

Public Employees Benefits Board Meeting

May 11, 2023

Public Employees Benefits Board
May 11, 2023
9:00 a.m. – 12:30 p.m.

**This meeting will be hybrid with
attendance options both in person
and via Zoom**

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

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TAB 1

**Public Employees Benefits Board
May 11, 2023
9:00 a.m. – 12:30 p.m.**

This meeting will be hybrid with attendance options either in person or via Zoom. Masks are recommended.

TO JOIN ZOOM MEETING – SEE INFORMATION BELOW

9:00 a.m.*	Welcome and Introductions		Lou McDermott, Chair Pro-Tem	
9:05 a.m.	Meeting Overview		Dave Iseminger, Director Employees & Retirees Benefits (ERB) Division	Information
9:10 a.m.	Approval of Meeting Minutes: • April 13, 2023	TAB 3	Lou McDermott, Chair Pro-Tem	Action
9:20 a.m.	April Meeting Follow Up	TAB 4	David Iseminger, Director Employees & Retirees Benefits (ERB) Division	Information/ Discussion
9:30 a.m.	Legislative Session Debrief	TAB 5	Cade Walker, Section Manager Employees & Retirees Benefits (ERB) Division	Information/ Discussion
9:50 a.m.	2023-25 Biennial Budget Update	TAB 6	Tanya Deuel, ERB Finance Manager Financial Services Division (FSD)	Information/ Discussion
10:05 a.m.	UMP Hearing Instruments Benefit	TAB 7	Sara Whitley, Finance Manager Financial Services Division (FSD) Janice McAlpin, Senior Account Manager Employees & Retirees Benefits (ERB) Division	Information/ Discussion
10:30 a.m.	Break			
10:40 a.m.	2023 Kaiser Permanente of Washington First Fill Insights	TAB 8	Christine Davis, Senior Account Manager Employees & Retirees Benefits (ERB) Division	Information/ Discussion
11:00 a.m.	Medicare Update	TAB 9	Ellen Wolfhagen, Senior Account Manager Employees & Retirees Benefits (ERB) Division	Information/ Discussion
11:25 a.m.	General Public Comment			
11:45 a.m.	Closing		Lou McDermott, Chair Pro-Tem	
11:50 a.m.	Transition to Executive Session			
11:55 a.m.	Executive Session			
12:30 p.m.	Adjourn		Lou McDermott, Chair Pro-Tem	

***All Times Approximate**

The Public Employees Benefits Board will meet Thursday, May 11, 2023 at the Washington State Health Care Authority, Sue Crystal Rooms A & B, 626 8th Avenue SE, Olympia, WA. Attendance for this meeting can be in person or via Zoom. Masks are recommended.

The Board will consider all matters on the agenda plus any items that may normally come before them.

Pursuant to RCW 42.30.110(1)(I), the Board will meet in in Executive Session to consider proprietary or confidential nonpublished information related to the development, acquisition, or implementation of state purchased health care services as provided in RCW 41.05.026. The Executive Session will begin at 11:50 a.m. and will conclude no later than 12:25 p.m.

No "final action," as defined in RCW 42.30.020(3), will be taken in the Executive Session.

This notice is pursuant to the requirements of the Open Public Meeting Act, Chapter 42.30 RCW.

To provide public comment by email, direct e-mail to: PEBBoard@hca.wa.gov.

Materials will be posted at <http://www.pebb.hca.wa.gov/board/> by close of business on May 8, 2023.

Join Zoom Meeting

<https://us02web.zoom.us/j/87401893777?pwd=R1ExK3NoQ0pRMUowRkh0VFluL0RwZz09>

Meeting ID: 874 0189 3777

Passcode: 883944

One tap mobile

+12532158782,,87401893777#,,,,*883944# US (Tacoma)

+12532050468,,87401893777#,,,,*883944# US

Dial by your location

+1 253 215 8782 US (Tacoma)

+1 253 205 0468 US

+1 719 359 4580 US

+1 346 248 7799 US (Houston)

+1 669 444 9171 US

+1 669 900 6833 US (San Jose)

+1 301 715 8592 US (Washington DC)

+1 305 224 1968 US

+1 309 205 3325 US

+1 312 626 6799 US (Chicago)

+1 360 209 5623 US

+1 386 347 5053 US

+1 507 473 4847 US

+1 564 217 2000 US

+1 646 931 3860 US

+1 689 278 1000 US

+1 929 205 6099 US (New York)

Meeting ID: 874 0189 3777

Passcode: 883944

Find your local number: <https://us02web.zoom.us/j/kcAo2J1ViQ>

PEB Board Members

Name	Representing
Sue Birch, Director Health Care Authority 626 8 th Ave SE PO Box 42713 Olympia WA 98504-2713 V 360-725-2104 sue.birch@hca.wa.gov	Chair
Kurt Spiegel WA Federation of State Employees 1212 Jefferson ST SE #300 Olympia WA 98501 V 833-622-9373 PEBBoard@hca.wa.gov	State Employees
Elyette Weinstein 5000 Orvas CT SE Olympia WA 98501-4765 V 360-705-8388 PEBBoard@hca.wa.gov	State Retirees
Tom MacRobert 4527 Waldrick RD SE Olympia WA 98501 V 360-264-4450 PEBBoard@hca.wa.gov	K-12 Retirees
Michaela Doelman Office of Financial Management 302 Sid Snyder Ave Olympia WA 98501 C 360-790-8315 PEBBoard@hca.wa.gov	Benefits Management/Cost Containment

PEB Board Members

Name	Representing
Monica McLemore 10002 Aurora Ave N Seattle WA 98125 V 510-239-7162 PEBBoard@hca.wa.gov	Benefits Management/Cost Containment
John Comerford* 121 Vine ST Unit 1205 Seattle, WA V 206-625-3200 PEBBoard@hca.wa.gov	Benefits Management/Cost Containment
Harry Bossi 19619 23 rd DR SE Bothell WA 98012 V 360-689-9275 PEBBoard@hca.wa.gov	Benefits Management/Cost Containment
Legal Counsel Michael Tunick, Assistant Attorney General 7141 Cleanwater DR SW PO Box 40124 Olympia WA 98504-0124 V 360-586-6495 MichaelT4@atg.wa.gov	

*non-voting members

1/27/23



Washington State Health Care Authority
Public Employees Benefits Board

P.O. Box 42713 • Olympia, Washington 98504-2713
360-725-0856 • TTY 711 • FAX 360-586-9551 • www.pebb.hca.wa.gov

PEB BOARD MEETING SCHEDULE

2023 Public Employees Benefits (PEB) Board Meeting Schedule

The PEB Board meetings will be held at the Health Care Authority, Sue Crystal Center, Rooms A & B, 626 8th Avenue SE, Olympia, WA 98501.

February 2, 2023 (Board Retreat) 9:00 a.m. – 4:00 p.m.

March 9, 2023 - 9:00 a.m. – 1:30 p.m.

April 13, 2023 - 9:00 a.m. – 1:30 p.m.

May 11, 2023 - 9:00 a.m. – 1:30 p.m.

June 8, 2023 - 9:00 a.m. – 1:30 p.m.

June 29, 2023 – 9:00 a.m. – 1:30 p.m.

July 12, 2023 - 9:00 a.m. – 12:00 p.m.

July 19, 2023 - 9:00 a.m. – 12:00 p.m.

July 26, 2023 - 9:00 a.m. – 12:00 p.m.

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

7/5/22

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: July 12, 2022

TIME: 9:19 AM

WSR 22-15-022

TAB 2

PEB BOARD BY-LAWS

ARTICLE I

The Board and its Members

1. **Board Function**—The Public Employees Benefits Board (hereinafter “the PEBB” or “Board”) is created pursuant to RCW 41.05.055 within the Health Care Authority; the PEBB’s function is to design and approve insurance benefit plans and establish eligibility criteria for participation in insurance benefit plans for Higher Education and State employees, State retirees, and school retirees.
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 41.05.055. Board Members shall serve two-year terms. A Member whose term has expired but whose successor has not been appointed by the Governor may continue to serve until replaced.
4. **Non-Voting Member**—There shall be one non-voting Members appointed by the Governor because of their experience in health benefit management and cost containment.
5. **Privileges of Non-Voting Member**—The non-voting Member shall enjoy all the privileges of Board membership, except voting, including the right to sit with the Board, participate in discussions, and make and second motions.
6. **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 Administrator shall serve as Chair of the Board and shall preside at all meetings of the Board and shall have all powers and duties conferred by law and the Board’s By-laws. If the Chair cannot attend a regular or special meeting, he or she shall designate a Chair Pro-Tem to preside during such meeting.
2. **Other Officers**—(reserved)

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, except executive sessions *as permitted by law*, shall be conducted in accordance with the Open Public Meetings Act, Chapter 42.30 RCW.
2. Regular and Special Board Meetings—The Chair shall propose an annual schedule of regular Board meetings. 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 the 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 at the meeting for 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 PEBB Program, and from other interested parties. Time is reserved for public testimony at each regular meeting, generally at the end of the agenda. Opportunity for public testimony at Board meetings shall also be made available immediately before the Board’s vote on a resolution. At the direction of the Chair, opportunities for public testimony may also be made available at other times during Board meetings. 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 an 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 Chair Pro-Tem designated by the Health Care Authority Director from voting.
8. 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. Board staff shall provide a copy of *Robert’s Rules* at all Board meetings.
9. 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.
10. 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.

ARTICLE VI
Amendments to the By-Laws and Rules of Construction

1. Two-thirds majority required to amend—The PEBB 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.

Last Revised March 9, 2023

TAB 3

Draft
Public Employees Benefits Board
Meeting Minutes

April 13, 2023
Health Care Authority
Sue Crystal Rooms A & B
Olympia, Washington
9:00 a.m. – 1:15 p.m.

The Briefing Book with the complete presentations and an audio recording of the meeting can be found at:
<https://www.hca.wa.gov/about-hca/programs-and-initiatives/public-employees-benefits-board-pebb-program/meetings-and-materials#meeting-materials>

Members Present in Olympia

Sue Birch, Chair
Michaela Doelman
Tom MacRobert

Members Present via Zoom

Kurt Spiegel
Elyette Weinstein
Monica McLemore
John Comerford
Harry Bossi

Members Absent

None

SEB Board Counsel

Michael Tunick, AAG

Call to Order

Sue Birch, Chair, called the meeting to order at 9:05 a.m. Sufficient members were present to allow a quorum. Board members and the public were able to attend either in person or virtually via Zoom.

Meeting Overview

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

Approval of Meeting Minutes

Tom MacRobert moved, and Michaela Doelman seconded a motion to approve the February 2, 2023 meeting minutes. Minutes were approved as written by unanimous vote.

Elyette Weinstein moved, and Monica McLemore seconded a motion to approve the March 9, 2023 meeting minutes. Minutes were approved as written by unanimous vote.

March Meeting Follow Up

David Iseminger, Director of the Employees and Retirees Benefits (ERB) Division, provided some follow up items in response to questions asked at the March Board meeting. Items brought back included information about eligibility for the Dependent Care Assistance Program (DCAP) and Centers for Medicare and Medicaid Services (CMS) rulemaking.

2023-25 Budget Update

Tanya Deuel, Finance Manager in the Financial Services Division (FSD), presented an update on the 2023-25 biennial budget. The presentation included legislative proposed funding rates, the Medicare explicit subsidy, proposed budget similarities, proviso language, and dental details.

Legislative Update

Cade Walker, Policy, Rules, and Compliance Section Manager in the Employees and Retirees Benefits (ERB) Division, provided an update on relevant bills moving in legislative session. Requested legislation and topical bills were discussed.

Policy and Rules Development

Stella Ng, Policy and Rules Coordinator in the Employees and Retirees Benefits (ERB) Division, brought two policy resolutions to the Board for voting.

- *PEBB 2023-01 – When a subscriber has a change in residence that affects medical plan availability.* Tom MacRobert moved, and Elyette Weinstein seconded a motion to approve the resolution. The resolution was passed with a unanimous vote.
- *PEBB 2023-02 – When a subscriber is involuntarily terminated by a Medicare Advantage (MA) or Medicare Advantage-Prescription Drug (MA-PD) plan.* Kurt Spiegel moved, and Monica McLemore seconded a motion to approve the resolution. The resolution was passed with a unanimous vote. The Board received public comment regarding this resolution from Aruna Bhuta, who had questions about why this situation would occur.

Annual Rulemaking Briefing

Stella Ng, Policy and Rules Coordinator in the Employees and Retirees Benefits (ERB) Division, provided an overview on of the annual rulemaking process, including information regarding the timeline and focus of this year's work, as well as implementing legislation, administrative and benefits management, and regulatory alignment.

Over-The-Counter Hearing Instruments

Janice McAlpin, Senior Account Manager in the Employees and Retirees Benefits (ERB) Division, gave an update on over-the-counter hearing instruments. This topic

was inquired about in a previous Board meeting. The presentation included information regarding comparisons between over-the-counter hearing instruments and prescription hearing instruments, top ranked over-the-counter hearing instruments in 2023, and coverage of over-the-counter hearing instruments in the PEBB Program.

SmartHealth Update

Kristen Stoimenoff, Wellness Manager in the Employees and Retirees Benefits (ERB) Division, provided a SmartHealth update, which included information regarding the Secure Access Washington (SAW) transition for SmartHealth, trends for program participation and employees, Limeade recommendations, and a Washington Wellness Program evaluation.

Procurement Update

Shawna Lang, Portfolio Management and Monitoring Section Manager in the Employees and Retirees Benefits (ERB) Division, provided information about procurement efforts in the SEBB Program regarding the following programs: the flexible spending arrangement (FSA) and dependent care assistance program (DCAP), the wellness program, and the accountable care program.

Medicare Update

Ellen Wolfhagen, Senior Account Manager in the Employees and Retirees Benefits (ERB) Division, gave a Medicare update that included a Medicare review; Income Related Monthly Adjustment Amount (IRMAA) information, amounts, and impacts; Medicare enrollment requirements; Consumer Assessment of Healthcare Providers and Systems (CAHPS) survey information and results; and a progress report on the PEBB Program retiree listening sessions and public forums and other retiree engagements.

Public Comment

The following members of the public provided comments:

- **Amy Fortier**, regarding the procurement presentation with comments
- **Nathan Johnson**, regarding the Kaiser pharmacy first fill program with concerns
- **Katie Johnson**, regarding the Kaiser pharmacy first fill program with concerns
- **Aruna Bhuta**, regarding the Kaiser pharmacy first fill program with questions
- **Laurel Lemke**, following up from a previous comment made at a prior meeting and sharing the resolution
- **Ann Monroe**, regarding the Kaiser pharmacy first fill program with comments

Their testimonies can be found in the audio recording for the April 13, 2023 PEB Board meeting at:

<https://www.hca.wa.gov/about-hca/programs-and-initiatives/public-employees-benefits-board-pebb-program/meetings-and-materials#meeting-materials>

Next Meeting

May 11, 2023

9:00 a.m. – 1:30 p.m.

Preview of May 11, 2023 PEB Board Meeting

Dave Iseminger, Director, Employees and Retirees Benefits (ERB) Division, provided an overview of potential agenda topics for the May 11, 2023 PEB Board Meeting.

Meeting adjourned at 12:46 p.m.

TAB 4

April Meeting Follow Up

David Iseminger
ERB Director
Employees and Retirees Benefits Division
May 11, 2023

SmartHealth Registrant Data

Employee Participation Trends Through April 23, 2023



	Registration	Assessment	Incentive	Participation	Satisfaction
2020	74,737	37,076 (50%)	24,461 (33%)	78%	4.4/5
2021	72,542	28,124 (39%)	19,112 (26%)	80%	4.4/5
2022	70,727	25,497 (36%)	17,488 (25%)	37%	4.2/5
2023 <i>(Jan.-Apr. 23)</i>	65,362*	9,256 (14%)	2,448 (4%)	16%	4.1/5

Dependent Care Assistance Program (DCAP)

Dependent Care Assistance Program (DCAP) Payee Status

Question:

Under the Dependent Care Assistance Program (DCAP), is the payee required to be legally authorized to work in the U.S.?

Dependent Care Assistance Program (DCAP) Payee Status (*cont.*)

Answer*:

- ▶ The IRS requires DCAP participants to identify all person or organizations that provide dependent care, including name, address, and tax ID number (TIN), which will be a social security number or an employed ID.
- ▶ Participants can request this information from providers with Form W-10, *Dependent Care Provider's Identification and Certification*.
- ▶ There is some leeway if a participant cannot provide this information, but demonstrates due diligence in the attempt to provide it

*<https://www.irs.gov/taxtopics/tc602>

Questions?

David Iseminger, ERB Director
Employees and Retirees Benefits Division

David.Iseminger@hca.wa.gov

TAB 5

Legislative Session Debrief

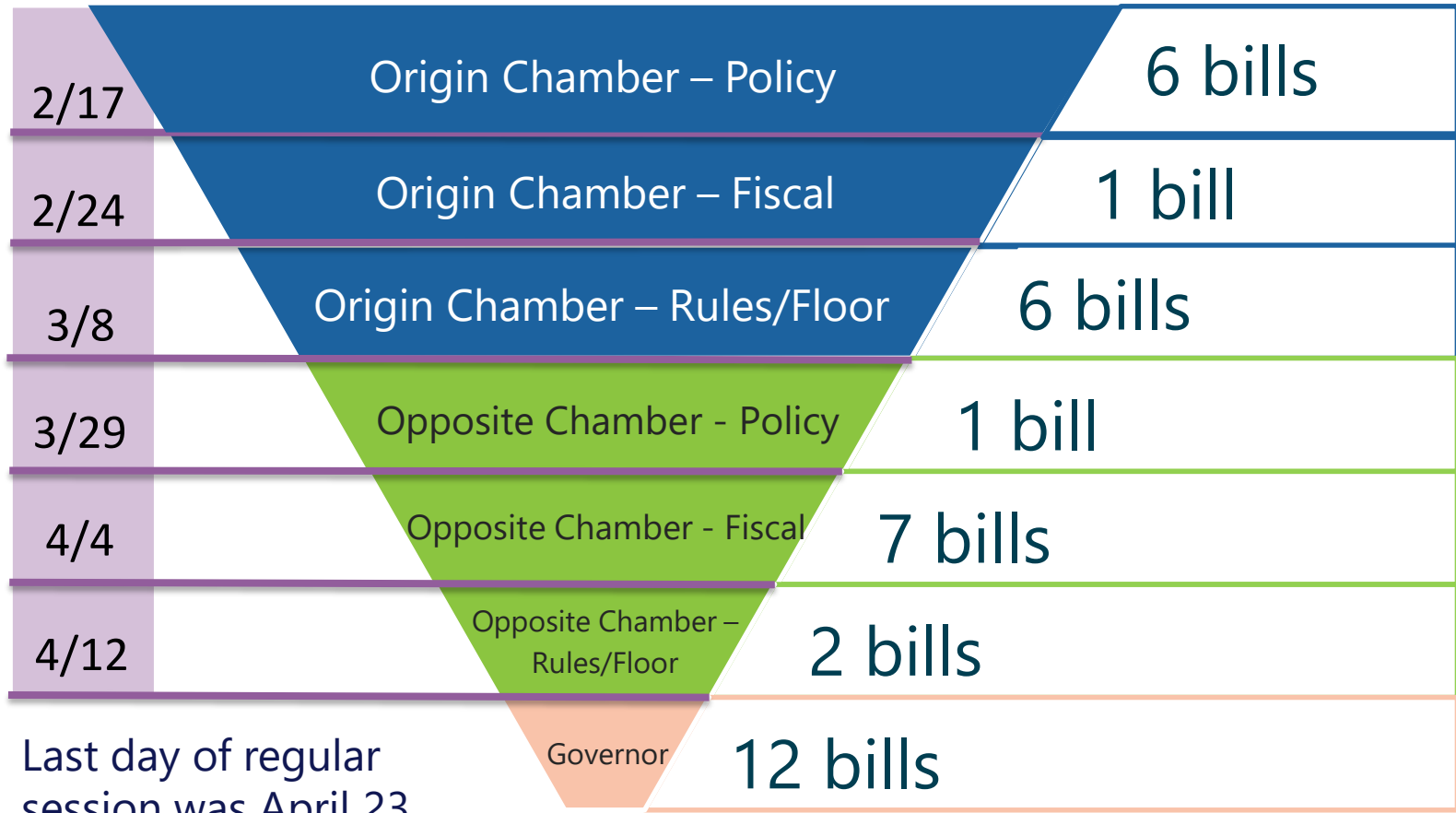
Cade Walker
Policy, Rules, and Compliance Manager
Employees and Retirees Benefits Division
May 11, 2023

2023 Bill Analyses

	ERB Lead	ERB Support	
High Priority	38	18	56
Low Priority	23	139	162
	61	157	218
Fiscal Notes	36	56	

Information as of 4/20/23

2023 Legislative Session Progress



New Laws* - ERB High Priority

- ▶ 1008 – Plan 2 members and PEBB retiree coverage
- ▶ 1222 – Hearing instrument coverage
- ▶ 1357 – Prior authorizations
- ▶ 1804 – PEBB employer group retirees
- ▶ 5242 – Abortion cost sharing
- ▶ 5275 – SEBB employer groups/school board directors

*Unless vetoed

New Laws* – ERB High Priority (*cont.*)

- ▶ 5300 – Behavioral health Rx continuity
- ▶ 5396 – Breast exam cost sharing
- ▶ 5421 – Benefit enrollment information protection
- ▶ 5490 – PEBB deferred coverage
- ▶ 5700 – HCA clean-up
- ▶ 5729 – Insulin cost-sharing cap

*Unless vetoed

New Laws* – HB 1357

- ▶ Establishes requirements for the prior authorization process for:
 - ▶ Time frames for decisions (effective 1/1/24),
 - ▶ Electronic authorization standards (effective 1/1/25), and
 - ▶ Communication requirements (effective 1/1/24)
- ▶ Expands the reporting requirements of health carriers related to prior authorization information to include prescription drug data (effective 1/1/24)
- ▶ Applies to private health insurance, PEBB Program, SEBB Program, and Medicaid

*Unless vetoed

New Laws* - Providers

- ▶ 1069 – Mental health counselor compact
- ▶ 1073 – Medical assistants
- ▶ 1466 – Dental hygienists
- ▶ 1576 – Dentist compact
- ▶ 1678 – Dental therapists
- ▶ 1683 – Denturists

*Unless vetoed

New Laws* – Providers (*cont.*)

- ▶ 5189 – Behavioral health support specialist
- ▶ 5278 – Home care aide certification
- ▶ 5389 – Optometrists
- ▶ 5499 – Multistate nurse licensure
- ▶ 5555 – Certified peer specialists

*Unless vetoed

New Laws* - Services

- ▶ 1039 – Intramuscular needling
- ▶ 5036 – Telemedicine
- ▶ 5179 – Death with Dignity Act
- ▶ 5581 – Maternal support services

*Unless vetoed

Implementation of New Laws

- ▶ Four pieces of legislation that have implementation efforts currently under way:
 - ▶ 1008 – Plan 2 members and PEBB retiree coverage (effective 1/1/24)
 - ▶ 1804 – PEBB employer group retirees (effective immediately)
 - ▶ 5275 – SEBB employer groups/school board directors (effective 9/1/23 – start of school year)
 - ▶ 5490 – PEBB deferred coverage (effective immediately)

Implementation of New Laws (*cont.*)

- ▶ 1804 & 5490 (retirees)
 - ▶ Identifying potentially eligible population
 - ▶ Emergency rule writing
 - ▶ Communication plan – direct and with employer groups who left
 - ▶ Process for re-enrollment and payment
 - ▶ Training PEBB Program staff on FAQs
 - ▶ Specific website page(s)

Implementation of New Laws (*cont.*)

- ▶ 1008 – Plan 2 members and PEBB retiree coverage
 - ▶ Emergency rule writing
- ▶ 5275 – SEBB employer groups/school board directors
 - ▶ Process & procedures to mirror PEBB Program
 - ▶ Emergency rule writing

Questions?

Cade Walker

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

Cade.Walker@hca.wa.gov

Appendix

Unpassed Legislation

- ▶ HB 1151/SB 5204 Fertility Services Coverage
- ▶ HB 1246 Health Benefits SEBB Eligibility
- ▶ HB 1253/SB 5213 Pharmacy Benefit Managers
- ▶ HB 1269 Rx Drug Affordability Board
- ▶ HB 1465/SB 5445 Prescription Cost-Sharing
- ▶ HB 1495/SB 5373 ARNP & PA Reimbursement
- ▶ HB 1725 Insulin Access Under 21
- ▶ SB 5169 Medicare Health Care Plans in PEBB
- ▶ SB 5241 Health Care Marketplace
- ▶ SB 5625 Public Employee Retirees Ombuds

TAB 6

2023-25 Biennial Budget Update

Tanya Deuel
Finance Manager
Financial Services Division
May 11, 2023

Final Funding Rates

FY2024 \$1,145

FY 2025 \$1,191

Per eligible employee per month

Adequate to maintain current
level of benefits

Medicare Explicit Subsidy

- ▶ \$183 Medicare Explicit Subsidy (per Medicare retiree per month)
 - ▶ Maintained from calendar year 2023

Final Conference Budget Funding

\$2.2M

Third Party Administrator (TPA) Spending Authority – Increased spending authority to align with the increased self-insured dental enrollment.

\$316K

ERB Benefits Management and Support FTE – One FTE for support of the Voluntary Employees' Beneficiary Association (VEBA).

-\$420K

Standalone Vision – A reduction in administrative spending authority related to carving vision out of the medical benefit to a standalone employer paid benefit effective January 1, 2025.

New Proviso Language

SSB 5696 and SHB 1804: \$78K

Allows retired or disabled employees of a county, municipality, or other political subdivision whose contractual agreement is terminated to continue participation.

Medicare report: \$500K

Provide a legislative report by Dec. 1, 2023 with a) findings from retiree listening sessions and public forums and b) an analysis of government self-insured plans with benefits that are equal to or richer, and with more affordable premiums, than UMP Classic Medicare.

Review of budget structure:

Review consolidating the PEBB Program and SEBB Program administrative operating budgets.

COVID-19 tests:

Effective July 1, 2023, UMP coverage for two over-the-counter COVID-19 tests, per member per month with no cost share.

Questions?

Tanya Deuel, Finance Manager
Financial Services Division
Tanya.Deuel@hca.wa.gov

TAB 7

UMP Hearing Instruments Benefit

Janice McAlpin
Senior Account Manager
Employees and Retirees Benefits Division

Sara Whitley
ERB Finance Manager
Financial Services Division
May 11, 2023

Hearing Instruments

Evolution of the Benefit

Prior to 2021

\$800 total allowance for hearing instruments every 3 years

Current

SB 5179
RCW 41.05.380
Requires coverage of hearing instruments every 5 years for employees and dependents

Passed Legislation *Effective January 1, 2024*

HB 1222
Requires coverage of at least \$3,000 per ear, every 36 months, for employees and dependents

Hearing Instruments Benefit

HB 1222

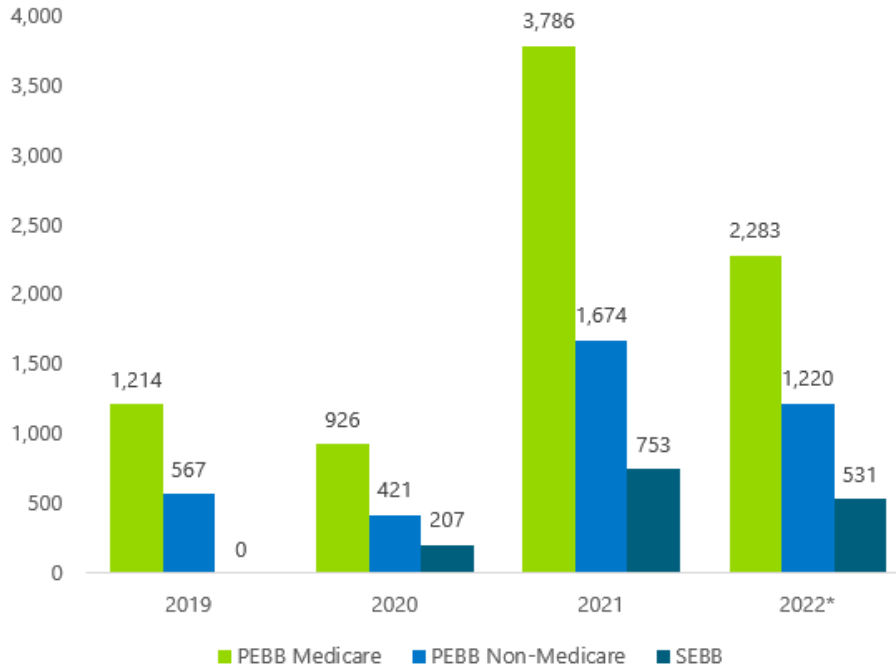
- ▶ Expires current law as of December 31, 2023
 - ▶ RCW 41.05.830 requires health plans to include coverage for a new hearing instrument every five years
- ▶ Effective date of legislation: January 1, 2024
- ▶ Impacts the general large-group commercial market health plans, including employees and dependents of all PEBB Program and SEBB Program plans
- ▶ Requires coverage for hearing instruments (excluding OTC hearing instruments) at **no less than \$3,000 per ear** with hearing loss **every 36 months**
- ▶ Not subject to the enrollee's deductible, unless the plan is offered as a qualifying health plan for a health savings account

Hearing Instruments Utilization

Plan Year 2019 – 2022*

Utilization

Distinct Members with a Hearing Aid Claim by Plan Year



Unit Cost

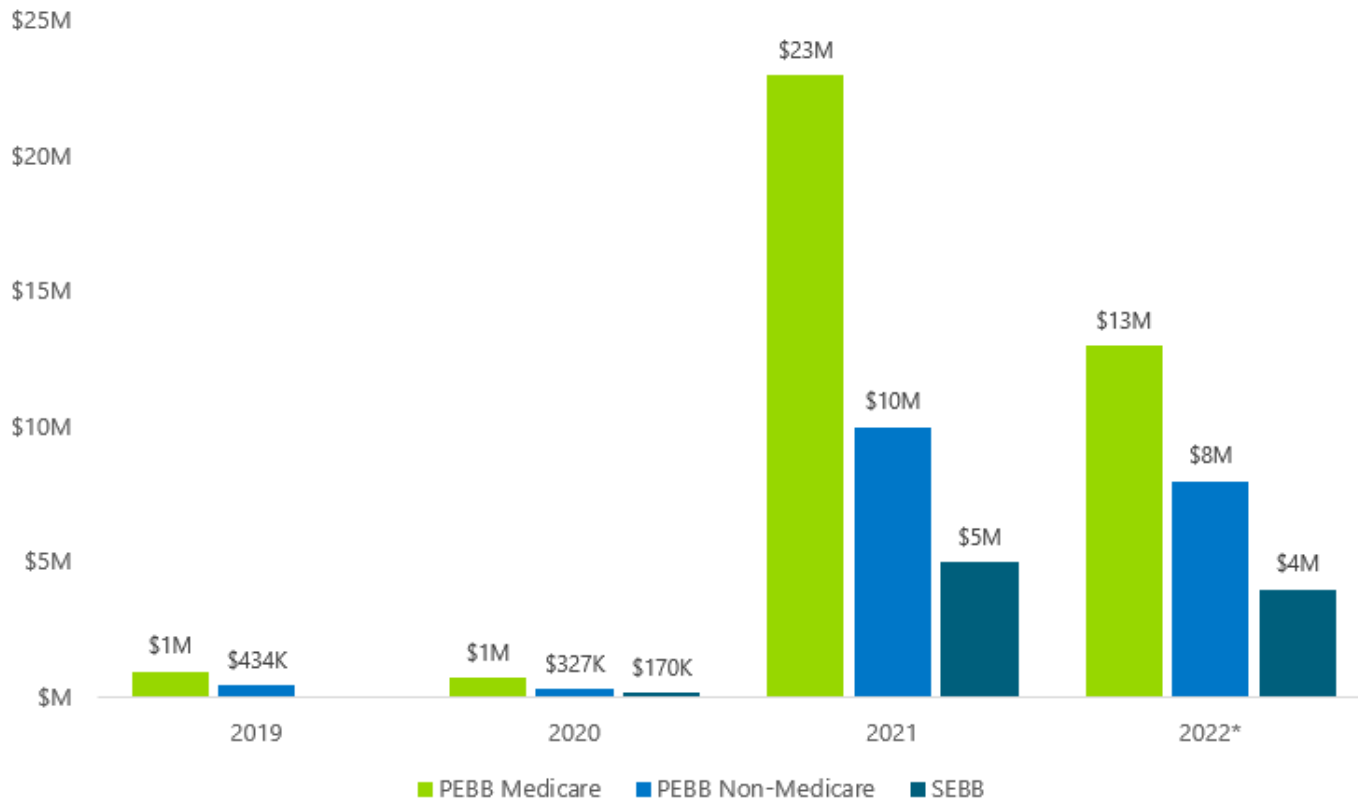
Average UMP Paid per Distinct Member (PEBB & SEBB)

	2019	2020	2021	2022*
Average Paid	\$780	\$780	\$5,700	\$5,800
Maximum Paid	\$990	\$1,090	\$17,690	\$20,630

*2022 claims are for services incurred and claims paid through December 2022; data should not be considered complete for Plan Year 2022 as additional time for claims runout is required.

Hearing Instruments Utilization

UMP Paid Amounts by Plan Year

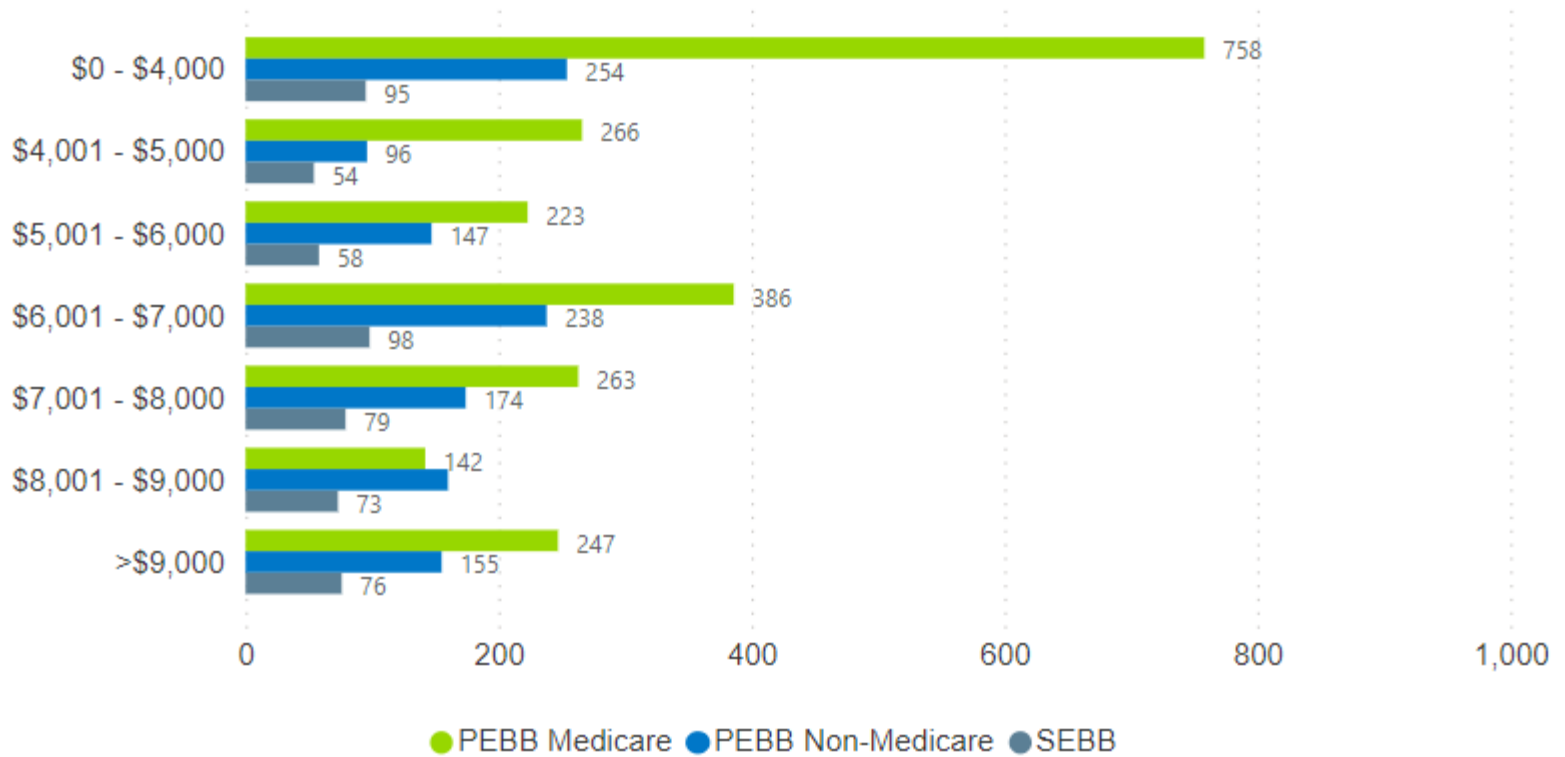


*2022 claims are for services incurred and claims paid through December 2022; data should not be considered complete for Plan Year 2022 as additional time for claims runout is required.

Hearing Instruments Utilization

Plan Year 2022*

Count of Distinct Members by Total Paid Claim Amount

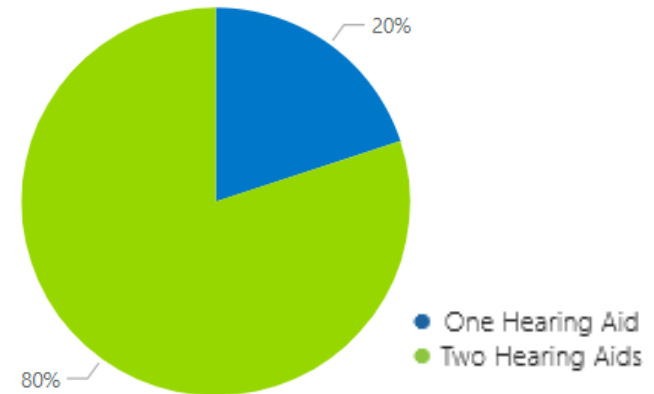


*2022 claims are for services incurred and claims paid through December 2022; data should not be considered complete for Plan Year 2022 as additional time for claims runout is required.

2021 and 2022* Insights

- ▶ \$3,000 per ear coverage resulting from HB 1222 would maintain a **sufficient and valuable hearing instrument benefit**, and is assumed to **place downward pressure on premiums** for both the non-Medicare and Medicare UMP plans in both PEBB and SEBB Programs

Number of Hearing Aids provided per Distinct Member, Plan Year 2022



Average UMP Paid per Distinct Member (PEBB & SEBB)

	2021	2022*
Average Paid	\$5,700	\$5,800
Maximum Paid	\$17,690	\$20,630

*2022 claims are for services incurred and claims paid through December 2022; data should not be considered complete for Plan Year 2022 as additional time for claims runout is required.

Assumed Outcomes

HB 1222



Total UMP claims liability would have been approximately \$6 million lower in plan year 2021 had HB 1222 been in place**

- ▶ Assuming similar levels of utilization in the future, a \$3,000 per ear hearing instrument benefit is assumed to place downward pressure on UMP member premiums for the PEBB and SEBB Programs

For UMP, provides an incentive for members and providers to avoid high-cost options that may not be medically necessary

- ▶ Should encourage members and providers to focus on providing medically necessary hearing instrument options
- ▶ Members can still select higher end hearing instruments, but must pay the difference between UMP coverage and cost of the item out-of-pocket



**Estimated based on UMP total paid across PEBB non-Medicare, PEBB Medicare and SEBB UMP plans.

Proposed Resolution PEBB 2023-03

UMP Hearing Instruments

Beginning January 1, 2024, prescribed hearing instruments in all Uniform Medical Plan (UMP) plans will be covered up to \$3,000 per ear with hearing loss, at least every 36 months, without member cost share.

Coverage for members enrolled in UMP Classic, UMP Select, and UMP Plus are not subject to the member meeting the plan deductible.

Coverage for members enrolled in UMP Consumer-Directed Health Plan (CDHP) are subject to the member meeting the plan deductible.

Examples of Implementation

- ▶ UMP member purchases a set of hearing aids in December 2023
 - Under proposed resolution 2023-03:
 - ▶ Member would be able to purchase a new set of hearing aids as of January 1, 2024
- ▶ UMP member purchases a set of hearing aids in January 2024
 - Under proposed resolution 2023-03:
 - ▶ Member would be able to purchase a new set of hearing aids as soon as January 1, 2027
- ▶ Under proposed resolution 2023-03, UMP will continue to provide reimbursement for OTC hearing instruments if hearing exam and prescription requirements are met

Next Steps

- ▶ Incorporate Board feedback in the proposed resolution
- ▶ Submit feedback by May 22, 2023 to HCAPEBSEBBoardPolicyFeedback@hca.wa.gov
- ▶ Bring recommended proposed resolution to the Board for action at the June 8, 2023 Board meeting

Questions?

Janice McAlpin, Senior Account Manager
Employees and Retirees Benefits Division
Janice.McAlpin@hca.wa.gov

Sara Whitley, ERB Finance Unit Manager
Financial Services Division
Sara.Whitley@hca.wa.gov

TAB 8

2023 Kaiser Permanente of Washington First Fil Insights

Christine Davis
Senior Account Manager
Employees & Retirees Benefits Division
May 11, 2023

Board Votes

- ▶ For fully-insured plans, the Board approves plan design(s) when voting on premiums
 - ▶ PEB Board announcements:
 - ▶ 7/01/2022:
 - ➔ On June 30, 2022, the Public Employees Benefits Board endorsed the KPWA Medicare premium(s) through resolution 2022-09
 - ▶ 7/25/2022:
 - ➔ On July 20, 2022, the Public Employees Benefits Board endorsed the KPWA non-Medicare premium(s) through resolution 2022-18

Standard Communication Methods

- ▶ After the Board votes, HCA transitions to prepare communications for open enrollment (OE) through existing methods:
 - ▶ Newsletters
 - ▶ OE materials (print/web)
 - ▶ Plan specific materials
 - ▶ Benefit Administrators receive forwardable e-mails from HCA that include links to OE communication materials to send to members

How Was First Fill Communicated in Open Enrollment Materials?

- ▶ Fall 2022 OE aligned for plan year 2023:
 - ▶ HCA's OE webpage
 - ▶ *For Your Benefit* newsletter (October)
 - ▶ Webinars through virtual benefit fairs, presented by KPWA and hosted by the HCA, included first fill program flyer and maintenance medication list
- ▶ PEBB Program KPWA microsites included:
 - ▶ First fill program flyer
 - ▶ Mail order pharmacy information
 - ▶ Maintenance medication drug list

How Was First Fill Communicated in Open Enrollment Materials? (*cont.*)

- ▶ October/November 2022, KPWA sent:
 - ▶ Retention letter with first fill program messaging to existing KPWA members
 - ▶ First fill program flyer
- ▶ First fill language included in:
 - ▶ 2023 KPWA plan comparisons
 - ▶ 2023 KPWA Summary of Coverage and Benefits
 - ▶ 2023 KPWA Evidence of Coverage

First Fill: HCA Lessons Learned

- ▶ HCA is assessing how to improve visibility of plan design changes to members who may not be considering a plan change during OE
- ▶ During the plan renewal process, requiring written carrier insights on impacts unique to rural members on proposed plan design changes

Kaiser Permanente of Washington Statement

At Kaiser Permanente, we take seriously the charge to provide high quality and accessible care that is also affordable. With that in mind, we have developed a suite of products designed to provide convenience and lower costs for our accounts and members.

As part of our ongoing work to evaluate how to best support our employer groups, we have reviewed and provided plan options intended to provide more choice in pharmacy benefit offerings. We're proud to be at the forefront of innovation in care, and we appreciate the feedback that we've received.

Questions?

Christine Davis, Senior Account Manager
Employees & Retirees Benefits Division

Christine.Davis@hca.wa.gov

Appendix

HCA's Open Enrollment webpage

▶ Copy of OE post:

- ▶ <https://www.hca.wa.gov/assets/pebb/whats-changing-pebb-employees-2023.pdf>
- ▶ Excerpt regarding first fill:

Kaiser Permanente Washington (KPWA)

- Transfer certain accumulators, such as deductibles and out-of-pocket limits, for the existing plan year when subscribers and their enrolled dependents change between the PEBB Program and the School Employees Benefits Board (SEBB) Program during a special open enrollment and stay with KPWA.
- Implement the First Fill program for maintenance drugs only, which allows the first prescription to be filled at any in-network pharmacy. Subsequent refills must be filled via mail order or at a Kaiser Permanente retail pharmacy.
- Introduce Advanced Care at Home, which will offer members a chance to recover at home rather than in a hospital when clinically appropriate.

HCA's *For Your Benefit* Newsletter (October 2022)

▶ <https://www.hca.wa.gov/assets/pebb/pebb-for-your-benefit-newsletter-employees-october-2022.pdf>

Kaiser Permanente Washington (KPWA) will:

- Transfer certain accumulators, such as deductibles and out-of-pocket limits, for the existing plan year when subscribers and their enrolled dependents change between the PEBB Program and the School Employees Benefits Board Program during a special open enrollment and stay with KPWA.
- **Implement the First Fill program for maintenance drugs only**, which allows the first prescription to be filled at any in-network pharmacy. Subsequent refills must be filled via mail order or at a Kaiser Permanente retail pharmacy.
- Introduce Advanced Care at Home, which will offer members a chance to recover at home rather than in a hospital when clinically appropriate.

Virtual Benefit Fair

- ▶ Webinars presented by KPWA, hosted by HCA:
- ▶ <https://www.hca.wa.gov/employee-retiree-benefits/pebb-virtual-benefits-fair/employees>



Kaiser Permanente of Washington

2023 information

Plan details

- [Service areas](#)
- [Enrollment guide](#)
- [Travel flyer](#)
- Find a provider:
 - [Washington Permanente Medical Group](#)
 - [Kaiser Permanente - Core network](#)
 - [Kaiser Permanente - SoundChoice network](#)
- [First Fill flyer](#)
- [Mail order pharmacy flyer](#)
- [Maintenance medication list](#)
- [Drug formulary](#)
 - [3-Tier formulary](#)
 - [5-Tier formulary](#)

KPWA PEBB Program Microsite

- ▶ PEBB Program KPWA microsites included:
 - ▶ First fill program flyer
 - ▶ Mail order pharmacy information
 - ▶ Maintenance medication drug list
- ▶ Link:
 - ▶ https://wa-my.kp.org/pebb?kp_shortcut_referrer=kp.org/wa/pebb

KPWA Retention Letter



Kaiser Foundation Health Plan of Washington
P.O. Box 35120
Seattle, WA 98124-5120

<<First_Name>><<MI>><<Last_Name>>
<<Add_1>>
<<Add_2>>
<<City>>,<<State>> <<ZIP>>-<<ZIP_4>>
<<Month XX, YYYY>>

In our previous letter, the monthly premium savings we listed were specifically for employees of state agencies and higher-education institutions. The 2023 premiums for state agency and higher-education employees, retirees, and continuation coverage subscribers can be found on HCA's website at hca.wa.gov/pebb-oe. If you are an employee who works for an educational service district, city, county, port, tribal government, water district, etc., please contact your payroll or benefits office for your specific premiums.

Dear <<First Name>>,

It's that time of year for health plan enrollment, but you don't have to do a thing to help ensure great coverage for 2023. You'll simply remain on the same plan for the same high-quality care and service. You can review your plan options at kp.org/wa/mypebb1.

All the advantages of Kaiser Permanente care

- Health care and coverage in one connected experience
- Care from Kaiser Permanente clinicians – one of the top-ranked medical groups in the state¹
- Locations where you can see your doctor and get lab work, X-rays, or prescriptions all in one trip
- Convenience and flexibility with 24/7, no-cost virtual care options²

All the same great benefits

- No changes to copays or coinsurance for medical services and prescriptions
- No changes to out-of-pocket maximum amounts
- Same \$0 copay for virtual care, including 24/7 online chat, our 24/7 advice line, phone and video visits, and more

Washington State Health Care Authority
PUBLIC EMPLOYEES BENEFITS BOARD

Important information about your Public Employees Benefits Board (PEBB) open enrollment and your 2023 Kaiser Permanente health plan



Prescriptions by mail

In 2023, your Kaiser Permanente plan will feature our mail-order pharmacy for maintenance medication refills. Maintenance drugs are ones you take regularly for ongoing conditions like asthma, high blood pressure, or diabetes.

The process is convenient and easy: The first time you fill a prescription for a maintenance drug, you may use our mail-order pharmacy or any in-network pharmacy. After that, you must use Kaiser Permanente's mail-order or retail pharmacies for your refills. Transferring your prescription into our mail-order pharmacy is simple – and delivery is free, safe, and fast. Most maintenance drugs refilled at non-Kaiser Permanente pharmacies *will not be covered*.

Want to see if your medication is a maintenance drug? Check out our formulary at kp.org/wa/mypebb1.

(continues on back)



PUBLIC EMPLOYEES BENEFITS BOARD

KPWA First Fill flyer

- ▶ sent to existing KPWA members
October/November of 2022

- ▶ https://assets.ctfassets.net/twgoyqbrxpfi/1lhAZbpYr51lHy6rK9MoV5/11c4ddbc8562f09990d369712e436f15/Mail_order_pharmacy_information_PEBB-SEBB.pdf | Showpad

For state and school employees

Welcome to mail order

The easier, cheaper, safer way to fill and refill
your routine medications

Starting January 1, 2023: Your prescription drug benefit features our mail-order pharmacy for medications you take regularly. So the first time you fill a prescription for a maintenance drug¹, you may use any in-network pharmacy. After that, you must use Kaiser Permanente's mail-order or retail pharmacies for your refills.

Transferring your prescription into our mail-order pharmacy is simple – and delivery is free, safe, and fast.



Washington State
Health Care Authority

PUBLIC EMPLOYEES BENEFITS BOARD

KPWA First Fill Flyer (*page 1*)

For state, higher-education and school employees

Welcome to mail order

The easier, cheaper, safer way to fill and refill your routine medications

Starting January 1, 2023: Your prescription drug benefit features our mail-order pharmacy for medications you take regularly. So the first time you fill a prescription for a maintenance drug,¹ you may use any in-network pharmacy. After that, you must use Kaiser Permanente's mail-order or retail pharmacies for refills of your maintenance drugs.

Transferring your prescription into our mail-order pharmacy is simple – and delivery is free, safe, and fast.



How does it work?

- For your first fill, you may fill up to a 30-day or 90-day supply of a maintenance drug at any in-network pharmacy or through our mail-order pharmacy.
- For subsequent refills, you must use our mail-order pharmacy or a Kaiser Permanente retail pharmacy to get continued prescription savings. It's easy and convenient – and delivery is free.

After your first fill, simply transfer prescriptions from your current pharmacy to our mail-order pharmacy. For the fastest service, ask your provider to send the prescription electronically to our mail-order pharmacy. You may also pick up refills at a Kaiser Permanente retail pharmacy.

- This does not apply to medication for sudden conditions or to drugs we can't mail.²

Why is mail order better?

It's easier.

Transfer an existing prescription or begin a new one by getting your first fill at any in-network pharmacy. When you need a refill, enjoy the convenience of home delivery with our mail-order pharmacy. Most medications arrive in as few as 1 to 2 days, and delivery is free. With our automatic prescription refill program, you can save even more time by having routine medications shipped to you automatically before you run out.

It's cheaper.

Our pharmacy staff works with our care teams to prescribe generic drugs when medically appropriate. These drugs are just as effective and can save you money. We also negotiate better drug prices nationally, so we can offer more competitive prices locally.

It's safer.

When you order medications from Kaiser Permanente pharmacies, including our mail-order pharmacy, our care teams can view your prescription use. This helps us provide you with safer prescriptions by avoiding drug interactions and other risks.

(continues on back)



Washington State
Health Care Authority

PUBLIC EMPLOYEES BENEFITS BOARD

KPWA First Fill Flyer (*page 2*)

Questions?

To learn more about filling prescriptions or our mail-order pharmacy, call Member Services at **1-888-901-4636** (TTY **711**), Monday through Friday, 8 a.m. to 5 p.m., or visit kp.org/wa/mail-order.

To transfer a prescription, choose any of the following options:

- Use the Kaiser Permanente Washington **mobile app**. Choose "Medications," then "Transfer a Prescription."
- Sign in to your account at kp.org. Click on "Transfer prescriptions" to fill out our secure online form.³
- Don't have an online account, yet? Sign up through the secure portal at kp.org/register. You'll be able to quickly and easily communicate with our pharmacy to order prescriptions by mail, receive shipping notifications, and get tracking info.
- Call us at **1-800-245-7979** (TTY **711**), Monday through Friday, 7:30 a.m. to 7 p.m., Saturday and Sunday, 8 a.m. to 4:30 p.m.



Thank you for trusting Kaiser Permanente with your care. We're happy to be your partner in health.

¹ Maintenance drugs are used on a continuing basis for the treatment of ongoing conditions, such as diabetes. The maintenance drug list is available at wa.kaiserpermanente.org/static/pdf/public/pharmacy/maintenance-drugs.pdf.

² Members may continue to pick up drugs that can't be mailed at a network pharmacy. Types of medications that can't be mailed include Schedule 2 controlled substances, liquid antibiotics, oral typhoid, clozapine, isotretinoin, and over-the-counter drugs without a prescription.

³ You'll need to provide the name and phone number of your current pharmacy; prescription number, name, strength, and instructions; and the name and phone number of the doctor who prescribed the medication.

kp.org

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 KAISER PERMANENTE.

Washington State
Health Care Authority

PUBLIC EMPLOYEES BENEFITS BOARD

TAB 9

Medicare Update

Ellen Wolfhagen
Senior Account Manager
Employees and Retirees Benefits Division
May 11, 2023

Topics

- ▶ Pharmacy Appeals Processes
- ▶ CAHPS Survey Information - Update
- ▶ Listening Sessions and Public Forum Recap
- ▶ Retiree Communications Update

Pharmacy Appeal Processes

- ▶ Initial denial made by plan
 - ▶ Prior authorization
 - ▶ Step therapy
 - ▶ Quantity limitation
- ▶ Denial can be appealed back to plan
- ▶ If plan still denies, appeal is routed to Independent Review Organization (IRO)
- ▶ Part B drug appeals are handled as Medicare appeals
- ▶ All Part D appeals are Medicare appeals

Medicare Appeal Process

- ▶ Initial denial by plan of Part B drug
- ▶ Expedited reconsideration (can be requested by phone)
- ▶ Answered by plan within 72 hours of receipt
 - ▶ Authorize or provide coverage
 - ▶ Denial
- ▶ If denied, automatically sent to Independent Review Organization (IRO)

Independent Review Organizations (IRO)

- ▶ Hired by Medicare
 - ▶ Not associated with carrier
 - ▶ Not a governmental agency
- ▶ Standard appeals for Part B drugs are answered within 7 calendar days
- ▶ Expedited appeals for Part B drugs are answered within 72 hours of receipt

UnitedHealthcare (UHC) CAHPS Survey Update

- ▶ Enrollment in group Medicare Advantage contract/PEBB Program members
- ▶ 2021 – 1.5 million members/3,196 PEBB Program members (0.21%)
- ▶ 2022 – 1.6 million members/5,998 PEBB Program members (0.37%)
- ▶ 2023 – 1.8 million members/14,218 PEBB Program members (as of January 2, 2023) (0.79%)

Listening Sessions Recap

- ▶ 16 sessions held as of May 1
 - ▶ Includes 3 in person sessions
 - ▶ Tumwater, Cheney, and Yakima
- ▶ Total of 118 participants / 50% in UMP
- ▶ Initial high-level themes:
 - ▶ Keep UMP Classic Medicare
 - ▶ Costs are too high (UMP premiums, UHC pharmacy)
 - ▶ Explore options for lowering UMP costs

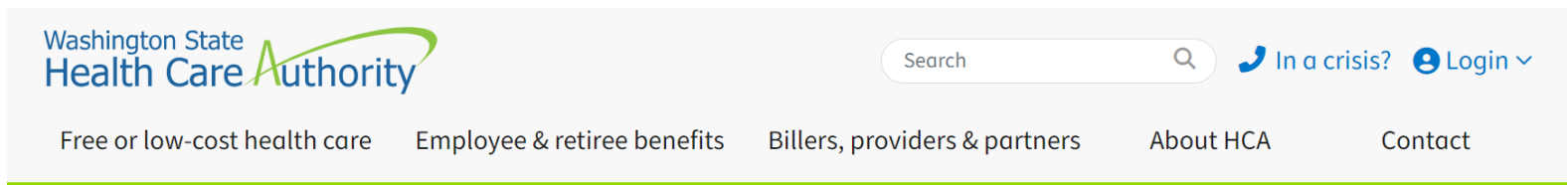
Public Forum Update

- ▶ April 26
- ▶ 9 participants
- ▶ 3 minutes each to speak
- ▶ Initial feedback:
 - ▶ Keep UMP Classic Medicare
 - ▶ Dissatisfaction with privatization of health plans
 - ▶ Explore options for lowering UMP costs
 - ▶ Increase HCA transparency

Retiree Communications Update

- ▶ Website updates with new retiree engagement page
 - ▶ Info to participate in listening sessions and forums
 - ▶ FAQs
 - ▶ Common myths
- ▶ FAQs from listening sessions
 - ▶ Most common questions first
 - ▶ Will keep updating

Retiree Engagement Webpage Location



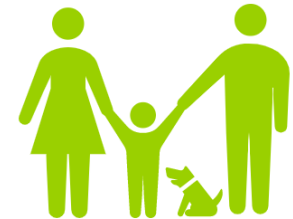
[Home](#) > [Employee and retiree benefits](#)

Employee and retiree benefits

Retiree engagement

Register for PEBB Medicare listening sessions

Benefits 24/7 to replace PEBB My Account and SEBB My Account



Questions?

Ellen Wolfhagen, Senior Account Manager
Employees and Retirees Benefits Division
Ellen.Wolfhagen@hca.wa.gov