

School Employees Benefits Board
Meeting Minutes

April 2, 2020
Health Care Authority
Sue Crystal Rooms A & B
Olympia, Washington
9:00 a.m. – 10:30 a.m.

Members Present via Phone

Lou McDermott, Chair
Dan Gossett
Pete Cutler
Katy Henry
Alison Poulsen
Terri House
Wayne Leonard
Dawna Hansen-Murray

SEB Board Counsel

Katy Hatfield

Call to Order

Lou McDermott, Chair, called the meeting to order at 9:03 a.m. Sufficient members were present to allow a quorum. Board introductions followed. Due to COVID-19 and the Governor's Proclamation 20-28, today's meeting is telephonic only and will address only those topics necessary and routine to complete the regular cycle of activity in our Board season.

Meeting Overview and Prior Meeting Follow Up

Dave Iseminger, Director, Employees and Retirees Benefits (ERB) Division, provided an overview of the agenda and a follow up from March 5, 2020 Board Meeting.

Legislative Update: SEBB 2020 Supplemental Budget

Tanya Deuel, ERB Finance Manager, Financial Services Division. Slide 2 – Final Funding Rate. Funding rates are set per employee per month. Everything in the budget was adequate to maintain the current level of benefits. HCA has no significant concerns with the underlying assumptions or the final funding rates.

Slide 3 – SEBB Final Funding Rate. The SEBB final funding rate was set at \$1,000 for the 2020-21 school year. The numbers for January through June through fiscal year 2020 have remained at \$994. Then July through August at \$1,056.

Slide 4 – Final Conference Budget Funding. There were three items in the final conference budget, the first being funding for audit capabilities. This funding was for two FTEs within the SEBB Program to support future audit functionality.

The second item was \$15,000 for the K-12 Non-Medicare risk pool. HCA received one-time funds to work towards implementing the risk pool changes between the PEBB and SEBB Programs. Currently K-12 employees who retire, but are pre-Medicare eligible, come into the PEBB active risk pool as a Non-Medicare retiree. This change would allow for those early retirees who retire pre-Medicare, to stay within the K-12 active risk pool, giving them access to all the plan offerings they had as an active employee.

The third item is our spending authority for the third-party administrator. HCA received \$18.2 million for increased spending authority to align with the increased self-insured enrollment we saw in the medical and dental plans. This is a technical spending authority to allow us to spend those increased administrative dollars.

Slide 5 - Continued Conference Budget Funding. HCA received \$75,000 in spending authority to do a Request for Information (RFI) for a diabetes management program. Currently, the SEBB Program has a virtual diabetes prevention program but not a diabetes management program. This funding would allow for the PEBB and SEBB Programs to see what is available in the marketplace for a diabetes management program for future implementation.

HCA also received \$2 million in relation to Senate Bill 6189, funding to implement prohibiting dual enrollment between the PEBB and SEBB Programs.

Budget language also directs HCA to analyze impacts of charging a varied funding rate for the SEBB Program when employees waive medical, but still enrolled in dental, life, and LTD coverage.

Dawna Hansen-Murray: Is there a risk of this being vetoed?

Dave Iseminger: All three items on Slide 4 were in the Governor's proposed budget. It would be very extraordinary for something proposed in the Governor's supplemental budget and passed by the legislature to be removed by the Governor using a veto.

On Slide 5, the diabetes request for information is not a specific provision item within the budget. It is based in the funding rate and in behind the scenes documentation. There isn't anything that could be stricken via the veto power on that piece.

ESSB 6189 has been signed and it would be very unlikely for the related funding to then be vetoed.

Wayne Leonard: I have a question about the audit capabilities funding.

Dave Iseminger: Audit capabilities is an ability for the agency to do eligibility audits on a routine systemic basis. Historically, within the PEBB Program, we have used appeals to monitor how employers were following the eligibility rules. When we learn something

in appeals, we go back to see if there is something to change from rules or do training with organizations. The funding for these positions will allow us to do a regular cadence of eligibility audit checks with employers to monitor, more on the front end, compliance with administering the eligibility rules.

Wayne Leonard: Will these two FTEs primarily be working in Olympia or will they be visiting me at some point?

Dave Iseminger: They will primarily be in Olympia. There would be more interactions electronically with these staff. At this point, we are not anticipating significant travel, but that's always within the realm of possibility. The audits would be statewide, or could occur for any district or any type employer.

Legislative Update: Bills

Cade Walker, Executive Special Assistant, ERB Division. I will give you an overview of the legislative session that recently ended. Slide 2 – Overall, the ERB Division ended up tracking and analyzing 384 pieces of legislation for the 2020 session. That includes about 190 or so bills from the 2019 session reintroduced by rule. It also includes bills that had substitutes included. The number of analyses performed may not necessarily reflect the number of bills we were tracking, as those were replaced by substitutes, second substitutes, etc. Overall, the amount of work done by ERB, either in a lead capacity or a support capacity, was substantial, even for a short session.

Slide 3 – Legislative Update – ERB High Lead Bills. This is our cascade slide to show the high impact bills we were tracking and how many made it through the legislative process. ERB had four high priority bills make it through both chambers, which does not include the budget bill. The four bills we had been tracking did make it to the Governor's Office, two of which we'll spend time discussing today.

Slide 4 – SEBB Program Impact Bills. Several pieces of legislation we were tracking did not make it through this session. I call those out by striking through them so you are aware that those pieces of legislation did not pass. House Bill 2458, regarding optional benefits offered by school districts did pass and has been signed by the Governor. This bill prohibits school districts from offering optional benefits to their employees that compete with basic or optional benefits offered through the SEBB Program or the Health Care Authority, such as benefits under our Cafeteria Plan. It delineates optional benefits that school districts may offer if not offered by the SEBB Program. It also expands the SEB Board's authority to study, and when funding is available, to offer additional optional benefits to employees on a voluntary basis for SEBB Program subscribers.

Lastly, it requires school districts and carriers to work with the SEB Board and the Health Care Authority for any optional benefits offered and to modify, remove, or

discontinue any benefit offered by districts that are determined to be in competition with the SEB Board or Health Care Authority offered benefits.

Dave Iseminger: The bill, as passed and signed by the Governor, is in the appendix of Cade's presentation. We will have an additional presentation at a future meeting about optional benefits, picking up where we left off in January, in light of this new information.

The legislation has a list of enumerated benefits eligible for districts to offer. The right is reserved for this Board to step in at a future point. I want to make sure the Board's aware of where we are at this point. There is nothing currently in the works to begin procurement activities for any of those benefits for the 2021 calendar year or the upcoming school year. We'll provide more details in the future. Launching additional benefits would require a variety of actions. We're not planning further discussion with you about any intent to proceed with the consolidation of any of the benefits on that enumerated list. It's simply that the legislation reserves the right for the Board to later consider consolidating and offering those benefits. In the meantime, districts can offer anything that's on that list.

Cade Walker: The list of optional benefits delineated in the legislation and signed by the Governor includes: emergency transportation, identity protection, legal aid, long-term care insurance, noncommercial personal automobile insurance, personal homeowners or renters insurance, pet insurance, specific disease or illness triggered fixed payment insurance, hospital confinement fixed payment insurance, or other fixed payment insurance offered as an independent, non-coordinated benefit regulated by the OIC, travel insurance, and VEBA accounts.

Slide 5 – SEBB Program Impact Bills – Eligibility. These bills concern SEBB Program member eligibility. There was only one bill that actually passed this year. The other bills died in committee.

Gross Substitute Senate Bill 6189 underwent substantial changes. It was signed by the Governor and it does the following. The Joint Legislative Audit Report Committee (JLARC) will conduct a study to identify the number and types of part-time employees and their eligibility for SEB Board benefits. This report is due to the Legislature September 1, 2021. The Health Care Authority and OSPI are asked to participate with this report by providing information to JLARC.

Second, there is a report due by the Health Care Authority regarding waiver, where we must analyze the impacts of changes to the requirement that school employers must remit premiums for employees who waive medical coverage. HCA is to consider the impacts of having a policy that allows SEBB Program subscribers to waive medical, and any other potential policy implications regarding waiver that may be useful.

School districts also have increased reporting. They must report data related to substitute teachers, including hours worked by each substitute and the number eligible for SEBB benefits to OSPI.

The bill also has a prohibition on dual enrollment beginning Plan Year 2022. Dual medical, dental, and vision coverage under SEB Board benefits and PEB Board benefits is prohibited. The SEB and PEB Boards are instructed to adopt policies to reflect the single enrollment requirements.

Lastly, there was language included to address eligibility regarding COVID-19 and the declared state of emergency. Language to preserve eligibility during this time was included in this bill for employees who would otherwise lose eligibility because of school closures or changes in operations.

Dave Iseminger: I will add context to two pieces. The report on the variable funding rate culminated from discussions and concerns districts have been raising about paying the funding rate for individuals who waive their medical benefits. When we say “a variable funding rate,” that means is there a way to have a one funding rate for individuals who don't waive medical and a separate funding rate for individuals who do waive medical? Add on to that, are there other parts of the benefit package that can be waived?

As a Board, you're probably aware the dental and vision benefits in their current structure are nonwaivable, mandatory benefits. This report also envisions looking at other possible changes. What is the impact of making other parts of the portfolio waivable?

The funding rate as it exists today includes an assumption of the medical waiver rate. We described that assumption process in the past when we set up the program. It was assumed to be similar to PEBB, which was about an 8% waiver rate. During the open enrollment, we saw closer to 13%. We've tried to describe to individuals, and hopefully, at the board retreat, that as we go forward in the next rate setting, the more current waiver information will be used to set the next funding rate. That will be reflected in the future funding rate.

This report would have us describe ways to do the funding rate. The report is to give context to the concern districts raised about needing to pay for benefits when an individual waives.

The second piece I want to add is that both the PEB and SEB Boards do have a role. HCA will bring you resolutions over the next year or so related to the legislative requirement to limit members to a single enrollment within medical, dental, and vision within the programs. Going back to what I said a moment ago, there's no current way to

waive dental. That's the same rule in both programs. There is literally, within the framework right now, no way to limit enrollment to a single dental enrollment within the programs. We will have to bring something to the Boards to address the ability to waive dental for people who have dual eligibility within the programs, at the very least. That's one example.

Another example is vision is an embedded benefit in medical in the PEBB Program, but a standalone benefit in the SEBB Program. As it's structured today, if you are in medical in the PEBB Program, you would inherently not be able to have SEBB Program vision. Because vision is embedded in one and not the other, it will have to be looked at and some decisions brought to the Board.

Cade Walker: Slide 6 – Topical Areas of Introduced Legislation. We were tracking two pieces of legislation pertaining to provider and health care credentialing that passed and were signed by the Governor. We will work with our carriers to make sure we understand more fully what additional implications there may be. We'll be looking at the implementation of those changes, which will have minor impact on overall program administration.

On the pharmacy side, there was a lot of legislation but not much made it through. ES2HB 2662, which is pending signature by the Governor today, pertains to the cost of insulin. We also tracked substance use disorder and various durable medical equipment (DME) coverages. Some DME coverage bills did pass. Several substance use disorder bills passed as well. HCA will be implementing those pieces of legislation over the coming months.

Covid-19 Response Update

Dave Iseminger, Director, ERB Division. I'm going to describe, at a higher level for the agency, a COVID-19 update. Jean Bui will highlight specific things our carriers have done in response to COVID-19. It's been a very fast month.

In the early days, HCA was leveraging our contacts to secure ventilators for our state. HCA can directly account for having secured 200 ventilators for distribution and use in the state. Before it was requested, HCA identified any stockpile of personal protective equipment we had and handed it over to the Department of Health (DOH) for distribution in hospital settings. We had over 1,000 units in our storage for an emergency and this was an appropriate time to use it.

HCA also purchased and begin distributing Zoom licenses to help providers continue seeing patients using telehealth and without physical health encounters. Those licenses were prioritized, and we've been trying to push their use, especially for smaller providers that might have less infrastructure, are more rural, or had not as quickly embraced telehealth. We've distributed over 900 Zoom licenses to different parts of the

state. If anyone knows any providers who are looking for them there is an application process on our main HCA website, COVID page.

As the Governor issued one of his proclamations that suspended elective and non-urgent services in both the medical and dental setting, the agency worked to release funds from the disaster relief fund to help rural hospital settings particularly impacted by the transition away from elective surgeries and procedures in the short term.

HCA's Call Center staff, particularly those units that have served the Medicaid population, have been working and supporting the Health Benefit Exchange with their special open enrollment period that's been activated to allow those who are uninsured additional opportunities to become insured as a result of COVID-19. We are also evaluating options for those same Call Center employees to provide support to the Employee Security Department (ESD), as they have a significant increase of unemployment claims for processing.

Lou McDermott: They had over 133,000 applications for the week, and the week prior it was 14,000, and a week prior to that, it was 4,000. They're overwhelmed.

Dave Iseminger: The ESD is also the entity responsible for the new Paid Family and Medical Leave Program that launched January 1. HCA is trying to see how we can provide staffing support to our sister agency.

The Health Care Authority has also been coordinating with the Insurance Commissioner's Office. They thought about preparing and issuing two separate emergency orders for the commercial market in Washington. Items in those orders included actions HCA has already done. Jean will highlight this related to early refills of prescriptions, the postponing and prohibiting of elective surgeries, and gaining access to telehealth and telemedicine.

HCA is in the midst of launching a new endeavor with Limeade, our SmartHealth vendor, to leverage the platform to create something very similar to SmartHealth that would provide resources to people in the Medicaid population, as well as individuals filing for unemployment claims. Think of it like SmartHealth for a COVID situation, highlighting behavioral health resources, promoting virtual job fairs, information about food banks, where to find food if food security is your concern, and directing people to online resources at DOH and ESD for unemployment. We are working on that new venture, so more to come.

A little bit closer to home at the Health Care Authority, we now have over 90% of our staff who are fully teleworking. In the ERB Division, in a span of nine calendar days, we went from 10% of the Division teleworking to 100% of the Division teleworking, except for some intermittent things where people have to come in for an hour or two once a

week. The agency is heavily committed to our staff's safety and being able to support the Stay at Home, Stay Healthy order with over 90% of our agency staff teleworking on any given day.

HCA has also been lobbying the IRS for a variety of changes. One of those the IRS has already responded to, clarifying that first dollar coverage in a high deductible health plan can cover COVID-19 testing and treatment. We're making sure the deductible, and for people who are in the high deductible health plan, was not a limiting factor for seeking treatment.

Another piece we have before the IRS, that is pending, is a request to make it easier to make benefit election changes for FSAs and DCAPs mid-year, as well as extending the grace period incurred deadline for the prior plan year in the PEBB Program from 2019.

HCA has also been working on a variety of eligibility questions and insights. We've provided technical assistance on that section of ESSB 6189 that put a measure in place for part-time eligible SEBB Organization employees particularly, who would be impacted by school closures, day care closures, and quarantine.

We're providing eligibility rule guidance to state agencies, as well as higher education, particularly for quarter-to-quarter faculty who have a very different spring quarter than they ever imagined 30 days ago.

We have worked on pieces we're bringing to you for action shortly related to continuation coverage. This afternoon we have a special PEB Board Meeting, also to consider similar measures that we're bringing to you. They will also be considering a provision that would allow expanded PEBB Program eligibility in state agencies and higher education institutions who are hiring specific positions, like research positions for COVID-19, health care professionals, individuals working in medical facilities, basically those urgent areas where an influx of workforce is needed, looking at a way to provide temporary expanded eligibility in the PEBB framework.

Jean Bui, Manager, ERB Division Portfolio Management and Monitoring Section. I am here to present some of the actions the SEBB and PEBB carriers have taken in response to the COVID-19 state of emergency. In the ERB Division, we've had standing weekly calls with the medical carriers on COVID-19 to get regular updates from them, and to provide them with information on the actions HCA is taking, or proposing to take, pertaining to COVID-19.

In response to Governor Inslee's order halting all non-emergency dental procedures for two months, Delta Dental of Washington is pledging \$10 million in grants and advance payments to ease financial hardship brought on by the COVID-19 state of emergency.

Kaiser Washington and Delta Dental are working together to provide lunches with a few extras to children displaced from their school districts, which they depend on for meals. Kaiser and Delta are coordinating with school districts with high populations of kids eligible for free lunches, to give them toothbrushes, toothpaste, and coloring books, along with a sack lunch each day.

As Dave mentioned, we are doing a lot of coordination with the OIC, and all of the health plans have implemented the OIC orders for COVID-19 testing with no member cost shares.

All of the health plans have expanded telehealth visits, override for members refilling prescriptions sooner than plan allowance, and postponement of elective surgery.

All of the plans have regular communications with members regarding COVID-19 including websites with specific plan information pertaining to COVID-19.

HCA and our carrier for long-term disability, The Standard, had planned to conduct an enrollment event for SEBB Program subscribers to have another chance to select Supplemental Long-Term Disability Insurance during the month of May this year. Due to the COVID outbreak, the decision was made to hold this event during open enrollment for Plan Year 2021. They will be able to elect supplemental coverage effective January 2021.

Additionally, SmartHealth tiles have been designed to engage members who are staying at home and targeted to some of the issues pertaining to COVID-19, specifically, telehealth, managing stress and anxiety, and ways to exercise while you're working from home.

HCA has requested that Navia Benefit Solutions, our Medical Flexible Spending Arrangement (FSA) and Dependent Care Assistance Program (DCAP) contractor, to extend the grace period for claims receipt from the current date of March 15 to May 15 for both FSA and DCAP. As Dave mentioned, we have a letter to the IRS lobbying for more flexibility on these benefits. But in the meantime, we have requested that grace period extension for now.

Eligibility and Enrollment Proposed Resolutions

Rob Parkman, Policy and Rules Coordinator, ERB Division. Slide 3 – Introduction of Proposed Resolutions. Today, I am introducing five resolutions, two of which we hope you take action on today. The first two resolutions address issues with the current COVID-19 situation. Our goal today is to introduce and take action on these resolutions. The third and fourth resolutions are amending past resolutions approved by the Board. The need to amend these resolutions was brought to our attention by SEBB Program Benefits Administrators after they reviewed this year's rules. The last resolution deals with an error correction issue.

Slide 4 – Proposed Resolution SEBB 2020-07 – COVID-19 Continuation Coverage Eligibility. This resolution will effectively add two months after the state of emergency has ended to eligibility for continuation coverage. The use of the term continuation coverage is purposeful. It is a defined term within the SEBB Program and includes all the different provisions through which continuation coverage can be continued. I have three examples for this proposed resolution.

Dave Iseminger: I want to add additional context for the Board. After the Governor prohibited elective and non-urgent procedures, we began to receive questions from both PEB and SEB Board members who are currently on COBRA coverage, who are saying, “My coverage ends on March 31. I have things planned within the next, two weeks. Now I don't know what my insurance situation will be later in the year, and more importantly, I've already met my deductible. If I go on the Exchange and get a new plan, I have to reboot my accumulators. Is there anything you can do?” That was the genesis of this resolution, questions after the elective surgery prohibition in the Governor's proclamation.

We did think about the need to extend it beyond the state of emergency because once the emergency is officially over, there will be an influx of people who need to catch up on things they wanted to do. We anticipate there will be a flood and we wanted to create enough of a window after the emergency is over. That's why we recommended the additional two months after the emergency is over.

Rob Parkman: Slide 5 – COVID-19 Continuation Coverage Eligibility – Example #1. If, hypothetically, the emergency period ends April 30, 2020, and the subscriber's continuation coverage ends March 31, 2020, the subscriber's continuing coverage may be extended through the emergency period and the two months post emergency period to end June 30, 2020.

For these examples, we developed a wire diagram with a timeline. At the bottom left of the slide, the emergency was declared on February 29, 2020. According to our story, on March 31, 2020, the continuation coverage ended for this subscriber. April 30, 2020 was the end of the emergency. In this example, their continuation coverage eligibility will be extended until June 30, 2020 or they will get that full two-month extension past the end of the emergency.

Slide 6 – COVID-19 Continuation Coverage Eligibility – Example #2. If, hypothetically, the emergency period ends April 30, 2020, and the subscriber's continuation coverage ends May 30, 2020, the subscriber's coverage may be extended to June 30, 2020 because the subscriber's continuation coverage ended following the end of the emergency period and before the end of the two-month extension period.

On the wire diagram, the proclamation was issued on February 29, 2020. The emergency ends on April 30, 2020. In this case, our subscriber's continuation coverage would have ended on May 30, and their eligibility would have ended on May 30, 2020. Because of this, they're going to get one additional month. Now their continuation coverage would end on June 30, 2020.

Slide 7 – COVID-19 Continuation Coverage Eligibility – Example #3. If, hypothetically, the emergency period ends April 30, 2020, and the subscriber's continuation coverage ends June 30, 2020, no extension is given to the subscriber because the subscriber's continuation coverage ends the last day of the two-month period following the end of the emergency period.

On the wire diagram, the proclamation was issued on February 29, 2020. The end of the emergency is on April 30, 2020. June 30, 2020 was both the end of the extension period and the end of the continuation coverage for the subscriber. In this example, there would be no extension.

Lou McDermott: Vote – Resolution SEBB 2020-07 COVID-19 Continuation Coverage Eligibility

Resolved that, beginning February 29, 2020, the date that Governor Inslee declared a state of emergency in Proclamation 20-05, the maximum period of continuation coverage is extended until two months after the date the Governor terminates the state of emergency.

Pete Cutler moved and Terri House seconded a motion to adopt.

Pete Cutler: This is Pete, and I move to adopt the resolution.

Voting to Approve: 8

Voting No: 0

Lou McDermott: Resolution SEBB 2020-07 passes.

Rob Parkman: Slide 9 – Proposed Resolution SEBB 2020-08 – COVID-19 Enrollment Timelines. An additional paragraph was added to extend the deadline further, and to extend any other enrollment deadlines, as needed.

Dave Iseminger: I will provide more context on this resolution as well. I received questions in advance about this resolution. This would apply as, written in the first paragraph, only to continuation coverage situations. It would not include an extension of 30 days to the standard 31-day deadline for a new hire to make their benefit elections. That was a deliberate distinction in this resolution. Under IRS rules for

Cafeteria Plans, for pretax payroll deductions of medical premiums, you can't go beyond the 31-day period already enacted within rules and under a SEB Board policy. If the IRS comes up with something new, we will evaluate that. This resolution is written to be limited to a small subset of the population.

Another issue we heard as the COVID-19 emergency came up was some individuals didn't have internet access at home, especially before the telecommunication companies started providing mobile WiFis, lifting data caps, etc. Those individuals told us they go to their public libraries to use the internet, and the public libraries are closed. They have no access to get the form because HCA lobby services are also closed. They can't use the internet or come in person to get a paper form. What do they do?

There's a plethora of different impacts that the COVID-19 situation has generated for people to be able to make COBRA and other continuation coverage elections. Although SEBB My Account is very snazzy and allows employees to do their initial enrollment election, it doesn't have a way for a continuation coverage electronic election either. We are still paper based when it comes to continuation coverage elections. It was important to us to bring something to you that could provide some relief here.

We have consulted with the carriers and already received some feedback. We haven't heard from all carriers, but generally there has not been any significant concern related to a retro enrollment of continuation coverage. It would be if there are services provided during this retro period. It's possible they would need to be evaluated as whether they were in or out of network. Those are the preliminary concerns the carriers have raised. As we go further into implementation, we will work through to get to the best result possible for members.

The last paragraph is important because the COVID situation is changing daily. We learn something new every day. I will allude to the fact that we have a PEB Board Special Meeting this afternoon, which 73 hours ago didn't exist, to create an entirely new prong of eligibility to incentivize and support new or rehired workers going into response positions for COVID-19. We're not in an environment where delaying action for a week to put together a Board Meeting is really going to suffice given what we're working on. So, we're asking the Board to give us a broad direction, that extending deadlines, especially in the area we've identified now, is the right thing to do. That gives the agency the direction you support that as a general policy position. Let HCA do the administrative work as we identify what changes are needed in this evolving environment. This would limit the agency's authorization to do this during the state of emergency.

Rob Parkman: Slide 10 – COVID-19 Enrollment Timelines – Example #1. If, hypothetically, a school employee's last day to enroll in SEBB continuation coverage was April 30, 2020, and the state of emergency terminated on May 15, 2020, then the

enrollment period for that subscriber will increase to June 14, 2020. In this example, the subscriber gets the 30-day extension.

Slide 11 – COVID-19 Enrollment Timelines – Example #2. If, hypothetically, a school employee's last day to enroll in SEBB continuation coverage is May 31, 2020, and the state of emergency terminates on May 15, 2020, then the enrollment period for that subscriber would not change and the deadline would remain May 30, 2020. In this example, the extension was not used.

Katy Hatfield: Could you explain why the extension doesn't apply for Example #2?

Rob Parkman: Because the emergency terminated on May 15 and your continuation coverage ended on May 30, outside of the emergency period.

Katy Hatfield: Okay, thank you.

Lou McDermott: Vote – Resolution SEBB 2020-08 COVID-19 Enrollment Timelines

Resolved that, beginning February 29, 2020, the date that Governor Inslee declared a state of emergency in Proclamation 20-05, any enrollment timelines established for continuation coverage subscribers will be extended to 30 days past the date the Governor terminates the state of emergency.

The Health Care Authority is authorized during the state of emergency, as described above, to extend this deadline further and extend any other enrollment deadlines, as needed to meet the needs of the state and SEBB Program subscribers.

Wayne Leonard moved and Pete Cutler seconded a motion to adopt.

Fred Yancey: Pardon my ignorance here, but I have a couple comments. Is the difference between 2020-07 and 2020-08 -- is -08 really just related to COBRA? Is there a continuing coverage issue? That's question number one.

And question number two is it strikes me that the second paragraph in this resolution ought to be a whole separate resolution because it applies to the whole range of SEBB Program policies I believe, not just these ones connected to continuing coverage. I think that broadens in actuality more coverage than just that first paragraph would indicate, if you understand my remark.

Dave Iseminger: Fred, the difference between 2020-07 and 2020-08 for continuation coverage is 2020-07 is about the authority to expand the benefit period, the length of coverage allowed. 2020-08 is, for lack of a better word, the bureaucratic paperwork, when the form is due in order to enroll.

The first one passed was about extending the ability to have coverage. The second one is about the enrollment process and procedures themselves. That's the distinction, but both are addressing continuation coverage specifically.

We did consider whether to have the second paragraph in 2020-08 as a separate standalone resolution. But the recommended wording is to say it extends this deadline further, the deadline that's within this resolution, and then all other enrollment deadlines. Because 2020-08 is about the procedural enrollment processes, we felt it made more sense to include it in the context of that resolution and say "the Board would authorize HCA to further refine both the deadline that's in the resolution itself, as well as all other enrollment deadlines," as there are some that are determined.

Our thinking in putting it all together was a singular resolution about enrollment deadlines and processes, addressing a very specific one in paragraph one, and then saying the world can further evolve and the Board agrees, in general, there might be other instances where HCA should take the steps to do a similar extension in another context.

Fred Yancey: Thank you, Dave. I'm still confused on the difference between 2020-07 and 2020-08. You have one with a two-month period under which somebody could respond and the other was one month. It strikes me that you said one was the outgrowth of the other, so why wouldn't it be two months for both? But we can discuss this offline. My ignorance doesn't need to be dealt with. Thanks.

Dave Iseminger: If we identify any disconnect that the deadline would need to be further, the second paragraph would give the authority to take care of any type of technical corrections if they do exist.

Wayne Leonard: Following up on Mr. Yancey's question. On Resolution 2020-08, second paragraph, this extension of enrollment timelines is only during a declared state of emergency. Is that correct?

Dave Iseminger: Yes, Wayne.

Voting to Approve: 8

Voting No: 0

Lou McDermott: Resolution SEBB 2020-08 passes.

Rob Parkman: The next two proposed resolutions are to amend past resolutions due to feedback from stakeholders.

Slide 13 – Proposed Resolution SEBB 2020-04 – Amending Resolution SEBB 2019-02 – Anticipated Work Hours Eligibility Range Under RCW 41.05.740(6)(e). The recommendation is to strike the word “no more” and insert the word “last” in the second bullet so that SEBB 2019-02 now reads:

A SEBB Organization engaging in local negotiations regarding eligibility for school employees under RCW 41.05.740(6)(e) shall negotiate within the range of anticipated to work hours described below:

- No less than 180 hours per school year; and
- Less than the threshold to meet the SEB Board’s eligibility established pursuant to RCW 41.05.740(6)(d).

SEBB 2019-02 was passed by the SEB Board at the March 7, 2019 Board Meeting. A copy of that resolution is in the Appendix. One stakeholder raised concerns, after reviewing the SEBB Program rules after the launch of the Program, regarding the ceiling of work hours for eligibility for RCW 41.05.740(6)(e). You may remember (6)(e) is related to locally negotiated eligibility, and the concern raised was a conflict with the bottom number of work hours for the eligibility criteria within RCW 41.05.740(6)(d).

As currently written, the ceiling for RCW 41.05.740(6)(e) is 630 hours and the eligibility floor for RCW 41.05.740(6)(d) is 630 hours. This revised policy resolution address that one-hour issue.

Considerations: We need clear understanding on the differences between (6)(e) and (6)(d) eligibility standards. We believe the intent of this resolution was always to require a school employee, if they were eligible for (6)(d) eligibility, to receive benefits and only receive (6)(e) benefits when they were not eligible for the regular (6)(d) benefits. As of now, there are no SEBB Organizations using (6)(e) eligibility. This is currently not an issue, but SEBB Organizations may start using (6)(e) eligibility as soon as this fall.

Slide 14 – Proposed Resolution SEBB 2020-05 – Amending Resolution SEBB 2018-12 Effective Date of Coverage for School Employees Eligible for the Employer Contribution. SEBB 2018-12 is amended to add the following to the end of the resolution: Except that when a school employee establishes eligibility for new employer contribution towards SEBB Benefits at any time in the month of August, the benefits begin on September 1 only if the school employee is anticipated to work 630 hours in the coming school year.

SEBB 2018-12 would now read:

For September each year, a school employee who has establishing eligibility for the employer contribution towards SEBB benefits, and whose first day of work is on or after September 1, but not later than the first day of school for the current school year, as

established by the SEBB Organization, the effective date of coverage is the first day of work.

For a school employee who is establishing eligibility and whose first day of work is at any other time during the school year, the effective date of coverage is the first day of the month following the day the school employee establishes eligibility for the employer contribution toward SEBB benefits. Except that, when a school employee establishes eligibility for the employer contribution towards SEBB benefits at any time in the month of August, SEBB benefits begin on September 1 only if the school employee is anticipated to work 630 hours in the coming school year.

SEBB 2018-12 was passed by the SEB Board at the June 4, 2018 Board Meeting. A copy of that Resolution is included in the Appendix.

SEBB Benefits Administrators reviewed the rules and had concerns with the conflict between rules when a newly eligible school employee establishes eligibility in the month of August. By rule, they would have their benefits start on September 1, which is also the start of the next school year.

Considerations: RCW 41.05.740 is read so that SEBB benefit eligibility is aligned to each school year. To address this issue identified by our stakeholders, HCA is recommending approval of Resolution SEBB 2020-05 to amend Resolution SEBB 2018-12.

Slide 16 – Effective Date of Coverage for School Employees Eligible for the Employer Contribution – Example #1. A school employee has worked 630 hours as of August 21, 2020. They earned the employer contribution as of that date and their benefits will start on September 1, 2020, the start of the next school year, because their SEBB Organization has anticipated this school employee will work 630 hours in the school year that starts on September 1, 2020.

Is this school employee eligible for SEBB benefits in the next school year? Yes.
When will their benefits begin? September 1, 2020.

Slide 17 - Effective Date of Coverage for School Employees Eligible for the Employer Contribution – Example #2. A school employee has worked 630 hours as of August 21, 2020. Their SEBB Organization does not anticipate this school employee will work 630 hours in the next school year. They are not SEBB benefits eligible.

Is this school employee eligible for SEBB Benefits into next year? No.

This example would tie back to the two-year presumed lookback of eligibility contained in SEBB 2018-36 approved by the Board on November 8, 2018, if this happened the

second year. This would be the first year. If they were not eligible this year, they would not get benefits the next year. If they get 630 again in year two, the two-year lookback presumed eligibility resolution would kick in. For year three, unless there was a rebuttal of that eligibility, they would receive benefits.

Slide 18 – Proposed Resolution SEBB 2020-06 – Error Correction for Incorrect Information. If a SEBB Organization or a contracted vendor provides incorrect advice regarding SEBB benefits to a school employee that they relied upon, the error will be corrected prospectively with enrollment in benefits effective the first day of the month following the date the error is identified. The Health Care Authority approves all error correction actions and determines if additional recourse is warranted.

This is a new resolution that works with the other two error correction resolutions passed last year, SEBB 2019-09 – Fail to Provide Notice or Accurately Enroll, and SEBB 2019-10 – Enrolled in Coverage When Not Eligible. The part about recourse is warranted, and is also included in these two resolutions, which are in the Appendix for your review. This same resolution was passed last year by the PEB Board.

Considerations: Eligibility enrollment rules can be complex and sometimes Benefit Administrators provide incorrect information to school employees, which they act upon with poor results. The passage of this resolution allows correction of these types of errors through the error correction process and not the appeals process. If a SEBB Organization or contracted vendor must correct eligibility enrollment errors they were part of, the SEBB Organizations and contract vendors will correct those eligibility enrollment errors prospectively and the Health Care Authority will determine if it warrants additional recourse. Recourse may include up to and including reimbursements of dollars paid on claims or dollars paid for other coverage by the employee while the error was in effect. It may also include retroactive enrollment.

Dave Iseminger: When these types of errors occur, there is an urgency to fix it prospectively, as quickly as possible. A prospective fix does not preclude additional recourse. This was a very robust conversation at the PEB Board Meeting last year. There are actually refinements reflected and included in the proposal before you today to be clearer, specifically that end clause that has “and determines if additional recourse is warranted.” That would be on top of a prospective fix. I don't want anybody to walk away with the impression that there would be a prospective enrollment and anything in the past is swept under the rug and never addressed. When an error like this happens, the immediate task is to fix things for the first of the upcoming month as fast as possible, and then look at the historical part that needs cleanup.

Pete Cutler: I appreciate David's comments. I have to admit my reaction is this just strikes me as being very broad and very vague. And having worked with benefit administration, with Retirement Systems especially for several years, I know that broad,

vague language often ends up extending benefits or situations beyond what the people who drafted the resolution, had in mind. I've sent comments to David. I'm just hoping we get more briefing on what the PEB Board did. I guess especially just that concept of additional recourse is a very vague term and it does not necessarily indicate that anyone is going to be held accountable for mistaken advice or decisions they've made. I think having accountability for the SEBB Organization and the contracted vendor is an important principle. I just want to get that on record.

Dave Iseminger: Pete, I do have the comments you had about this one and we'll work through those to give some additional response and insight in time for the May meeting. Our first priority was the resolutions we were asking you to take action on today. We're looking at your questions.

Pete Cutler: Great, thanks very much, Dave.

Rob Parkman: Slide 19 – Next Steps. I will incorporate Board feedback and then start the stakeholdering process. I'll bring these back to the Board at the May 7 Board Meeting for action.

Public Comment

Julie Salvi representing the Washington Education Association. First, I just wanted to thank the Health Care Authority for all the work they've been doing to bring the resolutions that were briefed today, and all the work related to addressing COVID.

I have one other idea I wanted the Board to consider as we go forward. It is not emergent. But looking to next fall when enrollment determinations will be made, most of the determinations will be made based on the hours someone is expected to work. But then the Board has also adopted those other policies to say, well, and so what I'm thinking of is, if someone has had two years of working 630 hours, they would be deemed eligible. And this year is just going to look different. The law that was passed was intended to protect individuals who may have been just at that cusp of working 630 hours and they may have that work disrupted for this very unexpected reason of a COVID emergency.

If there's a way to look at that two-year lookback rule to say something like, "if someone would have received their eligibility this year and had worked 630 hours in the other year," something like that to give a little grace period for this unexpected time would be fabulous. Thank you.

Preview of May 7, 2020 SEB Board Meeting

Dave Iseminger, Director, Employees and Retirees Benefits Division, provided an overview of potential agenda topics for the May 7, 2020 Board Meeting.

Next Meeting

May 7, 2020

9:00 a.m. – 1:15 p.m.

Meeting adjourned at 10:37 a.m.