

School Employees Benefits Board Meeting

May 4, 2023

School Employees Benefits Board

May 4, 2023

9:00 a.m. – 11:00 a.m.

Attendance In-person or by Zoom

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

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TAB 1

School Employees Benefits Board
May 4, 2023
9:00 a.m. – 11:00 a.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	
9:05 a.m.	Meeting Overview		Jean Bui, Deputy Director Employees & Retirees Benefits (ERB) Division	Information
9:10 a.m.	Approval of Meeting Minutes <ul style="list-style-type: none"> • January 26, 2023 • April 6, 2023 	TAB 3	Lou McDermott, Chair	Action
9:20 a.m.	Legislative Session Debrief	TAB 4	Cade Walker, Section Manager Employees & Retirees Benefits (ERB) Division	Information/ Discussion
9:50 a.m.	2023-25 Biennial Budget Update	TAB 5	Tanya Deuel, Finance Manager Financial Services Division (FSD)	Information/ Discussion
10:05 a.m.	UMP Hearing Instruments Benefit	TAB 6	Janice McAlpin, Senior Account Manager Employees & Retirees Benefits (ERB) Division Sara Whitley, Finance Manager Financial Services Division (FSD)	Information/ Discussion
10:30 a.m.	General Public Comment			
10:55 a.m.	Closing		Lou McDermott, Chair	
11:00 a.m.	Adjourn		Lou McDermott, Chair	

*All Times Approximate

The School Employees Benefits Board will meet Thursday, May 4, 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.

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: SEBBoard@hca.wa.gov.

Materials are posted at <https://www.hca.wa.gov/about-hca/school-employees-benefits-board-sebb-program/meetings-and-materials> by close of business on May 1, 2023.

 Join Zoom Meeting

<https://us02web.zoom.us/j/84276456630?pwd=SGNQc1J0R0VINDJsQ3N4N0VHd1ZlZz09>

Meeting ID: 842 7645 6630

Passcode: 137796

One tap mobile

+12532050468,,84276456630#,,,,*137796# US

+12532158782,,84276456630#,,,,*137796# US (Tacoma)

Dial by your location

+1 253 205 0468 US

+1 253 215 8782 US (Tacoma)

+1 669 900 6833 US (San Jose)

+1 719 359 4580 US

+1 346 248 7799 US (Houston)

+1 669 444 9171 US

+1 646 931 3860 US

+1 689 278 1000 US

+1 929 205 6099 US (New York)

+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

Meeting ID: 842 7645 6630

Passcode: 137796

Find your local number: <https://us02web.zoom.us/j/84276456630?pwd=SGNQc1J0R0VINDJsQ3N4N0VHd1ZlZz09>

SEB Board Members

Name	Representing
Lou McDermott, Deputy Director Health Care Authority 626 8 th Ave SE PO Box 42720 Olympia, WA 98504-2720 V 360-725-0891 louis.mcdermott@hca.wa.gov	Chair
Kerry Schaefer 1405 N 10 th ST Tacoma, WA 98403 C 253-227-3439 SEBBoard@hca.wa.gov	Employee Health Benefits Policy and Administration
Vacant SEBBoard@hca.wa.gov	Employee Health Benefits Policy and Administration
Dawna Hansen-Murray 15535 104 th PL SE Yelm, WA 98597 C 360-790-4961 SEBBoard@hca.wa.gov	Classified Employees
Myra Johnson Park Lodge Elementary School 6300 100 th ST SW Lakewood, WA 98499 V 253-583-5353 SEBBoard@hca.wa.gov	Certificated Employees

SEB Board Members

Name

Representing

Pamela Kruse
6440 Lake Saint Clair DR SE
Olympia, WA 98513
V 360-790-0995
SEBBoard@hca.wa.gov

Certificated Employees

Terri House
Shoreline School District
18560 1st AVE NE
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V 206-393-3387
SEBBoard@hca.wa.gov

Classified Employees

Amy Griffin
Knox 111 Administrative Center
111 Bethel Street NE
Olympia, WA 98506
V 360-596-6187
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Employee Health Benefits Policy
and Administration
(WASBO)

Alison Poulsen
12515 South Hangman Valley RD
Valleyford, WA 99036
C 509-499-0482
SEBBoard@hca.wa.gov

Employee Health Benefits Policy
and Administration

Legal Counsel

Katy Hatfield, Assistant Attorney General
7141 Cleanwater Dr SW
PO Box 40124
Olympia, WA 98504-0124
V 360-586-6561
Katy.Hatfield@atg.wa.gov

1/31/23



STATE OF WASHINGTON
HEALTH CARE AUTHORITY

626 8th Avenue SE • PO Box 45502 • Olympia, Washington 98504-5502

SEB BOARD MEETING SCHEDULE

2023 School Employees Benefits (SEB) Board Meeting Schedule

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

January 26, 2023 - 9:00 a.m. – 4:00 p.m.

March 2, 2023 - 9:00 a.m. – 1:30 p.m.

April 6, 2023 - 9:00 p.m. – 1:30 – p.m.

May 4, 2023 - 9:00 a.m. – 1:30 p.m.

June 1, 2023 - 9:00 a.m. – 1:30 p.m.

June 22, 2023 - 9:00 a.m. – 1:30 p.m.

July 6, 2023 - 9:00 a.m. – 12:00 p.m.

July 13, 2023 - 9:00 a.m. – 12:00 p.m.

July 20, 2023 - 9:00 a.m. – 12:00 p.m.

*Meeting times are tentative

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

7/6/22

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: July 12, 2022

TIME: 9:20 AM

WSR 22-15-023

TAB 2

SCHOOL EMPLOYEES BENEFITS BOARD BY-LAWS

ARTICLE I

The Board and Its Members

1. **Board Function**—The School Employees Benefits Board (hereinafter “the SEBB” or “Board”) is created pursuant to RCW 41.05.740 within the Health Care Authority; the SEBB’s function is to design and approve insurance benefit plans for school district, educational service district, and charter school employees, and to establish eligibility criteria for participation in insurance benefit plans.
2. **Staff**—Health Care Authority staff shall serve as staff to the Board.
3. **Appointment**—The members of the Board shall be appointed by the Governor in accordance with RCW 41.05.740. A Board member whose term has expired but whose successor has not been appointed by the Governor may continue to serve until replaced.
4. **Board Composition**—The composition of the nine-member Board shall be in accordance with RCW 41.05.740. All nine members may participate in discussions, make and second motions, and vote on motions.
5. **Board Compensation**—Members of the Board shall be compensated in accordance with RCW [43.03.250](#) and shall be reimbursed for their travel expenses while on official business in accordance with RCW [43.03.050](#) and [43.03.060](#).

ARTICLE II

Board Officers and Duties

1. **Chair of the Board**—The Health Care Authority Director or his or her designee shall serve as Chair of the Board and shall conduct meetings of the Board. The Chair shall have all powers and duties conferred by law and the Board’s By-laws. If the regular Chair cannot attend a regular or special meeting, the Health Care Authority Director may designate another person to serve as temporary Chair for that meeting. A temporary Chair designated for a single meeting has all of the rights and responsibilities of the regular Chair.
2. **Vice Chair of the Board**—In December 2017, and each January beginning in 2019, the Board shall select from among its members a Vice Chair. If the Vice Chair position becomes vacant for any reason, the Board shall select a new Vice Chair for the remainder of the year. The Vice Chair shall preside at any regular or special meeting of the Board in the absence of a regular or temporary Chair.

ARTICLE III

Board Committees **(RESERVED)**

ARTICLE IV
Board Meetings

1. Application of Open Public Meetings Act—Meetings of the Board shall be at the call of the Chair and shall be held at such time, place, and manner to efficiently carry out the Board’s duties. All Board meetings shall be conducted in accordance with the Open Public Meetings Act, Chapter 42.30 RCW, but the Board may enter into an executive session as permitted by the Open Public Meetings Act.
2. Regular and Special Board Meetings—The Chair shall propose an annual schedule of regular Board meetings for adoption by the Board. The schedule of regular Board meetings, and any changes to the schedule, shall be filed with the State Code Reviser’s Office in accordance with RCW 42.30.075. The Chair may cancel a regular Board meeting at his or her discretion, including the lack of sufficient agenda items. The Chair may call a special meeting of the Board at any time and proper notice must be given of a special meeting as provided by the Open Public Meetings Act, RCW 42.30.
3. No Conditions for Attendance—A member of the public is not required to register his or her name or provide other information as a condition of attendance at a Board meeting.
4. Public Access—Board meetings shall be held in a location that provides reasonable access to the public including the use of accessible facilities.
5. Meeting Minutes and Agendas—The agenda for an upcoming meeting shall be made available to the Board and the interested members of the public at least 24 hours prior to the meeting date or as otherwise required by the Open Public Meetings Act. Agendas may be sent by electronic mail and shall also be posted on the HCA website. An audio recording (or other generally-accepted electronic recording) shall be made of each meeting. HCA staff will provide minutes summarizing each meeting from the audio recording. Summary minutes shall be provided to the Board for review and adoption at a subsequent Board meeting.
6. Attendance—Board members shall inform the Chair with as much notice as possible if unable to attend a scheduled Board meeting. Board staff preparing the minutes shall record the attendance of Board members in the minutes.

ARTICLE V
Meeting Procedures

1. Quorum—Five voting members of the Board shall constitute a quorum for the transaction of business. No final action may be taken in the absence of a quorum. The Chair may declare a meeting adjourned in the absence of a quorum necessary to transact business.
2. Order of Business—The order of business shall be determined by the agenda.
3. Teleconference Permitted—A Board member may attend a meeting in person or, by special arrangement and advance notice to the Chair, by telephone conference call or video conference when in-person attendance is impracticable.

4. Public Testimony—The Board actively seeks input from the public at large, from enrollees served by the SEBB Program, and from other interested parties. Time is reserved for public testimony at each regular meeting, generally at the end of the agenda. 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 the issue unless the majority of the Board approve of such position.
7. Manner of Voting—On motions, resolutions, or other matters a voice vote may be used. At the discretion of the Chair, or upon request of a Board member, a roll call vote may be conducted. Proxy votes are not permitted, but the prohibition of proxy votes does not prevent a temporary Chair designated by the Health Care Authority Director from voting.
8. State Ethics Law and Recusal—Board members are subject to the requirements of the Ethics in Public Service Act, Chapter 42.52 RCW. A Board member shall recuse himself or herself from casting a vote as necessary to comply with the Ethics in Public Service Act.
9. Parliamentary Procedure—All rules of order not provided for in these By-laws shall be determined in accordance with the most current edition of Robert’s Rules of Order Newly Revised. Board staff shall ensure a copy of *Robert’s Rules* is available at all Board meetings.
10. Civility—While engaged in Board duties, Board members conduct shall demonstrate civility, respect, and courtesy toward each other, HCA staff, and the public and shall be guided by fundamental tenets of integrity and fairness.

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

1. Two-thirds majority required to amend—The SEBB By-laws may be amended upon a two-thirds (2/3) majority vote of the Board.
2. Liberal construction—All rules and procedures in these By-laws shall be liberally construed so that the public’s health, safety, and welfare shall be secured in accordance with the intents and purposes of applicable State laws and regulations.

TAB 3

SEB Board Meeting Minutes

January 26, 2023

Draft
Public Employees Benefits Board
Meeting Minutes

January 26, 2023
Health Care Authority
Sue Crystal Rooms & Virtual
Olympia, Washington
9:00 a.m. – 3:00 p.m.

The Briefing Book with complete presentations can be found at:
<https://www.hca.wa.gov/about-hca/school-employees-benefits-board-sebb-program/meetings-and-materials>

Members Present via Zoom

Lou McDermott, Chair
Dawna Hansen-Murray
Amy Griffin
Alison Poulsen
Terri House
Pamela Kruse

Member Present on Site

Myra Johnson
Kerry Schaefer

SEB Board Counsel

Katy Hatfield, AAG

Call to Order

Lou McDermott, Chair, called the meeting to order at 9:05 a.m. Sufficient members were present to allow a quorum. Board Members and the public may attend either in person or virtually.

One new Board member was introduced.

- Myra Johnson, nationally board-certified elementary school counselor at Park Lodge Elementary School

Meeting Overview

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

Focus on Health Literacy Panel

John Partin, Benefit Strategy and Design Section Manager in the Employees and Retirees Benefits (ERB) Division, facilitated a panel discussion regarding health literacy. Panel members included Geoffrey Ankeney, MD, from Kaiser Permanente of Washington, Nicole Saint Clair, MD, FACOG, from Washington Regence Blue Shield, and Josephine Young, MD, MPH, MBA, FAAP, from Premera Blue Cross.

The panel discussion centered around personal and organizational health literacy. Topics included relationships between members and health care professionals, sensitivity to cultures, supporting employers with their populations, inequities and disparities between groups, active listening, quality of care, and financial barriers.

Ending State COVID Emergency Impacts

Cade Walker, Policy, Rules, and Compliance Section Manager in the Employees and Retirees Benefits (ERB) Division provided an update on the Governor's State of Emergency that ended on October 31, 2022. For both the PEBB and SEBB Programs, this means that the time frames for turning in enrollment forms and extensions for certain types of benefit coverage, like COBRA, have returned to the regular timing. Specific to the SEBB Program, the benefit eligibility created by RCW 41.05.744 ended and any employee that lost eligibility was offered COBRA coverage, though the number of impacted employees was relatively small.

SEBB Open Enrollment Summary

Alisa Richards, Benefits Accounts Section Manager in the Employees and Retirees Benefits (ERB) Division, and **Stacy Grof-Tisza**, Customer Service Unit Manager in the Employees and Retirees Benefits (ERB) Division, presented a debrief regarding the SEBB Program's open enrollment for the 2023 plan year. Alisa and Stacy's updates included open enrollment readiness, highlights, UMP network disruption concerns, customer service productivity, and strategies for post-enrollment and the future.

Open Enrollment Plan Changes

Beth Heston, Procurement Manager in the Employees and Retirees Benefits (ERB) Division, gave a debrief on the enrollment changes that occurred during the PEBB Program open enrollment period. Updates included enrollment net changes, open enrollment switching flow, and deductible switching in the SEBB Program.

Benefit Update: Medical Flexible Spending Arrangement & Dependent Care Assistance Program (FSA & DCAP)

Martin Thies, Fully Insured Account Unit Manager in the Employees and Retirees Benefits (ERB) Division, provided an overview on the medical Flexible Spending Arrangement (FSA) and Dependent Care Assistance Program (DCAP). The presentation included an overview of the benefits, 2022 design changes, enrollment and election comparisons, 2023 participation and savings, 2022 procurement, and administrative enhancements.

PEBB Program Medicare Update

Ellen Wolfhagen, Senior Account Manager in the Employees and Retirees Benefits (ERB) Division gave an update on Medicare benefits, pre-open enrollment outreach efforts, the Stakeholders' Medicare Coalition, and continued outreach efforts in 2023.

Benefits 24/7 Application

Chartrina Pitsch, IT Project Manager in the Enterprise Technology Services (ETS) Division provided an update on the Benefits 24/7 application and its progress toward launching later in 2023. Details of the update included the origination of the project, expanded scope, what is changing for subscribers, improvements for benefits administrators, what stays the same, the administrative and subscriber dashboards, requested changes, data depot, continuation/retiree coverage, and a high-level timeline of the project.

Pharmacy Network Utilization

Luke Dearden, Clinical Pharmacist in the Clinical Quality and Care Transformation (CQCT) Division provided information regarding pharmacy network utilization in the PEBB Program. Topics included an overview of the UMP pharmacy network as well as UMP pharmacy use for the SEBB Program, mail order pharmacies, critical access pharmacies, and SEBB Program conclusions.

2023 Legislative Session and Legislative Reports Update

Cade Walker, Policy, Rules, and Compliance Section Manager in the Employees and Retirees Benefits Division brought details regarding the 2023 legislative session and legislative reports. These details included the number of bills analyzed last session as well as this session so far by the ERB Division, recent and upcoming legislative reports, a breakdown of ERB lead bills, requested legislation, and topical areas of introduced legislation.

Governor's Proposed Budget Update and Collective Bargaining Agreement Preview

Tanya Deuel, Finance Manager in the Financial Services Division (FSD) provided an update on both the Governor's proposed budget and the collective bargaining agreement. Information regarding the 2023-25 Collective Bargaining Agreement (CBA) included school employees' health care funding. Tanya's presentation also outlined a Governor's budget update, including the fiscal year (FY) 2023 supplemental budget funded decision packages, the 2023-25 SEBB Program funding rate, the 2023-25 biennial budget funded decision packages, and additional dental details.

Procurement and Benefit Planning Cycles

John Partin, Benefit Strategy and Design Section Manager in the Employees and Retirees Benefits (ERB) Division presented on the procurement and benefit planning cycles within the SEBB Program. Topics included development of benefit designs, as well as the SEBB Program's procurement cycle for 2024 and the benefits planning cycle for 2025.

Proposed SEB Board By-laws Amendment

Dave Iseminger, Division Director of the Employees and Retirees Benefits (ERB) Division, introduced a proposed amendment to the SEB Board by-laws. Dave included information regarding why the amendment may need updated and outlined the proposed changes.

Public Comment

No members of the public provided comments.

Next Meeting

March 2, 2023

9:00 a.m. – 1:30 p.m.

Preview of March 2, 2023 SEB Board Meeting

Dave Iseminger, Director, Employees and Retirees Benefits Division, provided an overview of potential agenda topics for the March 2, 2023 Board Meeting.

Meeting adjourned at 3:46 p.m.

SEB Board Meeting Minutes

April 6, 2023

Draft
School Employees Benefits Board
Meeting Minutes

April 6, 2023
Health Care Authority
Sue Crystal Rooms A & B
Olympia, Washington
9:00 a.m. – 12:30 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/school-employees-benefits-board-sebb-program/meetings-and-materials>

Members Present in Olympia

Sue Birch, Chair Pro-Tem
Kerry Schaefer
Dawna Hansen-Murray

Members Present via Zoom

Pamela Kruse
Terri House
Alison Poulsen

Members Absent

Amy Griffin
Myra Johnson

SEB Board Counsel

Michael Tunick, AAG (in person)

Call to Order

Sue Birch, Chair Pro-Tem, called the meeting to order at 9:06 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, Employees and Retirees Benefits (ERB) Division, provided an overview of the agenda.

Approval of Meeting Minutes

Kerry Schaefer moved, and Dawna Hansen-Murray seconded a motion to approve the March 3, 2022 meeting minutes. Minutes were approved as written by unanimous vote. Amy Griffin and Myra Johnson were absent for voting, and Sue Birch abstained.

Kerry Schaefer moved, and Dawna Hansen-Murray seconded a motion to approve the April 7, 2022 meeting minutes. Minutes were approved as written by unanimous vote. Amy Griffin and Myra Johnson were absent for voting, and Sue Birch abstained.

Kerry Schaefer moved, and Dawna Hansen-Murray seconded a motion to approve the May 5, 2022 meeting minutes. Minutes were approved as written by unanimous vote. Amy Griffin and Myra Johnson were absent for voting, and Sue Birch abstained.

Dawna Hansen-Murray moved, and Kerry Schaefer seconded a motion to approve the June 2, 2022 meeting minutes. Minutes were approved as written by unanimous vote. Amy Griffin and Myra Johnson were absent for voting, and Sue Birch abstained.

Kerry Schaefer moved, and Dawna Hansen-Murray seconded a motion to approve the June 23, 2022 meeting minutes. Minutes were approved as written by unanimous vote. Amy Griffin and Myra Johnson were absent for voting, and Sue Birch abstained.

Kerry Schaefer moved, and Dawna Hansen-Murray seconded a motion to approve the July 7, 2022 meeting minutes. Minutes were approved as written by unanimous vote. Amy Griffin and Myra Johnson were absent for voting, and Sue Birch abstained.

Dawna Hansen-Murray moved, and Kerry Schaefer seconded a motion to approve the July 21, 2022 meeting minutes. Minutes were approved as written by unanimous vote. Amy Griffin and Myra Johnson were absent for voting, and Sue Birch abstained.

Kerry Schaefer moved, and Dawna Hansen-Murray seconded a motion to approve the March 2, 2023 meeting minutes. Minutes were approved as written by unanimous vote. Amy Griffin and Myra Johnson were absent for voting, and Sue Birch abstained.

March Meeting Follow Up

David Iseminger, Director of the Employees and Retirees Benefits (ERB) Division, provided follow up answers to questions asked at the March 2, 2023 Board meeting. Updates included mail-order pharmacy follow up and member satisfaction information.

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 proposed funding rates and budget similarities, additional dental detail, and proviso language.

Legislative Update

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

Policy and Rules Development

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

- *SEBB 2023-01 SEBB continuation coverage for non-represented ESD school employees not eligible for benefits under the SEBB Program.* Dawna Hansen-Murray moved, and Pamela Kruse seconded a motion to approve the resolution. Resolution was passed with a unanimous vote. Alison Poulsen, Amy Griffin, and Myra Johnson were absent for voting.
- *SEBB 2023-02 SEBB continuation coverage for dependents not eligible under the SEBB Program.* Dawna Hansen-Murray moved, and Pamela Kruse seconded a motion to approve to resolution. Resolution was passed with a unanimous vote. Amy Griffin and Myra Johnson were absent for voting.
- *SEBB 2023-03 SEBB continuation coverage for a non-represented school employee's dependent who is already on an ESD's continuation coverage.* Dawna Hansen-Murray moved, and Pamela Kruse seconded a motion to approve the resolution. Resolution was passed with a unanimous vote. Amy Griffin and Myra Johnson were absent for voting.
- *SEBB 2023-04 When a subscriber has a change in residence or employment location that affects medical plan availability.* Dawna Hansen-Murray moved, and Pamela Kruse seconded a motion to approve the resolution. Resolution was passed with a unanimous vote. Amy Griffin and Myra Johnson were absent for voting.

2023 Annual Rulemaking

Stella Ng, Policy and Rules Coordinator, Employees and Retirees Benefits (ERB) Division, gave the Board an overview 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.

SEBB Program Financial Overview

Molly Christie, Fiscal Analyst in the Financial Services Division (FSD), gave an overview of financial aspects of the SEBB Program, to include the monthly contribution breakdown, cost drivers, and annual total costs of medical in the SEBB Program. The presentation also outlined select service trends, the risk profile, spending breakdown, and current financial position.

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 employers, Limeade recommendations, Washington Wellness Program evaluation, and changes.

Procurement Update

Shawna Lang, Portfolio Management and Monitoring Section Manager in the Employees and Retirees Benefits (ERB) Division, gave the Board an update on 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.

The following members of the public provided comments:

- Nathan Johnson, regarding Kaiser pharmacy concerns
- Katie Johnson, regarding Kaiser pharmacy concerns

Public testimonies can be found in the audio recording for the April 6, 2023 meeting at: <https://www.hca.wa.gov/about-hca/programs-and-initiatives/school-employees-benefits-board-sebb-program/meetings-and-materials>

Next Meeting

May 4, 2023

9:00 a.m. – 1:30 p.m.

Preview of May 4, 2023 SEB Board Meeting

Dave Iseminger, Director, Employees and Retirees Benefits Division, provided an overview of potential agenda topics for the May 4, 2023 SEB Board Meeting.

Meeting adjourned at 11:47 a.m.

TAB 4

Legislative Session Debrief

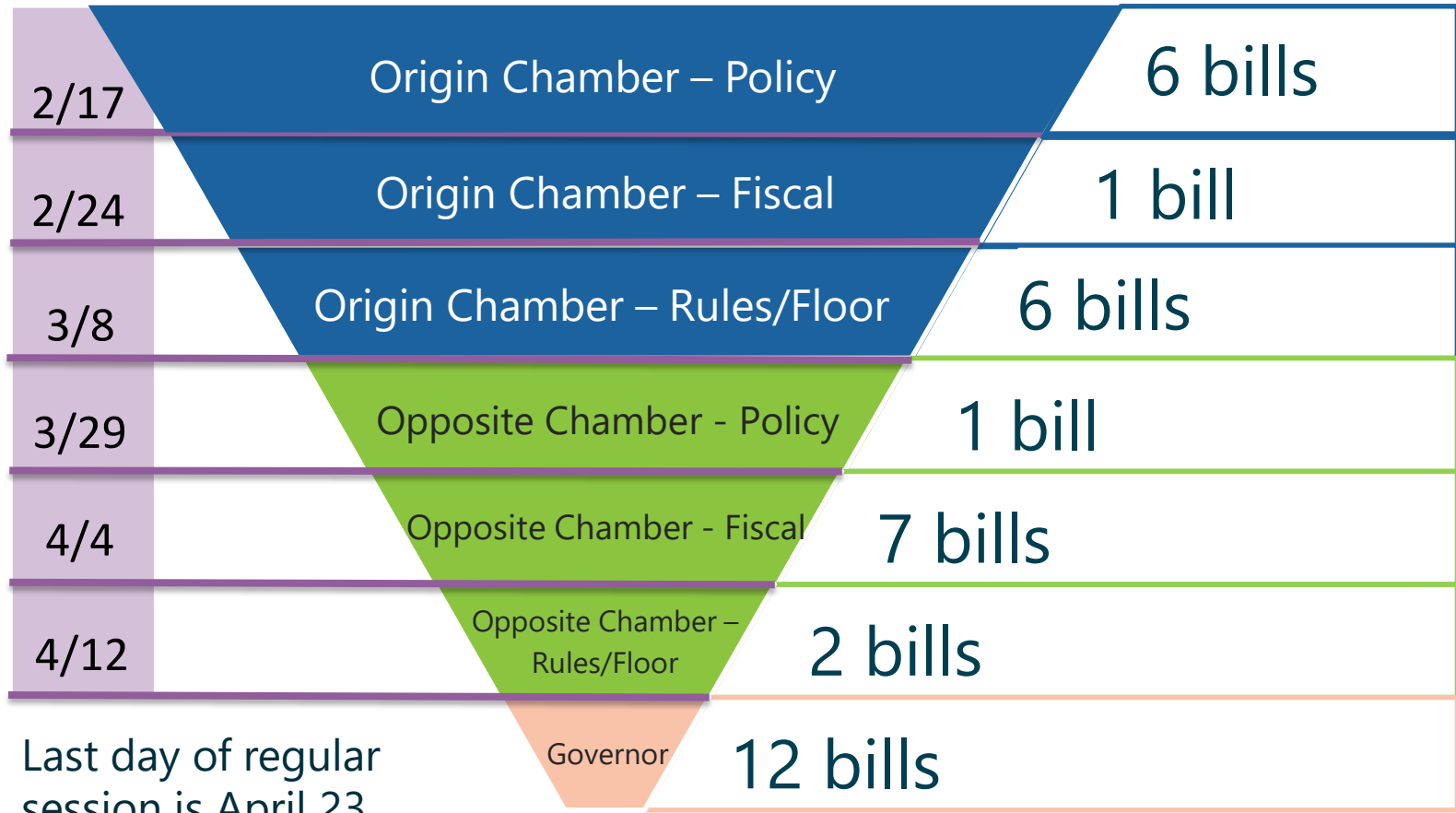
Cade Walker
Policy, Rules, & Compliance Manager
Employees & Retirees Benefits Division
May 4, 2023

2023 Bill Analyses

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

Completed 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

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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 5

2023-25 Biennial Budget Update

Tanya Deuel, Finance Manager
Financial Services Division

May 4, 2023

Final Funding Rates

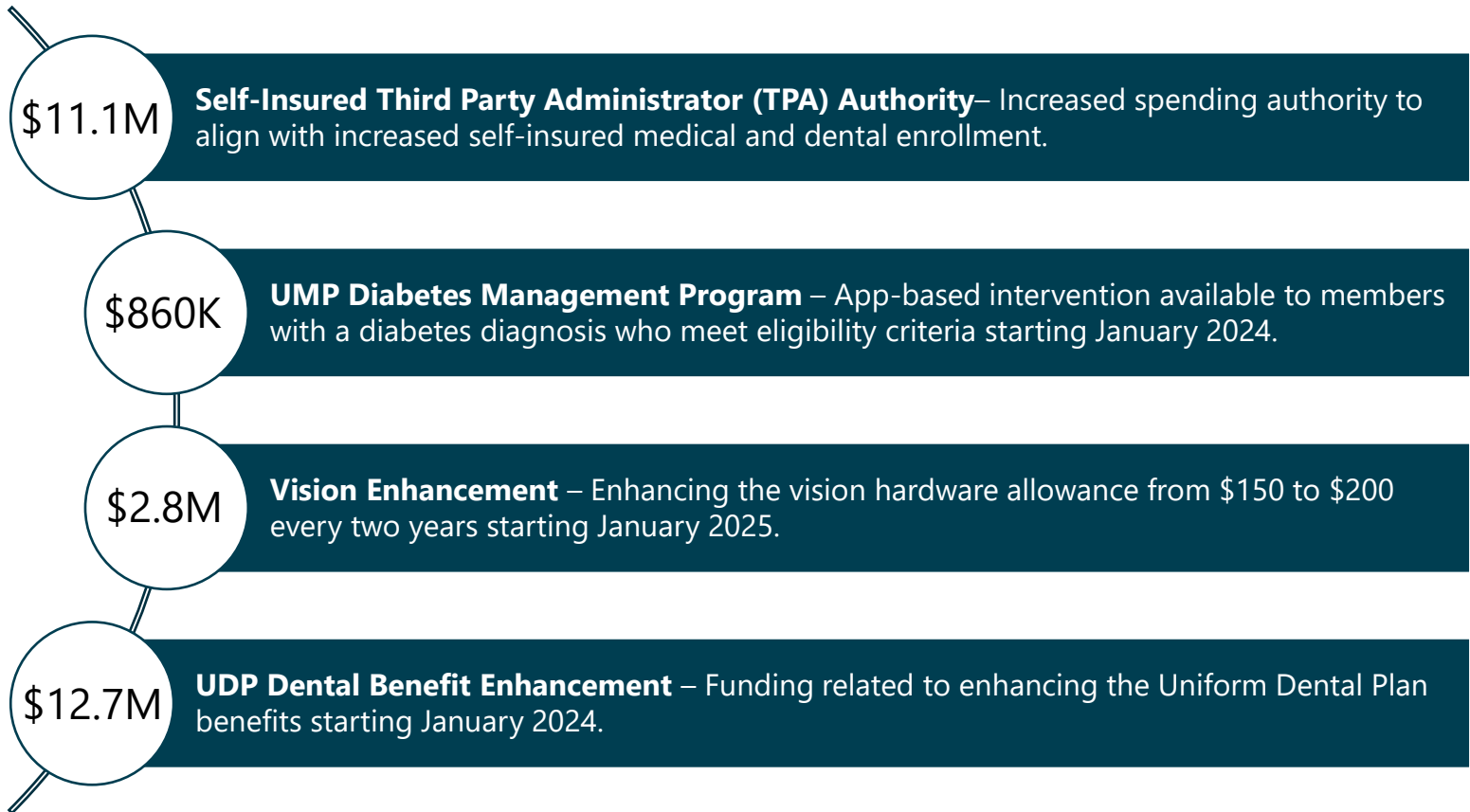
School Year 2023-24: \$1,100

School Year 2024-25: \$1,157

Per eligible employee per
month

Adequate to maintain current
level of benefits

Final Conference Budget Funding



Additional Dental Detail

Proposed Benefit Change	Fiscal Year 1	Fiscal Year 2	Included in the Final Conference Budget
Exclude preventive visits from Annual Plan Maximum	\$ 1,258,402	\$ 2,516,803	
Composite coverage for posterior teeth fillings	\$ 1,251,672	\$ 2,503,344	✓
Incentive plan for Class II changes based on prior year Class I utilization	\$ 612,377	\$ 1,541,037	
Eliminate children's deductible (until age 15)	\$ 255,718	\$ 511,436	✓
Increase crown coverage (70 percent coverage)	\$ 2,725,415	\$ 5,450,830	✓
Increase TMJ annual and lifetime benefit	\$ 6,729	\$ 13,459	✓
Fiscal Year Total	\$ 6,110,313	\$ 12,536,909	

New Proviso Language

- ▶ \$324K for the implementation of SSB 5275 – Expanding access to benefits provided by SEBB Program
- ▶ Effective July 1, 2023 UMP will cover two over-the-counter COVID-19 tests, per member per month with no cost share

Questions?

Tanya Deuel, Finance Manager
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TAB 6

UMP Hearing Instruments Benefit

Janice McAlpin
Senior Account Manager
Employees and Retirees Benefits Division

Sara Whitley
ERB Finance Manager
Financial Services Division
May 4, 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

Over-the-Counter (OTC) Hearing Instruments

- ▶ Federal rule from the U.S. Food and Drug Administration (FDA)
 - ▶ Implementation date for this rule was October 17, 2022
 - ▶ FDA established a regulatory category for OTC hearing aids to improve access to hearing aid technology in some instances
 - ▶ OTC hearing aids are intended to address only perceived mild to moderate hearing loss in people aged 18 or older

OTC vs. Prescription

	OTC Hearing Instruments	Prescription Hearing Instruments
SELECTION PROCESS	Self-selection; however, consumers may choose to consult with a licensed audiologist or hearing instrument specialist or non-licensed support personnel	Functional communication assessment with a licensed audiologist or hearing instrument specialist
FIT BY	Self, licensed audiologist or hearing instrument specialist, or non-licensed support personnel	Licensed audiologist or hearing instrument specialist
HEARING LOSS DIAGNOSIS & SEVERITY	Self-perceived mild to moderate purchase does not require a hearing test	Pre-purchase audiologic assessment required

*<https://www.asha.org/siteassets/audiology/otc-hearing-aids-faq.pdf>

OTC vs. Prescription (*cont.*)

	OTC Hearing Instruments	Prescription Hearing Instruments
DESIGN	One-size-fits-most or semi-custom; hearing aid must sit >10mm from eardrum	Not limited by depth or design; includes custom-molded and invisible in the canal options
VERIFICATION OF AMPLIFICATION LEVELS	Users seeking care from a licensed audiologist or hearing instrument specialist may inquire about verification measures compatible with their OTC Hearing aids	Best practices include real-ear measurements (REMs) at the time of hearing aid fitting

*<https://www.asha.org/siteassets/audiology/otc-hearing-aids-faq.pdf>

Top Ranked OTC Hearing Instruments in 2023

OTC Hearing Instrument Options	Battery (Standard)	Battery (Rechargeable)	Bluetooth	Warranty	Model Options	Price
①	✓	✓	✓	3 years	Three models	\$2,000 per pair
②	N/A	✓	N/A	One year	Three models	\$300 - \$600 per pair
③	N/A	✓	N/A	One year	Four models	\$100 - \$250 per pair

*<https://www.consumersadvocate.org/hearing-aids/a/best-hearing-aids>

Over-the-Counter Hearing Instruments in the SEBB Program

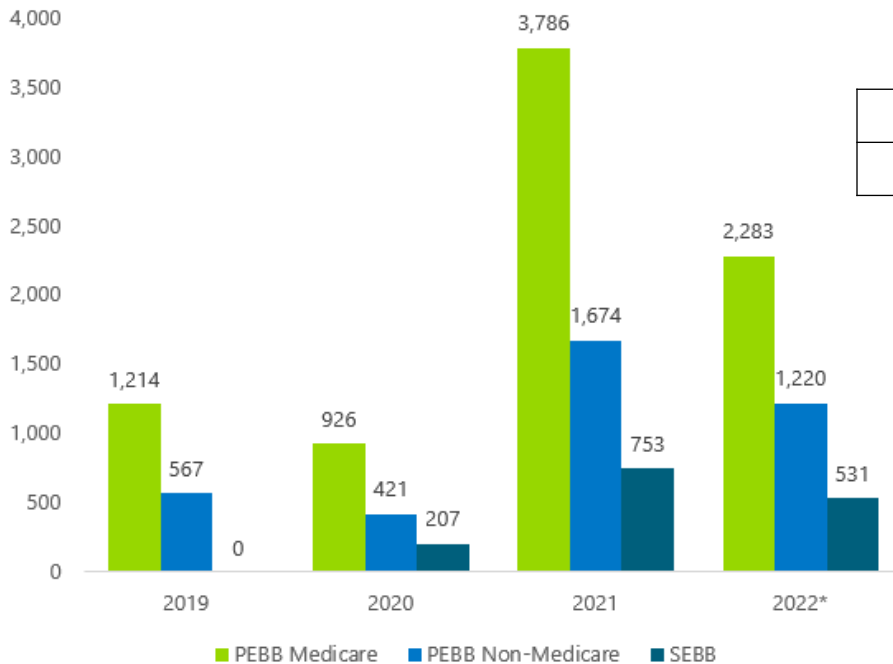
Carrier	OTC Coverage
Kaiser Permanente NW	Does not cover
Kaiser Permanente WA & WA Options, Inc.	Does not cover
Premera	Covered under plan limitations
Uniform Medical Plan (UMP)	Covered under plan limitations

Hearing Instruments Utilization

Plan Year 2019 – 2022*

Utilization

Distinct Members with a Hearing Aid Claim by Plan Year



Unit Cost

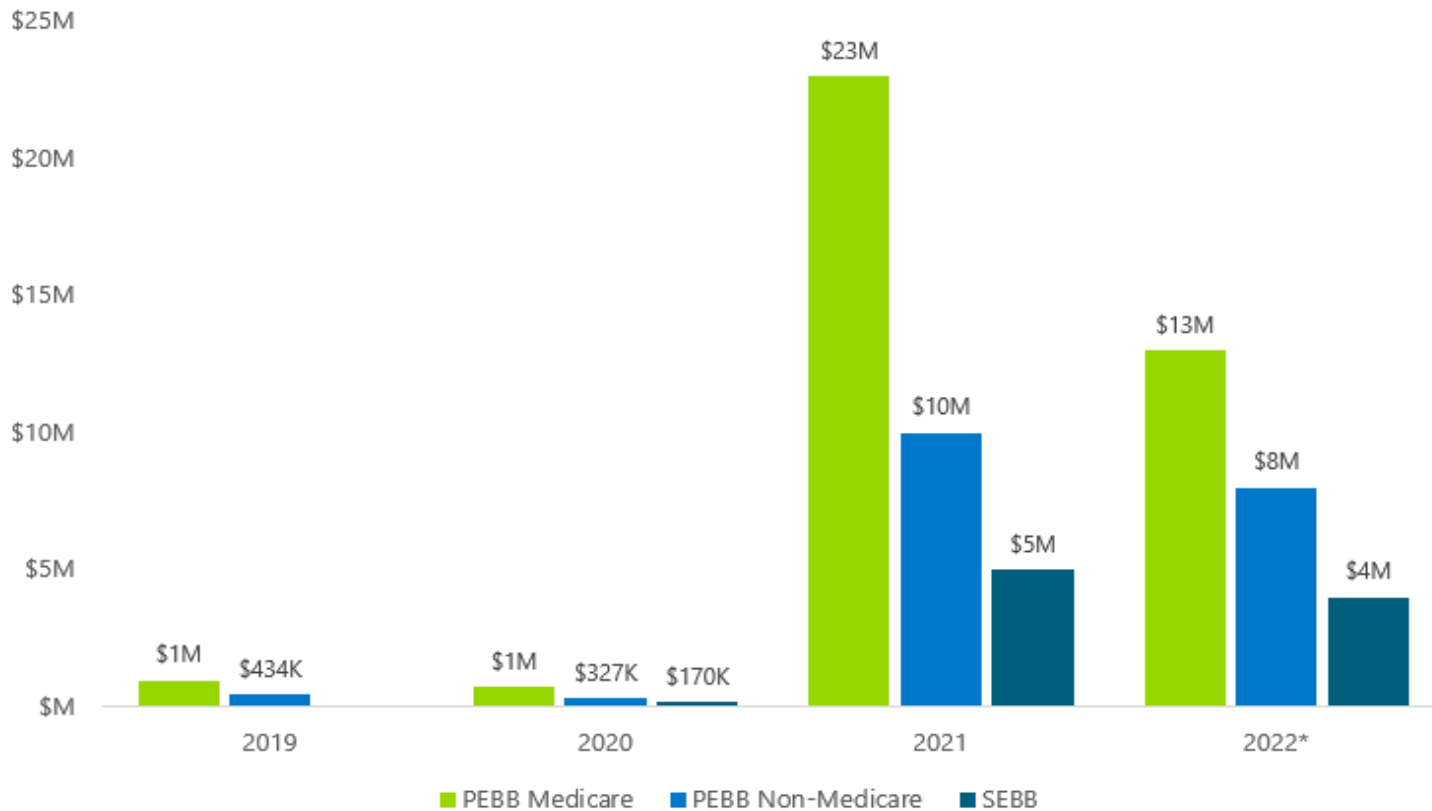
Average UMP Paid per Distinct Member (PEBB & SEBB)

	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

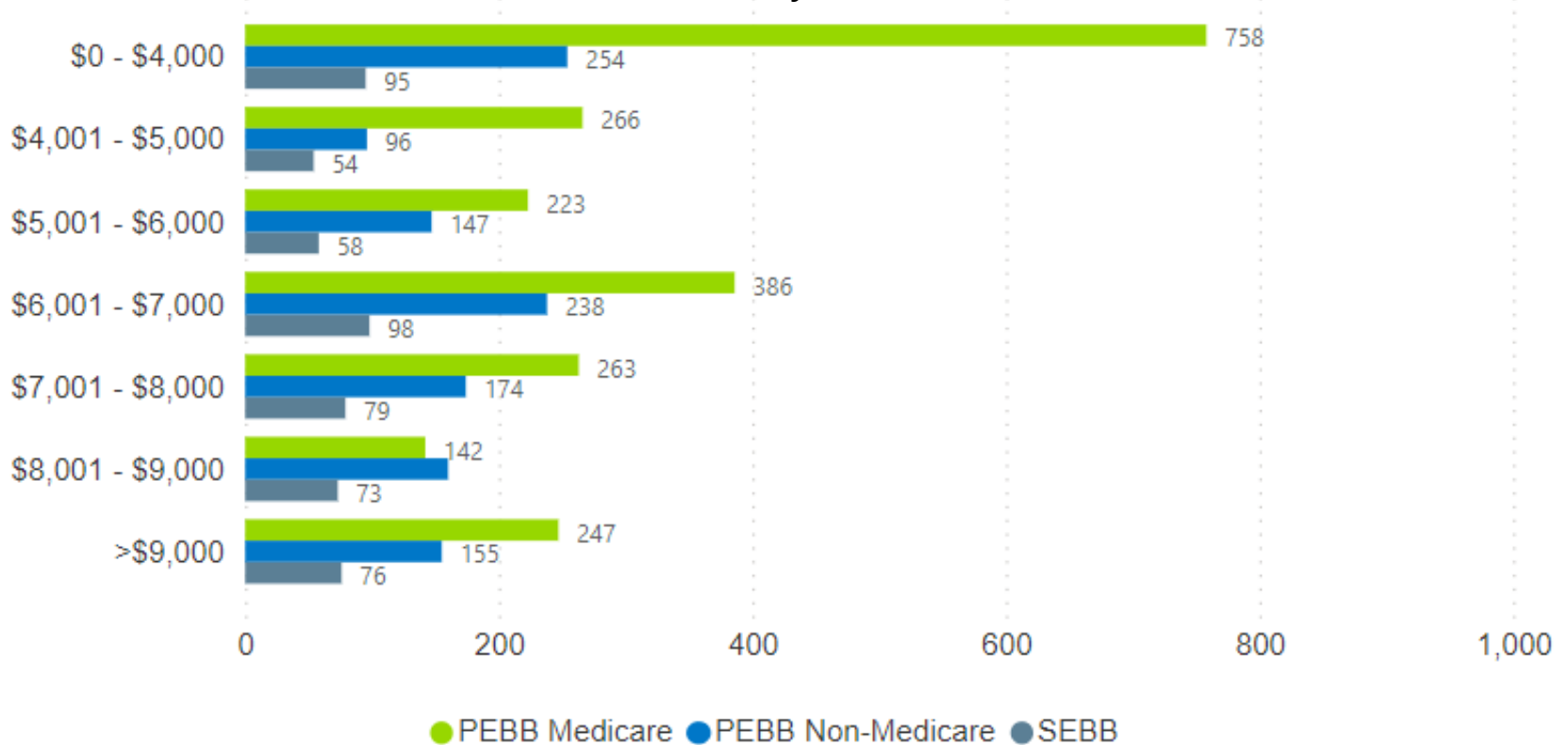


*2022 claims are for services incurred and claims paid through December 2022; data should not be considered complete for Plan Year 2022 as additional time for claims runout is required.

Hearing Instruments Utilization

Plan Year 2022*

Count of Distinct Members by Total Paid Claim Amount

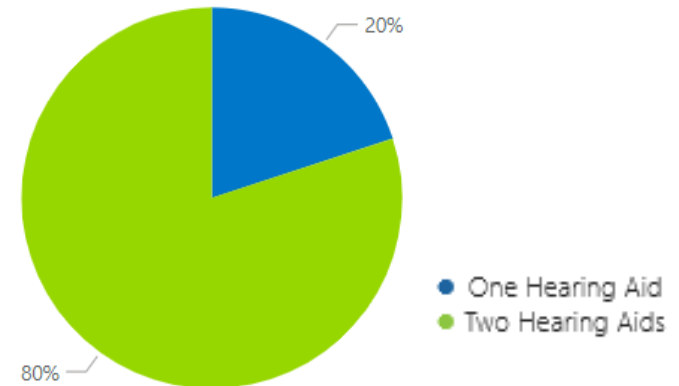


*2022 claims are for services incurred and claims paid through December 2022; data should not be considered complete for Plan Year 2022 as additional time for claims runout is required.

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 SEBB 2023-05

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 Achieve 1, UMP Achieve 2, and UMP Plus are not subject to the member meeting the plan deductible.

Coverage for members enrolled in UMP High Deductible 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 2023-05:
 - ▶ 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 2023-05:
 - ▶ Member would be able to purchase a new set of hearing aids as soon as January 1, 2027
- ▶ Under proposed resolution 2023-05, UMP will continue to provide reimbursement for OTC hearing instruments if hearing exam and prescription requirements are met

Questions?

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