project manager related to the implementation of the self-insured plan, both the reboot we were already planning to do on the PEBB Program side and incorporating the SEBB Program into it.

We have contract managers who will do implementation benchmarking. The carriers have been working on implementation the entire time they've been negotiating contracts with us.

Leanna Olive: Slide 11 – UMP TPA Request for Proposal (RFP) Implementation. The Health Care Authority released a Request for Proposal in November 2016 for a third party administrator (TPA) for the Uniform Medical Plan. The new TPA contract with Regence Blue Shield of Washington was signed early 2018. After the contract was signed, we began implementation with the go live date of January 1, 2020.

Dave Iseminger: Just as a general reminder, obviously those dates precede the legislation for the very program we're in, but we talked through this with the Board last spring and summer when you authorized including the self-insured plans. We crafted that contract in a way that it could be leveraged and gave you that option. Leanna will go through the status of the implementation since the contract was executed.

Leanna Olive: Slide 12 – UMP TPA RFP Implementation. There are four stages of implementation. The first stage, alignment, took quite a bit of time because we baselined the scope to ensure both HCA and Regence understood what we were implementing. From there, we developed the initial implementation plan.

The second definition stage is where we turned the contract language into deliverables, developed the resource plan, and completed the implementation plan with baseline milestones.

Stage three, the stage we're in now, is the delivery stage where Regence is providing completed deliverables to HCA for final approval and sign off.

Stage four, the transition stage will occur post live date, January 1, 2020 and includes oversight and maintenance of the contract.

Pete Cutler: Can you give an example of a couple deliverables?

Leanna Olive: During the implementation plan, we developed milestones we need to reach to ensure everything is done on time. For example, we are developing an operations manual for the basic operations and the procedures in which we will conduct regular daily business. They have to deliver a sample manual. What does it look like? Does the flow work well? We have the Table of Contents. That's an example of a deliverable. It's a lot more involved with a lot more documents.

Pete Cutler: I imagine that's a lot of details. That's a good example. Thank you.

Leanna Olive: Slide 13 – Work Streams. There are several work streams involved in this implementation process. The first work stream is the Account Team Infrastructure, which includes creation of the operations manual for procedures and process documents in greater detail than in the contract. It includes setting up oversight and maintenance of the contract. The Accountable Care Program (ACP) Reporting work stream has about 70 reports on a monthly basis that go over to UMP Plus partners and documentation of layout, contents, and fields.

Dave Iseminger: When people hear there are 70 reports, I don't want people to get the wrong impression. These aren't reports that sit on a shelf and collect dust. They're reports given to those provider networks for the purposes of being able to have real time or responsive clinical intervention with members to improve the quality of care they're receiving. These are data feeds leveraged and used by provider networks to help facilitate and coordinate care for members.

Pete Cutler: Do I infer the data collected by the TPA Regence flows directly or through HCA to the clinics or other providers to give them feedback? Or does it come to the Health Care Authority?

Dave Iseminger: It flows through a data intermediary, Milliman, and blinded when necessary. They're doing some of the analytics and giving the provider networks information.

Pete Cutler: Does the information go back to the providers or does it go back to Regence, the TPA?

Dave Iseminger: It goes to the networks, the providers. The network is the provider in the lingo I've been using.

Leanna Olive: The Clinical Management work stream includes new clinical programs, customized clinical items such as the Health Technology Clinical Committee (HTCC) mandates and transgender benefits.

Dave Iseminger: The HTCC is a legislative body established to do coverage determinations of whether state purchased health plans, of which the SEBB Program is included, are allowed to, or prohibited from, covering certain things. Those will result in either coverage parameters or exclusions within the Uniform Medical Plan.

Leanna Olive: The Medical Pharmacy Management work stream includes new rebates for clinical drugs administered through a provider office or facility. The OCIO Design Review work stream ensures security of data across all systems.

The Operations - High Priority work streams and the Operations - Other Functional Areas work streams include customer service, claims, explanation of benefits, and coordination of benefits. The Communications work stream includes new public websites, Regence.com for members, certificates of coverage, welcome packets, and other member-facing documents.

Lou McDermott: I think something to point out is we've worked with Regence for many years before this new contract was signed. It seems a little odd that we have all these work streams with someone we've worked with for years. But there were things about the previous contract we wanted to change. We couldn't change those things while the contract was in place because we needed to reach a mutual agreement, come up with additional dollars the Legislature has to appropriate. So when we did the RFP, we threw the kitchen sink at it and we thought of all the things we would want. By implementing this new contract, there are tons of work streams. I think Regence's project team is over 100 people.

Patty Conway: 300 people. And there are 1,000 new requirements in the new contract.

Lou McDermott: I'm not going to say this is harder than if we were starting from scratch, but it is difficult because we're going from a process that's been in place a long time to a new process. We're having to project manage each one of those work streams. This is a huge lift for the agency and for Regence, obviously, 300 people! A lot of time and effort has gone into this effort. This is an overview, but it's an understatement of the work associated with it. The good news is the SEBB Program benefits from this work right out the gate.

Dave Iseminger: When we implemented the original Regence contract, it went live on January 1, 2011. We were negotiating the contract prior to 2011. A lot has happened, even on the PEBB Program side. The High Deductible Health Plan was established, the UMP Plus was added, the data streams and organizations needed for those ACP plans, our wellness plan was added. As you build different pieces, you think you're building it as efficient as possible, but you look back and see things you would have done differently. This is that opportunity to make the operations and administration more efficient for all the changes that have happened in the last decade.

Leanna Olive: The Provider Management work stream includes provider access and adequacy requirements. Provider search includes upgrades such as primary care provider search for UMP Plus plans as those have different cost sharing. Reporting and Benchmarking includes the creation of a reporting manual for all reports delivered to HCA and vendors to include the layout, owner, data source, frequency, fields, and samples of the report templates. The Value-based Programs include payments in line with Medicare, local area network, definition, and measurements thereof in performance guarantees on an ongoing collaborative effort.

Slides 14-15 – New UMP Clinical Programs Implemented. Although we had clinical programs prior to procuring the new TPA, we have expanded some of the existing programs and added new clinical programs to this new contract. We will be participating in the Radiology Full Utilization Management (UM) / Advanced Imaging Authorization (AIM). This is a vendor called AIM and it includes AIM reviewing all prior authorizations related to advanced imaging.

We will use the Sleep Medicine Program, managed through AIM. We will review the Pre-authorizations for Testing, equipment, and supplies. They will monitor compliance with CPAP machines for the first 90 days of use.

Physical Medicine will be managed through EviCore. They will also review pre-authorizations through EviCore for pain management, joint and back pain, and any type of back services. As a side note, we still have the Centers of Excellence Program for joint replacements and spine care. That's not included in this Physical Medicine Program. It's a separate program. This will be for members who go directly through their normal benefits and don't use the Centers of Excellence Program for any type of joint or spine care.

Dave Iseminger: You'll remember the Centers of Excellence Program. We've provided you a lot of information about its value. But for whatever reason, there will be members who don't want a free knee. If they don't, this is the kind of thing that goes along with those that don't want their free knee or don't qualify for their free knee.

Leanna Olive: We will have a 24-hour Nurse Advice line that includes a toll free number 24/7. It includes additional support from dietitians, diabetic educators, pharmacists, social workers, and respiratory therapists. The ACPs have chosen to use their own nurse line number so anybody enrolled in the UMP Plus plans will use their specific number. It won't be through this Program.

BabyWise is a program for pregnant members ages 18 and over. It's for maternity management, maternity support and education, and a phone application called Due Date Plus.

Dave Iseminger: We have had a lot of questions about BabyWise, This means there could be proactive reaching out by the plan for people who are 18 and over. But if there's an individual who's under 18, if they reach out to the plan, they can find out about the service but the plan would not be proactive to anybody under age 18. It's the difference in the advertising. But individuals under 18 could access these benefits if they initiate the request.

We wanted to give you an update on how implementation is going on the Uniform Medical Plan aspects. I want to thank Leanna and Patty for stepping in at the last minute to present. We will give you implementation updates at future meetings after contracts are signed.

In your Appendix in this tab is the SEBB Program Benefits: A high-level overview. It's six pages that we keep refreshing and it's already out of date from last Friday. We will be updating it. The primary thing that is different from last time is the overlay of the new plans, more official names. Obviously, with the announcement that Lauren made a few minutes ago about Providence withdrawing from contract negotiations, we will remove those plans from the summary sheet. We also have some updating to do in the UMP Achieve 2 column because it still references Tier 4 drugs, which after the UMP formulary vote last month, doesn't exist. There are a couple of things to update in those areas. It is in a constant improvement stage.

Next Meeting

July 18, 2019

9:00 a.m. – 1:15 p.m.

Preview of July 18, 2019 Meeting

Dave Iseminger shared potential agenda topics for the July 18, 2019 SEB Board Meeting.

Meeting adjourned at 2:03 p.m.