

Public Employees Benefits Board

June 30, 2022

Public Employees Benefits Board

June 30, 2022

9:00 a.m. – 2:00 p.m.

Zoom Attendance Only

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

Table of Contents

Meeting Agenda	1-1
Member List.....	1-2
2022 Meeting Schedule	1-3
Board By-Laws	2-1
UMP RFR 2022 for Benefit Year 2023 & UMP Benefit Resolutions for Action	3-1
Medicare Portfolio Comparisons.....	4-1
2023 Medicare Rate Resolutions.....	5-1

TAB 1

**Public Employees Benefits Board
June 30, 2022
9:00 a.m. – 2:00 p.m.**

Subject to Section 5 of the Laws of 2022, Chapter 115, also known as HB 1329, the Board has agreed this meeting will be held via Zoom without a physical location.

TO JOIN ZOOM MEETING – SEE INFORMATION BELOW

9:00 a.m.*	Welcome and Introductions		Sue Birch, Chair	
9:05 a.m.	Meeting Overview		Dave Iseminger, Director Employees & Retirees Benefits (ERB) Division	Information
9:10 a.m.	Follow up from June 9, 2022 Meeting		Dave Iseminger, Director ERB Division	Information/ Discussion
9:15 a.m.	Transition to Executive Session			Information/ Discussion
9:20 a.m.	Executive Session			Information/ Discussion
9:50 a.m.	Break / Transition to Public Meeting			
9:55 a.m.	UMP RFR 2022 for Benefit Year 2023 & UMP Benefit Resolutions for Action	TAB 3	Christine Davis, UMP Account Manager Portfolio Management & Monitoring Section, ERB Division	Action** & Information/ Discussion
10:15 a.m.	Medicare Portfolio Comparisons	TAB 4	Ellen Wolfhagen, Senior Account Manager, ERB Division Luke Dearden, PharmD, BCPS Clinical Pharmacist, Clinical Quality and Care Transformation Division	Information/ Discussion
11:15 a.m.	Break			
11:20 a.m.	2023 Medicare Rate Resolutions	TAB 5	Sara Whitley, ERB Finance Unit Manager, Financial Services Division	Action**
12:20 p.m.	Lunch Break			
12:30 p.m.	2023 Medicare Rate Resolutions (continued)	TAB 5	Sara Whitley, ERB Finance Unit Manager, Financial Services Division	Action**
1:30 p.m.	General Public Comment			
1:55 p.m.	Closing		Sue Birch, Chair	
2:00 p.m.	Adjourn			

*All Times Approximate

**The Board Chair will ask for public comment related to each resolution, while the resolution is under consideration, before the Board takes any final action.

The Public Employees Benefits Board will meet Thursday, June 30, 2022. All Board Members and attendees will attend this meeting virtually.

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 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 9:20 a.m. and conclude no later than 9:55 a.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: board@hca.wa.gov.

Materials posted at: <http://www.pebb.hca.wa.gov/board/> by close of business on June 27, 2022.

[Join Zoom Meeting](#)

Join Zoom Meeting

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Meeting ID: 835 5090 9754

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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
Leanne Kunze, Executive Director Washington Federation of State Employees 1212 Jefferson ST, Suite 300 Olympia WA 98501 V 360-352-7603 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
Scott Nicholson, Deputy Assistant Director State Human Resources Office of Financial Management PO Box 43113 Olympia WA 98504-3113 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

5/31/22



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

2022 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.

January 26, 2022 (Board Retreat) 9:00 a.m. – 4:00 p.m.

March 10, 2022 - 9:00 a.m. – 2:00 p.m.

April 14, 2022 - 9:00 a.m. – 2:00 p.m.

May 12, 2022 - 9:00 a.m. – 2:00 p.m.

June 9, 2022 - 9:00 a.m. – 2:00 p.m.

June 30, 2022 – 9:00 a.m. – 2:00 p.m.

July 14, 2022 - 9:00 a.m. – 2:00 p.m.

July 20, 2022 - 9:00 a.m. – 2:00 p.m.

July 27, 2022 - 9:00 a.m. – 2:00 p.m.

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

7/16/21

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: July 16, 2021

TIME: 2:26 PM

WSR 21-15-079

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. At the direction of the Chair, public testimony at Board meetings may also occur in conjunction with a public hearing or during the Board’s consideration of a specific agenda item. The Chair has authority to limit the time for public testimony, including the time allotted to each speaker, depending on the time available and the number of persons wishing to speak.
5. Motions and Resolutions—All actions of the Board shall be expressed by motion or resolution. No motion or resolution shall have effect unless passed by the affirmative votes of a majority of the Board Members present and eligible to vote, or in the case of a proposed amendment to the By-laws, a 2/3 majority of the Board.
6. Representing the Board’s Position on an Issue—No Board Member may endorse or oppose an issue purporting to represent the Board or the opinion of the Board on 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 July 15, 2020

TAB 3



Uniform Medical Plan (UMP) RFR 2022 Benefit Year 2023

Christine Davis, UMP Account Manager
Portfolio Management & Monitoring Section
Employees and Retirees Benefits Division
June 30, 2022

Resolutions for Board Action Today

- PEBB 2022-05 IRS Minimum Deductible
for Consumer Directed
Health Plan
- PEBB 2022-06 UMP CDHP Pharmacy
Preventive Care

HSA Qualified Consumer Directed Health Plan

These minimum deductibles were derived from IRS Procedure 2022-24, which was published on April 29, 2022.

	2022	2023
Single Subscriber	\$1,400	\$1,500
All Other Tiers	\$2,800	\$3,000

Resolution PEBB 2022-05 IRS Minimum Deductible for Consumer Directed Health Plan

Resolved that, beginning January 1, 2023, the deductible in the UMP Consumer Directed Health Plan (CDHP) will be increased to \$1,500 for single subscribers and \$3,000 for all other tiers.

IRS Notice 2019-45

- Internal Revenue Service Notice 2019-45 expands the list of preventive care benefits the Uniform Medical Plan Consumer Directed Health Plan can cover before a member meets their deductible. Although these services and items are classified as preventive care for purposes of section 223(c)(2)(C), these services and items can still be subject to cost sharing (coinsurance, copayment, etc.).
- Board voted on medical components of the notice last year (PEBB 2021-23), included in the Appendix.

IRS Notice 2019-45 (*cont.*)

- HCA recommends the UMP Consumer Directed Health Plan provide pre-deductible coverage (15% cost share) for certain high value drugs within each drug class specified in IRS Notice 2019-45
- Specific recommended drugs presented in the June 9, 2022 meeting are included in the Appendix

Resolution PEBB 2022-06

UMP CDHP Pharmacy Preventive Care

Resolved that, beginning January 1, 2023, the UMP Consumer Directed Health Plan (CDHP) will cover the drug list presented to the Board on June 9, 2022 prior to meeting the plan deductible. Thereafter, HCA may alter this drug list to allow for pre-deductible coverage based on clinical evaluation and in accordance with IRS guidance.

Proposed Resolution

- PEBB 2022-14 UMP Accumulators
- No action required for this meeting,
scheduled for action on July 14, 2022

UMP Accumulators

- For Plan Year 2023, an option to transfer medical and pharmacy cost-share accumulators (deductibles and out-of-pocket maximums only) when subscribers move between the PEBB and SEBB Programs during a plan year.
 - UMP subscriber movement within the PEBB Program was addressed by a Board resolution last year
- This will only apply when a subscriber changes between the PEBB & SEBB Programs but stays in a UMP plan.
- This change would need to be passed by both the PEBB Board and SEB Board for UMP.

Proposed Resolution PEBB 2022-14

UMP Accumulators

- Beginning January 1, 2023, when a subscriber enrolled in a SEBB Program Uniform Medical Plan changes their enrollment to a PEBB Program Uniform Medical Plan during the plan year (excluding Open Enrollment), accumulated deductibles and out-of-pocket maximum expenses (medical and pharmacy) will transfer.

Questions?

Christine Davis, UMP Account Manager
Portfolio Management and Monitoring Section
Employees and Retirees Benefits Division

Christine.Davis@hca.wa.gov

Appendix

PEBB Resolution 2021-23

7/14/21	UMP CDHP Preventive Care	Beginning January 1, 2022, the UMP Consumer Directed Health Plan will allow coverage to treat certain chronic conditions, those presented at the July 14, 2021 PEB Board Meeting, before having to meet the plan deductible.	2021-23
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IRS Allowed Changes to UMP Consumer Directed Health Plan

Chronic Condition:	Preventive Care Covered:	Coverage Available Under:	If Approved, 2022 UMP Coverage Would Be:
Asthma	Peak flow meter	Medical	<ul style="list-style-type: none"> • Deductible is waived • Member only pays coinsurance until their out-of-pocket limit is met
Diabetes	Glucometer	<p>Medical* or Pharmacy</p> <p><i>*some specific continuous glucose monitors will be grandfathered</i></p>	
Diabetes	Hemoglobin A1c testing	Medical	
Diabetes	Retinopathy screening	Medical	

IRS Allowed Changes to UMP Consumer Directed Health Plan (*cont.*)

Chronic Condition:	Preventive Care Covered:	Coverage Available Under:	If Approved, 2022 UMP Coverage Would Be:
Heart Disease	Low-density Lipoprotein (LDL) testing	Medical	<ul style="list-style-type: none"> • Deductible is waived • Member only pays coinsurance until their out-of-pocket limit is met
Hypertension	Blood pressure monitor	Medical	
Liver Disease and/or Bleeding Disorders	International Normalized Ratio (INR) testing	Medical	

Resolution PEBB 2022-06

“Drug List presented to the Board on June 9, 2022”

Preventive care for specified conditions (Pharmacy)	For individuals diagnosed with	Drugs UMP CDHP/HDHP will cover before deductible in 2023 (15% cost share)
Angiotensin Converting Enzyme (ACE) inhibitors	Heart failure, diabetes, and/or coronary artery disease	Enalapril/hydrochlorothiazide, enalapril, lisinopril, lisinopril/hydrochlorothiazide
Anti-resorptive therapy	Osteoporosis or osteopenia	alendronate
Beta-blockers	Heart failure, coronary artery disease	Atenolol, bisoprolol/hydrochlorothiazide, carvedilol, metoprolol succinate, metoprolol tartrate

Preventive care for specified conditions (Pharmacy)	For individuals diagnosed with	Drugs UMP CDHP/HDHP will cover before deductible in 2023 (15% cost share)
Inhaled corticosteroids	Asthma	Budesonide suspension, Flovent Diskus, Flovent HFA
Insulin and other glucose lowering agents	Diabetes	Insulin: all insulin Non-insulin: Glimepiride, glipizide, glyburide, glyburide/metformin, metformin

Preventive care for specified conditions (Pharmacy)	For individuals diagnosed with	Drugs UMP CDHP/HDHP will cover before deductible in 2023 (15% cost share)
Selective Serotonin Reuptake Inhibitors (SSRIs)	Depression	Citalopram, escitalopram, fluoxetine, sertraline
Statins	Heart disease, diabetes	Deductible is already waived and covered as Preventive for members aged 40 and above.

TAB 4



Medicare Portfolio Comparisons

Ellen Wolfhagen
Senior Account Manager
Employees and Retirees Benefits Division
June 30, 2022

Luke Dearden, PharmD, BCPS
Clinical Pharmacist
Clinical Quality and Care
Transformation Division

Overview

- Comparing individual market plans and group-sponsored plans
- Prior Authorization, Claims, & Appeals: UnitedHealthcare (UHC) Plan Insights
- Provider Network Insights
- Communication Strategies
- Premium and Out-of-Pocket Questions
- PEBB Program Medicare Offering Benefit Designs
- Pharmacy Insights

Comparing Individual Market Plans and Group-sponsored Plans

UHC: Individual Market vs. PEBB Plans

Name of plan	AARP Medicare Advantage Walgreens	AARP Medicare Advantage Choice	AARP Medicare Advantage Plan 2	AARP Medicare Advantage Plan 3	AARP Medicare Advantage Plan 1	AARP Medicare Advantage Patriot	PEBB Complete	PEBB Balance
Type of plan	HMO-POS	PPO with lower out of network benefits	HMO	HMO	HMO	PPO	PPO with the same benefits in and out of network	PPO with the same benefits in and out of network
2022 Premium for Plan	\$0	\$19	\$24	\$45	\$88	\$0	\$148.68	\$125.99
PCP Copay	\$0	\$0 in/\$25 Out	\$10	\$0	\$0	\$0 in/\$25 Out	\$0	\$15
SCP Copay	\$40	\$45 in/\$65 Out	\$45	\$40	\$35	\$35 in/\$65 Out	\$0	\$30
Urgent Copay	\$40	\$40	\$40	\$40	\$40	\$40	\$15	\$15
Inpatient Hospital	\$400 per day, days 1-4	\$390 per day, days 1-5, in-network/\$500 per day days 1-20 OON	\$440 per day, days 1-4	\$375 per day, days 1-4	\$250 per day, days 1-7	\$395 per day, days 1-4, in-network/\$500 per day days 1-20 OON	\$0	\$500 per stay
Out of pocket Max	\$6,500	\$6,500 in/\$10,000 Out	\$6,700	\$5,900	\$4,200	\$5,500 in/\$10,000 Out	\$500	\$2,000

UHC Plans: Pharmacy Comparison

Name of plan	AARP Medicare Advantage Walgreens	AARP Medicare Advantage Choice	AARP Medicare Advantage Plan 2	AARP Medicare Advantage Plan 3	AARP Medicare Advantage Plan 1	AARP Medicare Advantage Patriot	PEBB Complete	PEBB Balance
Prescription Drugs								
Drug Deductible	\$0	\$0 for tiers 1-2 \$225 for tiers 3-5	\$0 for tiers 1-2 \$200 for tiers 3-5	\$0 for tiers 1-2 \$225 for tiers 3-5	\$0 for tiers 1-2 \$185 for tiers 3-5	No Drug Coverage	\$0 for tiers 1-2 \$100 for tiers 3-5	\$0 for tiers 1-2 \$100 for tiers 3-5
Max out of pocket	No Max	No Max	No Max	No Max	No Max	N/A	\$2,000	\$2,000
Tier 1 - Preferred Generics	\$0 at preferred pharmacy/\$10 at non-preferred	\$0	\$0	\$0	\$0	N/A	10%, \$25 max	10%, \$25 max
Tier 2 - Generic Drugs	\$0 at preferred pharmacy/\$20 at non-preferred	\$12	\$12	\$12	\$12	N/A	10%, \$25 max	10%, \$25 max
Tier 3 - Preferred Brands	\$47	\$45	\$47	\$45	\$45	N/A	30%, \$47 max	30%, \$47 max
Tier 4 - Non-preferred Drug	\$100	\$95	\$100	\$95	\$95	N/A	50%	50%
Tier 5 - Specialty Drugs	33%	29%	29%	29%	30%	N/A	50%, \$100 max	50%, \$100 max
Select Insulin Drugs	\$35	\$35	\$35	\$35	\$35	N/A	\$10	\$10
Coverage Gap	CMS Minimum	CMS Minimum	CMS Minimum	CMS Minimum	CMS Minimum	N/A	Cost shares above	Cost shares above

*The PEBB formulary is only four tiers but to show apples and apples we demonstrated how it would look in five tiers

** The PEBB Complete and Balance cost shares are the current 2022 plan design; See slide 36 for the 2023 proposed copay design

Key Differences: Commercial AARP UHC Plans and PEBB's Group-sponsored UHC MA-PD Plans

	Commercial Market AARP Plans	PEBB Group-sponsored MA-PD Plans
Plan Network Design	Mostly HMO (closed networks)	PPO – Any Willing Medicare Provider
Maximum Out-of-pocket (Medical)	\$5,000 - \$6,500 (In-network)* \$10,000 (Out-of-network)*	\$500 (PEBB Complete) \$2,000 (PEBB Balance)
Copays (Primary Care)	\$0 (In-network)* \$25 (Out-of-network)*	\$0 (PEBB Complete) \$15 (PEBB Balance)
Copays (Specialty)	\$35-\$45 (In-network)* \$65 (Out-of-network)*	\$0 (PEBB Complete) \$30 (PEBB Balance)
Pharmacy Deductible	\$225 for Tiers 3-5**	\$100 for Tiers 3-5
Maximum Out-of-pocket (Pharmacy)	No Maximum Limit**	\$2,000
“Donut Hole” Coverage Gap	25% Member Coinsurance**	Just pay applicable cost share until Pharmacy Out-of-pocket Max reached

* AARP UHC underwritten “Choice” & “Patriot” PPO Plans

** AARP UHC underwritten “Choice” PPO Plan (“Patriot” has no drug coverage)

Additional Key Differences

- Under HCA's contract with UHC, there is a dedicated UHC customer service team for our PEBB Program retirees
- HCA staff are available to help members navigate coverage issues, a service for *all* PEBB retiree plans (not just UMP)
- Neither of these are available to an individual enrolled in a private individual MA or MA-PD plan

More Key Differences

- HCA administers eligibility and enrollment, so a carrier cannot simply drop a PEBB Program retiree's coverage
- PEBB Program retirees can change plans each year within the PEBB offerings without restrictions that exist for individual market plan switching
- HCA's contract management team actively monitors and intervenes with all carriers to ensure they achieve contracted levels of customer service

Prior Authorization, Claims, & Appeals: UHC Plan Insights

UHC Prior Authorization Process

- Prior Authorization request submitted
- If required information is not provided or forthcoming, authorization will be denied
- Strict CMS timelines protect patients
- Provider submission may delay review; but UHC can't delay as they must approve/deny within CMS timelines

2021 Pharmacy Prior Authorization Appeals

	UHC PEBB		
Total Prior Authorizations Denied	192		
	Requested	Initial Decision Overturned	Initial Decision Stands
1 st Level Appeals	44	36	8
External Appeals	0	0	0

Medicare Rules on Timely Prior Authorization and Appeal Decisions

- Medical – After receiving request, plan must decide *as quickly as the member's health requires*
 - no later than 72 hours for expedited requests
 - 30 days for standard requests
 - 60 days for payment requests
- Part D Prior Authorizations
 - Within 24 hours for expedited request
 - Within 72 hours for standard request

2021 Medical Appeals

This data is not the total number of denied prior authorizations and claims, it is only the appeals of those denials

	UHC PEBB
Total Appeals Requested	22
Initial Decision Overturned	19
Initial Decision Stands	3

Provider Network Insights

Who Determines the Network?

- HCA does not do direct provider contracting for PEBB plans – *even for UMP*
 - Instead, Regence & Moda (for UMP), Kaiser NW, Kaiser WA, and UHC manage their own provider networks
- Providers can join or leave a network with adequate notice
 - Neither HCA nor a carrier can require future participation in any plan, including UMP

UHC Providers

- PEBB Program retirees are concerned about if they will be able to continue seeing their current providers under a UHC PEBB plan
- The key question to ask is “if my provider accepts the plan,” rather than “is my provider in-network”
- Regardless of UHC network status, the member cost share for covered services is identical – an enhancement compared to UMP Classic Medicare

UHC Providers (*cont.*)

- Most non-contracted providers accept the plan, treat patients, and bill UHC even though they have *not* signed a UHC network contract
 - Providers that do not have a network contract cannot appear in UHC's online provider directory
 - UHC's call center can confirm if a provider accepts its PEBB plans even if they do not show up in the online provider directory
- Throughout the year, UHC reaches out to providers to include them in the network or encourage them to accept the plan

Current PEBB Medicare Plans' Availability



Provider Directories

- For the most current info on what PEBB plans a provider accepts, call *the plan* directly

Plan	Phone Number	Website
KPNW Senior Advantage	1-877-221-8221	Healthy.kaiserpermanente.org/ doctors-locations
KPWA Medicare Advantage	1-866-648-1928	wa- doctors.kaiserpermanents.org
UHC PEBB Balance and PEBB Complete	1-855-873-3268	retiree.uhc.com/wapebb/find- a-provider

Communication Strategies

Communications Plan

- Multiple HCA communication approaches
 - Print mailings, web-based materials, PEBB Program in-person benefits fairs and webinars, retiree association conferences and webinars, etc.
- Increase engagement and messaging with:
 - Agency partners (SHIBA at the Office of Insurance Commissioner & Department of Retirement Systems)
 - Retiree associations
 - Carriers

Communications Plan (*cont.*)

- Develop content for HCA website (dedicated pages), newsletters, and targeted/customized mailings to inform affected members
- Use annual open enrollment communications and multiple other targeted communications to build awareness
- Provide PEBB Program Customer Service phone staff with talking points to address member questions

Premium and Out-of-pocket Questions

State Pension System Benefits: PERS

Pension Plan	Average Monthly Amount	Median Monthly Amount
PERS 1 37,080 DRS retirees	\$2,407	\$2,191
PERS 2 57,945 DRS retirees	\$2,082	\$1,679
PERS 3 (Employer Contribution Only) 6,710 DRS retirees	\$1,124	\$889

Source: Washington Department of Retirements Systems, June 30, 2021 pension valuation

State Pension System Benefits: TERS

Pension Plan	Average Monthly Amount	Median Monthly Amount
TERS 1 27,519 DRS retirees	\$2,447	\$2,273
TERS 2 6,228 DRS retirees	\$2,335	\$2,218
TERS 3 (Employer Contribution Only) 16,197 DRS retirees	\$1,440	\$1,387

Source: Washington Department of Retirements Systems, June 30, 2021 pension valuation

State Pension System Benefits: SERS

Pension Plan	Average Monthly Amount	Median Monthly Amount
SERS 2 11,401 DRS retirees	\$1,035	\$808
SERS 3 (Employer Contribution Only) 11,784 DRS retirees	\$574	\$435

Source: Washington Department of Retirements Systems, June 30, 2021 pension valuation

Premium versus Out-of-pocket

- Some PEBB Program retirees express a preference to pay more in monthly premium than paying more at the time they receive services
- The majority of services have *the same or higher* coverage under the UHC PEBB Complete Plan compared to UMP Classic Medicare
- UHC's premiums can be lower because of risk-adjusted federal subsidies that are not available to UMP Classic Medicare

PEBB Program Medicare Offering Benefit Designs

UMP and KPNW Senior Advantage

	UMP Classic	Kaiser NW Senior Advantage
Medical Deductible	\$250	\$0
Max Medical Benefit Out-of-Pocket	\$2,500	\$1,500
In Patient Services	\$200/day (per admission)	\$500/admission
Out Patient Services	15%	\$50
Out Patient Mental Health Care	15%	\$30/individual, \$15/group
Primary Care Office Visit	15%	\$30
Specialty Care	15%	\$30
Urgent Care	15%	\$35 office, \$50 ER
ER Copay	\$75 + 15%	\$50
Supplemental Benefits		
	UMP Classic	Kaiser NW Senior Advantage
Chiropractic Care	\$15/24 visits	\$35/12 visits
Acupuncture	\$15/24 visits	\$35/12 visits
Massage Therapy	\$15/24 visits	\$25/12 visits
Routine Vision Exams and Hardware	\$0 annual exam; \$30 copay for contact lens fitting hardware up to \$150 every 2 years	\$25 annual exam, hardware up to \$150 every 24 months
Routine Hearing Exams and Hearing Aids	\$0 annual exam, hardware one per ear every 5 years	\$35 annual exam, up to the allowed amount one per ear any consecutive 60 months
Gym Membership	Not covered	Silver and Fit, \$0

UMP and KPNW - Pharmacy

	UMP Classic Medicare	Kaiser NW Senior Advantage
Pharmacy Deductible	\$100	\$0
Max Pharmacy OOP	\$2,000	No OOP Limit
Value Tier (UMP only)	5% up to \$10	N/A
Tier 1 - Generic	10% up to \$25	\$20
Tier 2 - Preferred Brand Name	30% up to \$75	\$40
Tier 3 - Non-Preferred Brand Name	N/A	50% up to \$200
Specialty	N/A	50% up to \$200

UMP and KPWA Medicare Advantage

	UMP Classic	Kaiser WA Medicare Advantage
Medical Deductible	\$250	\$0
Max Medical Benefit Out-of-Pocket	\$2,500	\$2,500
In Patient Services	\$200/day (per admission)	\$200/day (per admission)
Out Patient Services	15%	\$200
Out Patient Mental Health Care	15%	\$0
Primary Care Office Visit	15%	\$20
Specialty Care	15%	\$20
Urgent Care	15%	\$20
ER Copay	\$75 + 15%	\$65
Supplemental Benefits		
	UMP Classic	Kaiser WA Medicare Advantage
Chiropractic Care	\$15/24 visits	\$15, 12 visits (Non-spinal) unlimited visits for spinal
Acupuncture	\$15/24 visits	\$15/visit, 12 visits
Massage Therapy	\$15/24 visits	\$30/visit, 10 visits
Routine Vision Exams and Hardware	\$0 annual exam; \$30 copay for contact lens fitting hardware up to \$150 every 2 years	\$15 annual exam, hardware up to \$300 every 24 months
Routine Hearing Exams and Hearing Aids	\$0 annual exam, hardware one per ear every 5 years	\$20 annual exam, up to the allowed amount one per ear any consecutive 60 months
Gym Membership	Not covered	Silver and Fit, \$0

UMP and KPWA - Pharmacy

	UMP Classic Medicare	Kaiser WA Medicare Advantage
Pharmacy Deductible	\$100	\$0
Max Pharmacy OOP	\$2,000	No OOP Limit
Value Tier (UMP only)	5% up to \$10	N/A
Tier 1 - Generic	10% up to \$25	\$20
Tier 2 - Preferred Brand Name	30% up to \$75	\$40
Tier 3 - Non-Preferred Brand Name	N/A	50% or \$250
Specialty	N/A	N/A

UHC PEBB Complete & Balance: Updated Acupuncture & Chiropractic Benefit for 2023

- This month, Tom MacRobert asked if the UHC benefits could be adjusted in the future
- UHC can match the UMP Classic Medicare treatment limits with a \$0 copay on PEBB Complete; moving from the existing customized bundled benefit to separate limits
- Can implement in 2023 with no impact on proposed premiums

	2022	2023	
Chiropractic Care	20 combined routine visits \$0 Copay (Complete) \$15 Copay (Balance)	24 routine visits	\$0 Copay (Complete) \$15 Copay (Balance)
Acupuncture		24 routine visits	

UMP and 2023 UHC PEBB Complete

	UMP Classic	UHC PEBB Complete
Medical Deductible	\$250	\$0
Max Medical Benefit Out-of-Pocket	\$2,500	\$500
In Patient Services	\$200/day (per admission)	\$0
Out Patient Services	15%	\$0
Out Patient Mental Health Care	15%	\$0
Primary Care Office Visit	15%	\$0
Specialty Care	15%	\$0
Urgent Care	15%	\$15
ER Copay	\$75 + 15%	\$65

Supplemental Benefits

Chiropractic Care	\$15, 24 visits	\$0, 24 visits
Acupuncture	\$15, 24 visits	\$0, 24 visits
Massage Therapy	\$15, 24 visits	\$0, 30 visits
Routine Vision Exams and Hardware	\$0 annual exam (\$30 copay for contact lens fitting); hardware up to \$150 every 2 years	\$0 annual exam (including contact lens fitting); hardware up to \$300 every 2 years
Routine Hearing Exams and Hearing Aids	\$0 annual exam, hardware one per ear every 5 years	\$0 annual exam, hardware up to \$2500 from United Hearing every 5 years
Gym Membership	Not covered	Renew Active, \$0

UMP and 2023 UHC PEBB Balance

	UMP Classic	UHC PEBB Balance
Medical Deductible	\$250	\$0
Max Medical Benefit Out-of-Pocket	\$2,500	\$2,000
In Patient Services	\$200/day (per admission)	\$500/admission
Out Patient Services	15%	\$500/admission
Out Patient Mental Health Care	15%	\$15 group/\$30 individual
Primary Care Office Visit	15%	\$15
Specialty Care	15%	\$30
Urgent Care	15%	\$15
ER Copay	\$75 + 15%	\$65

Supplemental Benefits

	UMP Classic	UHC PEBB Balance
Chiropractic Care	\$15, 24 visits	\$15, 24 visits
Acupuncture	\$15, 24 visits	\$15, 24 visits
Massage Therapy	\$15, 24 visits	\$15, 30 visits
Routine Vision Exams and Hardware	\$0 annual exam (\$30 copay for contact lens fitting); hardware up to \$150 every 2 years	\$0 annual exam (including contact lens fitting); hardware up to \$300 every 2 years
Routine Hearing Exams and Hearing Aids	\$0 annual exam, hardware one per ear every 5 years	\$0 annual exam, hardware up to \$2500 from United Hearing every 5 years
Gym Membership	Not covered	\$0 - Renew Active

Reminder: UHC PEBB Complete & Balance – Pharmacy Benefit Design Change

	2022	2023
Pharmacy Deductible	\$0 (Tier 1) \$100 (Tiers 2-4)	\$0 (Tier 1) \$100 (Tiers 2-4)
Pharmacy Max Out-of-pocket	\$2,000	\$2,000
Value Tier	N/A	N/A
Tier 1 – Generic	10% up to \$25	up to \$5
Tier 2 – Preferred Brand Name	30% up to \$47	up to \$45
Tier 3 – Non-Preferred Brand Name	50%	up to \$100
Specialty (limited to a 30-day fill)	50% up to \$100	up to \$100

UMP and 2023 UHC PEBB Plans - Pharmacy

	UMP Classic Medicare	UHC PEBB Complete	UHC PEBB Balance
Pharmacy Deductible	\$100	\$0 (Tier 1) \$100 (Tiers 2-4)	
Pharmacy Max Out-of-pocket	\$2,000	\$2,000	
Value Tier	5% up to \$10	N/A	
Tier 1 – Generic	10% up to \$25	up to \$5	
Tier 2 – Preferred Brand Name	30% up to \$75	up to \$45	
Tier 3 – Non-Preferred Brand Name	N/A	up to \$100	
Specialty	N/A	up to \$100	

UMP and Premera Plan F/G

	UMP Classic	Premera Plan G
Medical Deductible	\$250	Part B deductible - \$233 (Plan Year 2022)
Max Medical Benefit Out-of-Pocket	\$2,500	\$233 (Plan Year 2022)
In Patient Services	\$200/day (per admission)	\$0
Out Patient Services	15%	\$0
Out Patient Mental Health Care	15%	\$0
Primary Care Office Visit	15%	\$0
Specialty Care	15%	\$0
Urgent Care	15%	\$0
ER Copay	\$75 + 15%	\$0

Follow-up: Outpatient Rehabilitation Therapies

	UMP Classic Medicare	KPNW Senior Advantage	KPWA Medicare Advantage	UHC PEBB Balance	UHC PEBB Complete	Premera Plan G
Physical, Occupational, & Speech Therapies	15% coinsurance 60 combined visit limit	\$35 copay / Medicare- covered visit or per day in a CORF (\$0 / telehealth visit)	\$30 copay / Medicare- covered visit \$0 for services provided in a Comprehensiv e Outpatient Rehabilitation Facility (CORF)	\$15 copay / Medicare- covered visit	\$0 / Medicare- covered visit	\$0 after Part B deductible / Medicare- covered visit

-Medicare requires prior authorization for PT/OT/ST.

Follow-up: Alternative Therapies (Medicare-covered)

	UMP Classic Medicare	KPNW Senior Advantage	KPWA Medicare Advantage	UHC 2023 PEBB Balance	UHC 2023 PEBB Complete	Premera Plan G
Chiropractic	\$15 copay 24 visit limit	\$20 copay / Medicare- covered visit \$35 copay / routine visit 12 visit limit*	\$15 copay / Medicare- covered visit \$15 copay / nonspinal manipulation services 12 visit limit	\$20 copay / Medicare- covered visit \$15 per routine visit 24 visit limit	\$0 / Medicare- covered visit \$0 / routine visit 24 visit limit	\$0 after Part B deductible / Medicare- covered visit
Acupuncture	\$15 copay 24 visit limit	\$20 copay / Medicare- covered visit \$35 copay / routine visit 12 visit limit*	\$15 copay / Medicare- covered visit \$15 copay / routine visit 12 visit limit	\$15 copay / Medicare- covered visit \$15 copay / routine visit 24 visit limit	\$0 / Medicare- covered visit \$0 / routine visit 24 visit limit	\$0 after Part B deductible / Medicare- covered visit

-Medicare may require prior authorization for covered chiropractic and acupuncture services
 -Medicare covers acupuncture for treatment of chronic low back pain only (20 visit limit), and
 chiropractic services for manual manipulation of the spine for subluxation.

*Complimentary Health Plan (CHP) providers only

Follow-up: Massage and Naturopathic Services (non-Medicare-covered)

	UMP Classic Medicare	KPNW Senior Advantage	KPWA Medicare Advantage	UHC PEBB Balance	UHC PEBB Complete	Premera Plan G
Massage Therapy	\$15 copay 24 visit limit Preferred providers only, with prescription	\$25 copay 12 visit limit*	\$30 copay / provider-referred visit 10 visit limit	\$15 copay 30 visit limit	\$0 30 visit limit	Not covered
Naturopathic Services	15% coinsurance	\$25 copay*	\$15 copay 3 visit limit per medical diagnosis	\$30 copay	\$30 copay	Not covered

*Complimentary Health Plan (CHP) providers only

Pharmacy Insights

What is a Formulary?

- Long list of drugs or products covered by a health plan, typically separated into several tiers with different cost shares
 - UMP Preferred Drug List has approximately 2,300 products listed
- Formularies are living documents and change when drugs are added or removed from the market
- Although formularies differ between health plans, Medicare plans are required to cover at least 2 drugs in each drug category

Value Formulary Follow Up

- In 2020 UMP implemented a value formulary which directed members to the highest value prescription drugs, without reducing quality of care.
 - This effort primarily focused on non-specialty drug classes
- For UMP Medicare, increases in specialty drug spend has limited the impact of value formulary on trend growth.
- No formulary management effort will be enough to overcome the structural disadvantage of the existing UMP Medicare Plan.

Continuation of Therapy

- Part D sponsored formularies require coverage for almost all drugs in the following classes:
 - Immunosuppressants
 - Antidepressants
 - Antipsychotics
 - Anticonvulsants
 - Antiretrovirals (HIV)
 - Antineoplastics
- If a member has already gone through step therapy on any of the above drugs while in UMP, they should not need to satisfy step therapy again.

Continuation of Therapy (*cont.*)

Additional Drug Classes	Continuation of Therapy (UHC)
<p>Antivirals Compounded drugs Gout drugs Immunomodulatory/Hepatitis C agents Insulin Rare disease medications Thyroid drugs</p>	<ul style="list-style-type: none"> UHC will work together with UMP to transfer active medication approvals, allowing for uninterrupted coverage.
<p>ADHD drugs Antiarrhythmics Anticoagulants Antiparkinsons Cardiovascular drugs – Brand Irritable Bowel Disease drugs Pancreatic enzymes</p>	<ul style="list-style-type: none"> UHC will work together with UMP to transfer active medication approvals, allowing for uninterrupted coverage except possibly for: alosetron, benztropine, chlordiazepoxide/clidinium, clonidine ER, diphenoxylate/atropine, disopyramide, methamphetamine, Pancreaze, Pradaxa, and trihexyphenidyl.

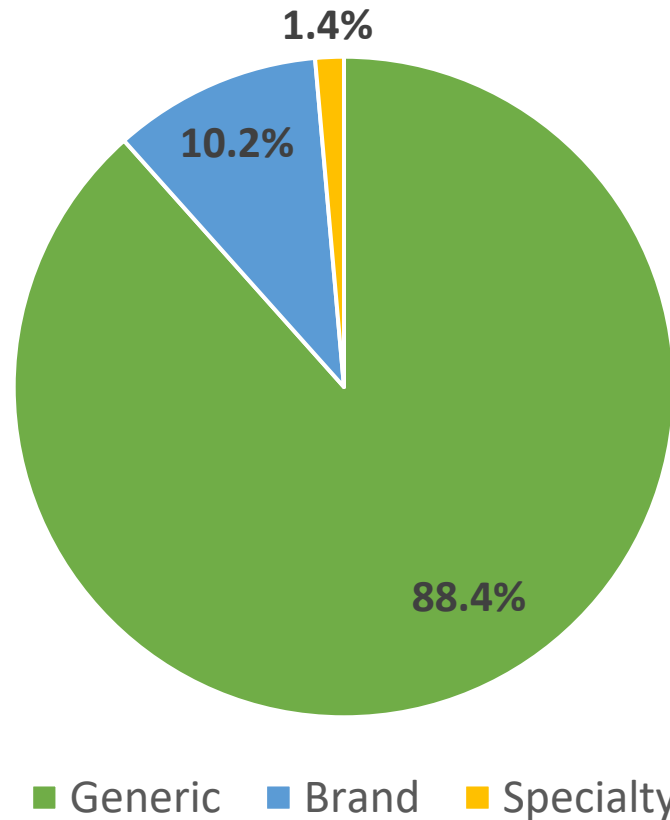
Continuation of Therapy (*cont.*)

- New prescriptions for the 20 drug classes on the prior slides may require step therapy or prior authorization, just like in UMP
- For context, the 20 drug classes on the prior slides were those drug classes handled with extra protections when implementing the UMP Value Formulary in 2020

Utilization by Member

- 53,576 total UMP Medicare members
- 97% of members have used the prescription drug benefit in 2022
- 95% have used at least one generic product
- 38% have used at least one brand product
- 3.4% have used at least one specialty product

Utilization by Prescription Count (2022)



Generic Drugs – Top 10 Used (30-day Fill)

UMP Drug Utilization	UMP	UHC	KPWA	KPNW
Atorvastatin (28%)	\$0	\$0	Up to \$20	\$0
Levothyroxine (21%)	10%	Up to \$5	Up to \$20	Up to \$15
Lisinopril (17%)	5%	Up to \$5	Up to \$20	Up to \$15
Amlodipine (16%)	5%	Up to \$5	Up to \$20	Up to \$15
Losartan (15%)	5%	Up to \$5	Up to \$20	Up to \$15
Metoprolol succinate (14%)	5%	Up to \$5	Up to \$20	Up to \$15
Gabapentin (10%)	10%	Up to \$5	Up to \$20	Up to \$15
Simvastatin (9%)	\$0	\$0	Up to \$20	\$0
Rosuvastatin (9%)	\$0	Up to \$5	Up to \$20	\$0
Hydrochlorothiazide (9%)	5%	Up to \$5	Up to \$20	Up to \$15

Brand Drugs - Top 10 Used (30-day Fill)

UMP Drug Utilization	UMP	UHC	KPWA	KPNW
Eliquis (9%)	\$75	\$45	50% up to \$250	Medically necessary process; if approved \$40
Basaglar Kwikpen (4%)	\$10	\$100 (alternative available at \$10)	\$35 (as of 2023)	\$35 (as of 2023)
Jardiance (2%)	\$75	\$45	\$40	\$40
Ozempic (1%)	\$75	\$45	50% up to \$250	\$40
Novolog (1%)	\$10	\$100 (alternative available at \$10)	\$35 (as of 2023)	\$35 (as of 2023)
Farxiga (1%)	\$75	\$45	50% up to \$250	Medically necessary process; if approved 50% up to \$200
Xarelto (1%)	\$75	\$45	\$40	\$40
Victoza (1%)	\$75	\$45	50% up to \$250	\$40
Flovent (1%)	\$10	\$45	\$40	\$40
Synthroid (1%)	Requires exception; If approved \$75	\$45	50% up to \$250	Covered as Generic (levothyroxine)

Specialty Drugs – Top 10 Used (30-day Fill)

UMP Drug Utilization	UMP	UHC	KPWA	KPNW
Humira (0.4%)	\$75	\$100	\$40	50% up to \$200
Repatha Sureclick (0.4%)	\$75	\$45 (preferred brand)	50% up to \$250	Medically necessary process; if approved \$40
Enbrel (0.3%)	\$75	\$100	\$40	50% up to \$200
Abiraterone (0.2%)	\$25 (generic specialty)	\$5 (generic)	\$20	\$15
Dupixent (0.1%)	Requires exception; if approved \$75	\$100	50% up to \$250	Medically necessary process; if approved 50% up to \$200
Revlimid (0.1%)	\$75	\$100	\$40	50% up to \$200
Xeljanz XR (0.1%)	\$75	\$100	\$40	\$40
Otezla (0.1%)	\$75	\$100	\$40	50% up to \$200
Imbruvica (0.1%)	\$75	\$100	\$40	50% up to \$200
Stelara (0.1%)	\$75	\$100	\$40	50% up to \$200

Finding Drugs for Each Plan

Plan	Phone Number	Website
UMP	1-888-361-1611	ump.regence.com/pebb
KPNW Senior Advantage	1-877-221-8221	my.kp.org/wapebb
KPWA Medicare Advantage	1-866-648-1928	wa-my.kp.org/pebb
UHC PEBB Balance and PEBB Complete	1-855-873-3268	retiree.uhc.com/wapebb

Some Future Content & Insights

- Additional Provider Network and Continuity of Care Insights
- Additional Prior Authorization, Appeal, and Denial Insights for UMP and UHC
- Overview of approaches in other states
- Topics generated by correspondence and retiree outreach

Questions?

Ellen Wolfhagen, Senior Account Manager
Employees and Retirees Benefits Division

Ellen.Wolfhagen@hca.wa.gov

Appendix

Proposal to end UMP Classic Medicare

As proposed at the June 9, 2022, PEBB Board meeting

What's happening

On June 9, the Public Employees Benefits (PEB) Board began considering a proposal to end all current and future enrollment in UMP Classic Medicare (UMP Medicare) as of January 1, 2024. The PEB Board is scheduled to vote on this proposal on June 30, 2022. Public comment can be provided at the June 30 virtual public Board meeting or submitted in writing to PEBBoard@hca.wa.gov.

If the PEB Board approves this proposal, UMP Medicare enrollees may wish to start exploring other Medicare plan choices and change plans during open enrollment in November 2022 for January 1, 2023 coverage or November 2023 for January 1, 2024 coverage. The Health Care Authority (HCA) will provide more information before open enrollment in the *For Your Benefit* newsletter, on HCA's website (hca.wa.gov/erb), and other communications to members.

This proposed change would **not** affect other PEBB medical plans or benefits (including any options available to non-Medicare retirees or employees).

Why it's happening

The PEBB Program is committed to providing its members the best coverage at the most affordable cost possible. As UMP Medicare premiums continue to increase, the overall value of the plan declines compared with other PEBB Medicare plans that offer similar or better benefits at a lower cost. To compare plans, use the *PEBB Medicare plan comparison* at hca.wa.gov/pebb-retirees.

Medicare retirees pay much more in monthly premiums for UMP Medicare than for other PEBB Medicare plans with comparable or better benefits. That's because UMP Medicare cannot receive certain federal subsidies that other PEBB Medicare plans can use to help lower monthly premiums.

Costs for UMP Medicare will continue to rise in future years. For 2023, UMP Medicare subscribers will likely pay almost three times the monthly premium than those enrolled in other PEBB Medicare plans with similar or better coverage. That's around \$3,500 extra annually (per enrollee) in premiums, or \$7,000 annually to cover a subscriber and spouse. This disparity is a disservice to most UMP Medicare members and is not sustainable for the long term.

UMP Medicare will be available in 2023


The proposal is that UMP Medicare would be open for one more year to provide plenty of time for members to move to another PEBB Medicare plan, but it will **not** be offered in 2024. We encourage UMP Medicare subscribers to explore other PEBB Medicare offerings and change medical plans during the usual open enrollment period in November. The proposal also allows subscribers in UMP Medicare to make a one-time change between December 1, 2022 and December 31, 2023 (outside of open enrollment and any special open enrollments).

Other PEBB Medicare plan options

UMP Medicare members can choose from four other PEBB Medicare plans with great benefits and more affordable premiums.

All PEBB Medicare plans cover the same basic health care services, except Premier Blue Cross Medicare Supplement Plan G, which does not cover prescription drugs. The plans vary in other ways, such as provider networks, premiums, out-of-pocket costs, and prescription drugs covered.

The most similar plan to UMP Medicare is UnitedHealthcare PEBB Complete. This plan was specifically negotiated to be like UMP Medicare and is available nationwide. All providers who participate in



Medicare can accept this plan. UnitedHealthcare also covers out-of-network providers at the in-network cost-share.

To compare plans, use the *PEBB Medicare plan comparison* at hca.wa.gov/pebb-retirees.

Please be aware that the Kaiser Permanente plans are not available in all Washington counties or ZIP codes within a county. To see which medical plans are available, please visit *Medical plans available by county* at hca.wa.gov/pebb-retirees.

How the PEBB Program's Medicare Advantage (MA) plans differ from other MA plans

Unlike most employers' retiree offerings, the PEBB Program's MA plans are customized to provide greater protection than an MA plan in the commercial marketplace. A few examples of key differences and advantages of the PEBB Program's MA plans include:

- The PEBB Program's covered benefits are highly customized, and the UnitedHealthcare PEBB Complete plan was specifically negotiated to model UMP Medicare coverage. For example, commercial MA plans may have a \$0 premium with a \$6,500 medical out-of-pocket maximum where the 2022 UnitedHealthcare PEBB Complete plan has a \$148.68 premium with a \$500 medical out-of-pocket maximum. Plus, there is no donut hole for prescription drug coverage in either of UnitedHealthcare's MA plans.
- HCA directly administers eligibility for and enrollment into plans, meaning PEBB medical plans cannot deny enrollment or drop your coverage.
- HCA closely monitors carrier decisions, including claim denials and appeals, timeliness of service, and provider access through regular reports and intervenes when appropriate.

Seeing providers when moving to a new plan

Whether UMP Medicare enrollees can see the same providers after changing medical plans depends on whether the current providers are also in the new medical plan's provider network. With UnitedHealthcare plans, you can choose from a national network of contracted providers and hospitals or you can choose any provider or hospital outside of the network if they participate in Medicare and accept the plan.

To find out whether a provider is in-network for any medical plan, use the plan's online provider search or contact the plan's customer service. To get started, visit *Find a provider* at hca.wa.gov/pebb-retirees.

How to change plans

UMP Medicare subscribers **must** submit form(s) to change medical plans. Forms to make plan changes for 2023 will be available starting November 1, 2022. At this time, changing medical plans cannot be completed using PEBB My Account. HCA will provide more information about form(s) to fill out before open enrollment. We will work to streamline the enrollment forms and process in the coming months to make the enrollment process as simple as possible.

How this change affects accounts with both Medicare and non-Medicare members

This proposed change will not affect UMP Classic for non-Medicare members. This change would only affect Medicare members who have UMP Medicare. Depending on the new Medicare plan chosen, non-Medicare dependents may be able to stay in UMP Classic.

TAB 5



2023 PEBB Medicare Rate Resolutions & Proposed Resolutions

Sara Whitley
ERB Finance Unit Manager
Financial Services Division
June 30, 2022

Medicare Retiree Premiums

	Single Subscriber Premium*		Change in Subscriber Premium**	
	2022 Final	2023 Proposed	%	\$
Kaiser NW Senior Advantage	\$172.79	\$176.13	2%	\$3
Kaiser WA Medicare Advantage & Original Medicare	\$175.69	\$174.59	-1%	(\$1)
UMP Classic Medicare	\$364.87	\$438.34	20%	\$73
UnitedHealthcare (MA-PD) PEBB Complete	\$148.68	\$145.63	-2%	(\$3)
UnitedHealthcare (MA-PD) PEBB Balance	\$125.99	\$122.94	-2%	(\$3)
Premera Medicare Supplement Plan F Retired	\$116.11	\$115.16	-1%	(\$1)
Premera Medicare Supplement Plan F Disabled	\$199.77	\$196.69	-2%	(\$3)
Premera Medicare Supplement Plan G Retired	\$99.35	\$98.53	-1%	(\$1)
Premera Medicare Supplement Plan G Disabled	\$165.39	\$164.05	-1%	(\$1)

*Premium after Medicare Explicit Subsidy, proposed at \$183 or 50% of the premium, whichever is less for the 2023 plan year.

**Administrative fees fell from \$5.00 in 2022 to \$4.94 in 2023

2023 Annualized Premium Costs

Annual Single Subscriber Premium

Kaiser NW Senior Advantage	\$2,113.56
Kaiser WA Medicare Advantage & Original Medicare	\$2,095.08
UMP Classic Medicare	\$5,260.08
UnitedHealthcare (MA-PD) PEBB Complete	\$1,747.56
UnitedHealthcare (MA-PD) PEBB Balance	\$1,475.28
Premera Medicare Supplement Plan F Retired	\$1,381.92
Premera Medicare Supplement Plan F Disabled	\$2,360.28
Premera Medicare Supplement Plan G Retired	\$1,182.36
Premera Medicare Supplement Plan G Disabled	\$1,968.60

*Premium after Medicare Explicit Subsidy, proposed at \$183 or 50% of the premium, whichever is less for the 2023 plan year.

**Administrative fees fell from \$5.00 in 2022 to \$4.94 in 2023

Follow ups

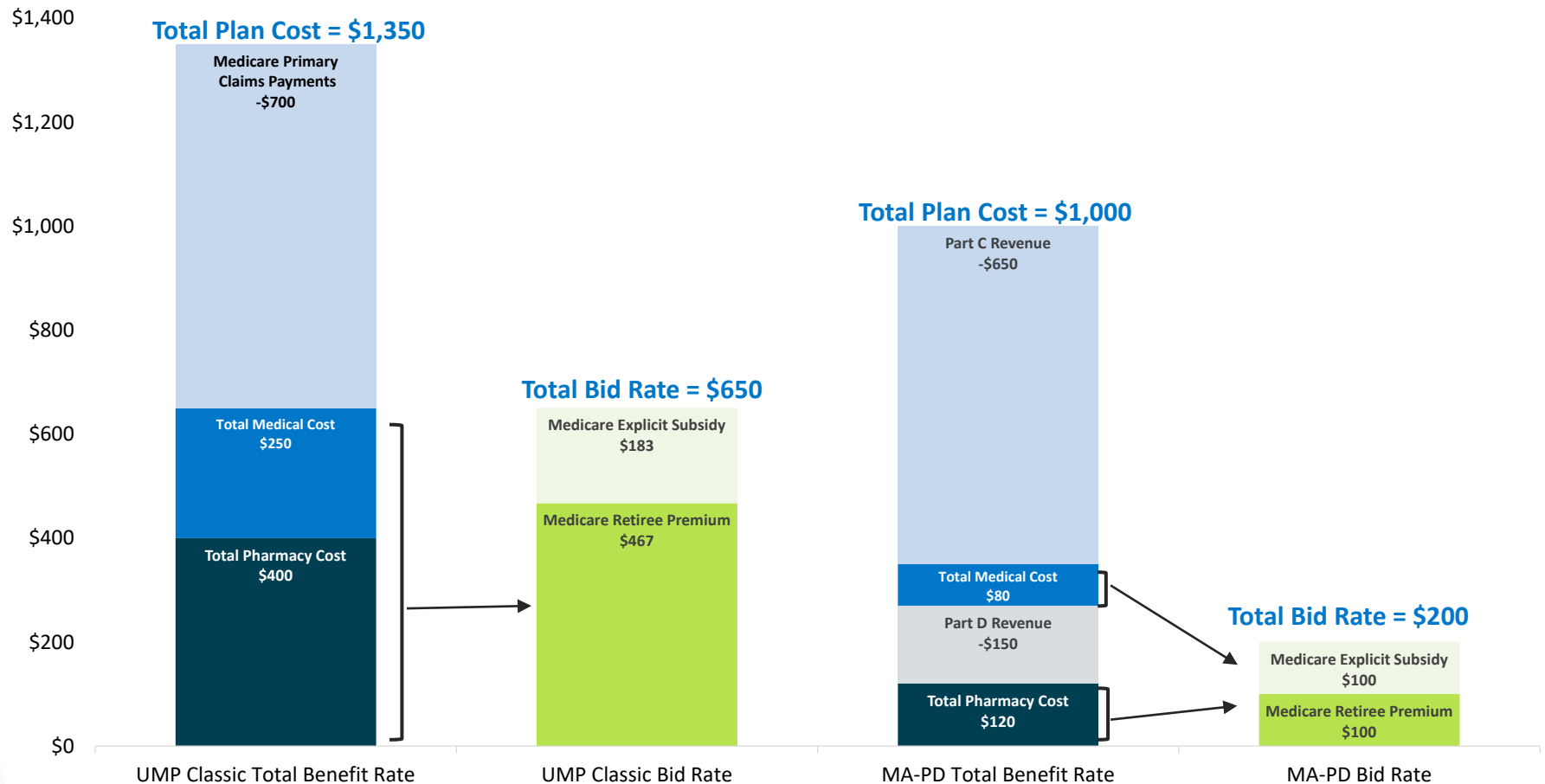
Three Different “Subsidies”

There are three different subsidies related to PEBB Medicare retirees

- **To the plan:** Federal Medicare subsidies for Part C and D Plans
 - Provided by CMS to the plan to reimburse for Medicare-covered services and most prescription drug costs (for Part D Plans)
 - Reduces overall plan costs and the amount members pay in premiums
 - Risk-adjusted and varies by plan, but typically covers 100% of Medicare-covered medical services and ~75% of pharmacy costs
- **To the HCA:** Washington State explicit subsidy
 - Described in the state budget
 - Subsidizes a portion of the member’s monthly premium (\$183 or 50% of the carrier’s final bid rate, whichever is less)
 - Premiums approved by the PEB Board have the subsidy applied
- **To the State:** Federal Retiree Drug Subsidy (RDS)
 - A subsidy received by the State and deposited into the General Fund each year for offering prescription drug coverage to retirees that is at least as generous as Medicare Part D
 - Historically, the annual RDS equals ~\$22-\$26M
 - Not directly applied to member premiums

None of these subsidies require a specific income level of the member

Medicare Bid Rate Development Illustration



- UMP Primary Claims Payments is an estimated amount based on claims data
- All figures are for illustrative purposes only

Estimated State Impacts of UMP Classic Medicare Plan Closure

- The estimated impacts summarized below were not a motivation for the current proposal, but would be a result of a UMP Classic Medicare Plan closure
 - UMP Third Party Administrator (TPA) Expenditures (Regence and Moda)
 - -\$17 million (savings)
 - Retiree Drug Subsidy (RDS)
 - \$27 million (loss of GF-S revenue)
 - Medicare Explicit Subsidy
 - -\$24 million (savings)

All values rounded and approximations based on unknown enrollment assumptions; projected for CY 2024

Medicare vs. Non-Medicare Retirees

- Some retirees have asked why the closure proposal doesn't also apply to non-Medicare retirees
 - Under state law, non-Medicare retirees are not included in the same risk pool with Medicare retirees
 - CMS does not subsidize non-Medicare plan offerings (i.e., the significant CMS subsidies that disadvantage UMP Classic *Medicare* are not available for any plans in the non-Medicare risk pool)

Fully Insured Medicare Resolutions

Resolution PEBB 2022-07 Medicare Premium

Resolved that, the PEB Board endorses the calendar year 2023 monthly Medicare Explicit Subsidy of \$183 or 50% of premium, whichever is less.

Resolution PEBB 2022-08 Kaiser NW Medicare Premium

Resolved that, the PEB Board endorses the Kaiser Foundation Health Plan of the Northwest Medicare plan premium.

Resolution PEBB 2022-09 KPWA Medicare Premium

Resolved that, the PEB Board endorses the Kaiser Foundation Health Plan of Washington Medicare plan premium.

Resolution PEBB 2022-10 UHC Medicare Premium

Resolved that, the PEB Board endorses the UnitedHealthcare Medicare Advantage Plus Prescription Drug (MA-PD) plan premiums.

Resolution PEBB 2022-11 Premera Medicare Premium

Resolved that, the PEB Board endorses the Premera Medicare Supplement plan premiums.

UMP Medicare Resolution

UMP Classic Medicare Closure Proposal Reasons (Summary)

- Retirees have historically expressed significant concerns about rising UMP Classic Medicare premiums
- Even a well-managed COB plan, like UMP Classic Medicare, is financially disadvantaged because it cannot receive risk-adjusted CMS subsidies for Part C & D Plans
- The premium cost of UMP Classic has been increasing significantly over time and the value of it to our Medicare members has become more and more limited
 - UMP Classic will continue to have rate increases that outpace other Medicare plan offerings
- Annual 2023 UMP Classic Medicare premium per enrollee is ~\$5,260 (3x the most comparable plan)

Five-Year Strategic Journey

The specific proposed resolution builds upon five years of growing concerns and analysis:

- The increase in Summer 2017 for 2018 was the warning sign
- 2018 and 2019, actuarial funding and budget proviso to evaluate options to stabilize the offerings in the Medicare portfolio
- Ultimately, procuring and offering a Medicare Advantage plus Prescription Drug (MA-PD) plan(s) was identified as the best option
 - Multiple bidders, one resulting contract
 - MA-PD plans were secured and introduced in plan year 2021 (UHC PEBB Complete's benefit design was customized and based on UMP Classic)

MA-PDs were pursued to proactively respond and ensure that high-quality, comprehensive benefits would remain available to retirees

Resolution PEBB 2022-12 Uniform Medical Plan Classic Medicare Premium and Plan Closure

Resolved that, the PEB Board endorses the Uniform Medical Plan (UMP) Classic Medicare plan premium for plan year 2023. Effective January 1, 2024, UMP Classic is closed to enrollment for all current and future retirees, survivors, or their dependents who are enrolled in both Parts A and B of Medicare and who are included in the PEBB Medicare risk pool as described in RCW 41.05.080(3).

Resolution PEBB 2022-15 Uniform Medical Plan Classic Medicare Premium

Resolved that, the PEB Board endorses the Uniform Medical Plan (UMP) Classic Medicare plan premium for plan year 2023.

Questions?

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Appendix: Board Materials Presented June 9, 2022

Medicare Retiree Premium

Subscriber and Spouse/SRDP Tier	Single Subscriber Premium*	Subscriber + Spouse/SRDP Premium**
	2023 Proposed	2023 Proposed
Kaiser NW Senior Advantage	\$176.13	\$347.32
Kaiser WA Medicare Advantage & Original Medicare	\$174.59	\$344.24
UMP Classic Medicare	\$438.34	\$871.74
UnitedHealthcare (MA-PD) PEBB Complete	\$145.63	\$286.32
UnitedHealthcare (MA-PD) PEBB Balance	\$122.94	\$240.94
Premera Medicare Supplement Plan F Retired	\$115.16	\$225.38
Premera Medicare Supplement Plan F Disabled	\$196.69	\$388.44
Premera Medicare Supplement Plan G Retired	\$98.53	\$192.12
Premera Medicare Supplement Plan G Disabled	\$164.05	\$323.16

*Premium after Medicare Explicit Subsidy, proposed at \$183 or 50% of the premium, whichever is less for the 2023 plan year.

**SRDP = State Registered domestic partner. Rates are equal to twice the single subscriber premium, minus the self-pay admin of \$4.94

Medicare Retiree Rates

	Monthly Single Subscriber Premium*	Medicare Explicit Subsidy	Composite Rate
Kaiser NW Senior Advantage	\$176.13	\$171.19	\$347.32
Kaiser WA Medicare Advantage & Original Medicare	\$174.59	\$169.65	\$344.24
UMP Classic Medicare	\$438.34	\$183.00	\$621.34
UnitedHealthcare (MA-PD) PEBB Complete	\$145.63	\$140.70	\$286.33
UnitedHealthcare (MA-PD) PEBB Balance	\$122.94	\$118.01	\$240.95
Premera Medicare Supplement Plan F Retired	\$115.16	\$110.23	\$225.39
Premera Medicare Supplement Plan F Disabled	\$196.69	\$183.00	\$379.69
Premera Medicare Supplement Plan G Retired	\$98.53	\$93.60	\$192.13
Premera Medicare Supplement Plan G Disabled	\$164.05	\$159.11	\$323.16

*Premium after Medicare Explicit Subsidy, proposed at \$183 or 50% of the premium, whichever is less for the 2023 plan year.

**Administrative fees fell from \$5.00 in 2022 to \$4.94 in 2023