

# SEBB Update



## SEB Board passes resolution setting rules for locally eligible [RCW 41.05.740(6)(e)] school employees

On April 10, 2019, the **School Employees Benefits Board** (SEB Board) approved a policy resolution that will apply to employees of Washington's school districts, educational service districts (ESDs), and charter schools who are eligible for benefits under RCW 41.05.740(6)(e). We refer to this group as "locally SEBB Program eligible" employees. The approved resolution establishes that the SEBB Program's enrollment, eligibility, and appeals rules also apply to SEBB organizations engaging in local negotiations for employees not eligible under RCW 41.05.740 (6)(d), except for rules on benefits not authorized to offer to locally eligible employees.

### Policy resolution

The SEB Board approved the following policy resolution. See pages 218 to 221 of the **April 10 briefing book** for details.

#### **Terms and Conditions for RCW 41.05.740(6)(e) (SEBB 2019-08)**

- For school employees whose eligibility is established under RCW 41.05.740(6)(e), all SEBB Program rules within chapters 182-30, 182-31, and 182-32 WAC apply except for provisions within those rules governing benefits that are not authorized in SEBB 2019-03 to be offered to RCW 41.05.740(6)(e) employees.

### Meeting recap

The following informational items were presented to the SEB Board. To get all of the materials presented at the April 10 SEB Board meeting, **view the briefing book**.

- Dave Iseminger, director of the Health Care Authority's (HCA) Employees and Retirees Benefits (ERB) Division, addressed follow-up Board questions from the March 7 meeting, including:

- Providing links to recent Seattle Times articles and editorials with information on the SEBB Program;
- A link to the monthly toolkit materials that have been sent to school benefits administrators for distribution to employees; and
- Providing written examples discussed at the March meeting about how to calculate the average ratio of adult units per employee, which is used in funding rate calculations.
- Megan Atkinson, HCA's chief financial officer, provided a legislative budget update comparing the different SEBB Program funding rate assumptions and funding flows between the House and Senate budgets.
- Cade Walker, special executive assistant to the ERB Division director, provided an update on legislation that could potentially impact the SEBB Program, including:
  - House Bill 1547, concerning basic education funding and the levy lid; and
  - House Bill 2096, concerning ESD health benefits.
- Rob Parkman, with the ERB Policy, Rules and Compliance section, presented policy resolution 2019-08 for action. He also introduced two new policy resolutions on the process for correcting SEBB Program eligibility and premium errors. See "Coming in May" below for details.
- Marcia Peterson, ERB Benefits Strategy and Design section manager, Dr. Emily Transue, HCA's assistant medical director, and Ryan Pistorosi, HCA's assistant chief pharmacy officer, presented a proposed resolution with a change to the SEBB Program's Uniform Medical Plan prescription drug benefit:

### **Self-insured value formulary (SEBB 2019-11)**

- Beginning January 1, 2020, contingent upon approval of a value formulary resolution by both the PEB Board and SEB Board, all Uniform Medical Plan (UMP) plans require the use of a value-based formulary and:
  - Nonformulary 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
  - 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.

The resolution must be voted on by June 12 in order to be in place by the SEBB Program's January 1, 2020 start date, and could be voted on at the Board's meeting on May 16.

- Marcia Peterson also led the Board in a discussion of the SEBB Program's potential final benefit design refinements for 2020.

HCA will post meeting minutes on the [Meetings and materials webpage](#) after they are approved by the Board.

## Coming in May

The following resolutions were introduced at the April 10 SEB Board meeting. They may be voted on by the Board at its next meeting on May 16.

### **Error correction recourse (SEBB 2019-09)**

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.

### **Error correction premium responsibilities (SEBB 2019-10)**

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.

### **Self-insured value formulary (SEBB 2019-11)** (See description above)

## SEBB Program development continues

- See our [SEBB Program member toolkits](#).
- Read [all the resolutions passed by the SEB Board](#) so far.

## For more information

You can find more information on the [SEBB Program webpage](#).