

# Public Employees Benefits Board Meeting

January 30, 2020

## Public Employees Benefits Board

January 30, 2020

1:30 p.m. – 4:00 p.m.

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

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**TAB 1**

**Public Employees Benefits Board**  
**January 30, 2020**  
**9:00 a.m. – 4:00 p.m.**  
**Sue Crystal Rooms A & B**

Cherry Street Plaza  
 626 8<sup>th</sup> Avenue SE  
 Olympia, WA 98501

**Expanding Choices, Improving Care, and Empowering Consumers**

8:30 a.m.	<b>Coffee and Light Refreshments</b>		
9:00 a.m.*	<b>Welcome and Introductions</b>		Sue Birch, Chair
9:10 a.m.	<b>Retreat Overview</b>		Marcia Peterson, Manager Benefits Strategy & Design Section ERB Division
9:15 a.m.	<b>PEB Board Clinical Update</b>	TAB 3	Emily Transue, MD Associate Medical Director
10:15 a.m.	<b>Break</b>		
10:30 a.m.	<b>Behavioral Health Panel Discussion</b>	TAB 4	<u>Marcia Peterson, Moderator</u> Keri Waterland, DBHR, HCA Charissa Fotinos, CQCT, HCA Michael Garrett, Mercer Dustin Howard, Regence Alicia Eng, Kaiser
12 p.m.	<u><b>Working Lunch</b></u> <ul style="list-style-type: none"> <li>• <b>2020 PEBB Open Enrollment</b></li> <li>• <b>SEBB Program Update</b></li> </ul>	TAB 5	Renee Bourbeau, Manager Benefits Accounts Section, ERB  Dave Iseminger, Director, ERB
1:00 p.m.	<ul style="list-style-type: none"> <li>• <b>2020 Supplemental Governor’s Budget Update</b></li> <li>• <b>Legislative Update</b></li> </ul>	TAB 6	Tanya Deuel, ERB Finance Manager Financial Services Division  Cade Walker, Special Assistant ERB Division
1:40 p.m.	<b>Break</b>		
2:00 p.m.	<b>Leveraging SEBB Program Medical Plan Contracts In PEBB Program</b>	TAB 7	Lauren Johnston, SEBB Senior Account Manager, ERB Division

2:30 p.m.	<b>Expanding PEBB Program Medicare Options Procurement Update</b>	TAB 8	Ellen Wolfhagen, Senior Account Manager, ERB Division
2:50 p.m.	<b>UMP Formulary Update</b>	TAB 9	Ryan Pistoresi, PharmD, MS Assistant Chief Pharmacy Officer
3:15 p.m.	<b>Annual Rate Process</b>	TAB 10	Megan Atkinson, Chief Financial Officer, Financial Services Division
3:30 p.m.	<b>Board Discussion: Policies for Next Year</b>	TAB 11	Marcia Peterson, Manager Benefits, Strategy, & Design Section ERB Division
3:45 p.m.	<b>Public Comment</b>		
4:00 p.m.	<b>Adjourn</b>		

**\*All Times Approximate**

The Public Employees Benefits Board will meet Thursday, January 30, 2020, at the Washington State Health Care Authority, Sue Crystal Rooms A & B, 626 8<sup>th</sup> AVE SE, Olympia, WA. 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.

Direct e-mail to: [SEBboard@hca.wa.gov](mailto:SEBboard@hca.wa.gov). Materials posted at: <https://www.hca.wa.gov/about-hca/school-employees-benefits-board-sebb-program> by close of business on January 28, 2020.

## PEB Board Members

Name	Representing
Sue Birch, Director Health Care Authority 626 8 <sup>th</sup> Ave SE PO Box 42713 Olympia WA 98504-2713 V 360-725-2104 <a href="mailto:sue.birch@hca.wa.gov">sue.birch@hca.wa.gov</a>	Chair
Greg Devereux, Executive Director Washington Federation of State Employees 1212 Jefferson Street, Suite 300 Olympia WA 98501 V 360-352-7603 <a href="mailto:greg.devereux@hca.wa.gov">greg.devereux@hca.wa.gov</a>	State Employees
Vacant	State Retirees
Tom MacRobert 4527 Waldrick RD SE Olympia WA 98501 V 360-264-4450 <a href="mailto:tom.macrobert@hca.wa.gov">tom.macrobert@hca.wa.gov</a>	K-12 Retirees
Tim Barclay 9624 NE 182 <sup>nd</sup> CT, D Bothell WA 98011 V 206-819-5588 <a href="mailto:tim.barclay@hca.wa.gov">tim.barclay@hca.wa.gov</a>	Benefits Management/Cost Containment

## PEB Board Members

Name	Representing
Yvonne Tate 1407 169 <sup>th</sup> PL NE Bellevue WA 98008 V 425-417-4416 <a href="mailto:yvonne.tate@hca.wa.gov">yvonne.tate@hca.wa.gov</a>	Benefits Management/Cost Containment
John Comerford* 121 Vine ST Unit 1205 Seattle WA 98121 V 206-625-3200 <a href="mailto:John.comerford@hca.wa.gov">John.comerford@hca.wa.gov</a>	Benefits Management/Cost Containment
Harry Bossi 19619 23 <sup>rd</sup> DR SE Bothell WA 98012 V 360-689-9275 <a href="mailto:harry.bossi@hca.wa.gov">harry.bossi@hca.wa.gov</a>	Benefits Management/Cost Containment
<b>Legal Counsel</b> Michael Tunick, Assistant Attorney General 7141 Cleanwater Dr SW PO Box 40124 Olympia WA 98504-0124 V 360-586-6495 <a href="mailto:MichaelT4@atg.wa.gov">MichaelT4@atg.wa.gov</a>	

\*non-voting members

1/26/20



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](http://www.pebb.hca.wa.gov)

**PEBB MEETING SCHEDULE**

**2020 Public Employees Benefits Board Meeting Schedule**

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

January 30, 2020 (Board Retreat) 9:00 a.m. – 3:00 p.m.

March 18, 2020 - Noon – 5:00 p.m.

April 15, 2020 - Noon – 5:00 p.m.

May 28, 2020 - Noon – 5:00 p.m.

June 17, 2020 - Noon – 5:00 p.m.

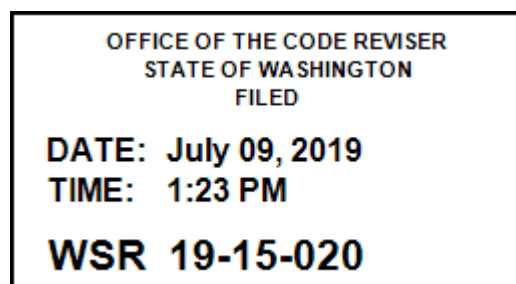
July 15, 2020 - Noon – 5:00 p.m.

July 22, 2020 - Noon – 5:00 p.m.

July 29, 2020 - Noon – 5:00 p.m.

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

7/2/19





**TAB 2**

## PEB BOARD BY-LAWS

### **ARTICLE I**

#### **The Board and its Members**

1. **Board Function**—The Public Employee 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 for State employees and school district employees.
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 Members**—Until there are no less than twelve thousand school district employee subscribers enrolled with the authority for health care coverage, there shall be two non-voting Members of the Board. One non-voting Member shall be the Member who is appointed to represent an association of school employees. The second non-voting Member shall be designated by the Chair from the four Members appointed because of experience in health benefit management and cost containment.
5. **Privileges of Non-Voting Members**—Non-voting Members 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 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 10 days 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. Minutes summarizing the significant action of the Board shall be taken by a member of the HCA staff during the Board meeting, and an audio recording (or other generally-accepted) electronic recording shall also be made. The audio recording shall be reduced to a verbatim transcript within 30 days of the meeting and shall be made available to the public. The audio tapes shall be retained for six (6) months. After six (6) months, the written record shall become the permanent record. Summary minutes shall be provided to the Board for review and adoption at the next 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 Member may attend a meeting in person or, by special arrangement and advance notice to the Chair, A Member may attend a meeting 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 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 Member of the Board 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.
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 [RONR]. 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—Board Members are subject to the requirements of the Ethics in Public Service Act, Chapter 42.52 RCW.

## **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.

**TAB 3**



# PEB Board Clinical Update January 2020

Emily Transue, MD, MHA, FACP  
Medical Director for ERB  
January 30, 2020

# Roles and Opportunities

- Improving care, experience, and value for PEBB Program and SEBB Program patients
- Market transformation: using HCA's influence and market share to improve health care for all Washingtonians
- *Expanding choices, improving care, empowering consumers*



# Some Areas of Focus

- Primary Care
- Shared Decision Making
- Hepatitis C Elimination
- Public Option/Cascade Care

# Primary Care

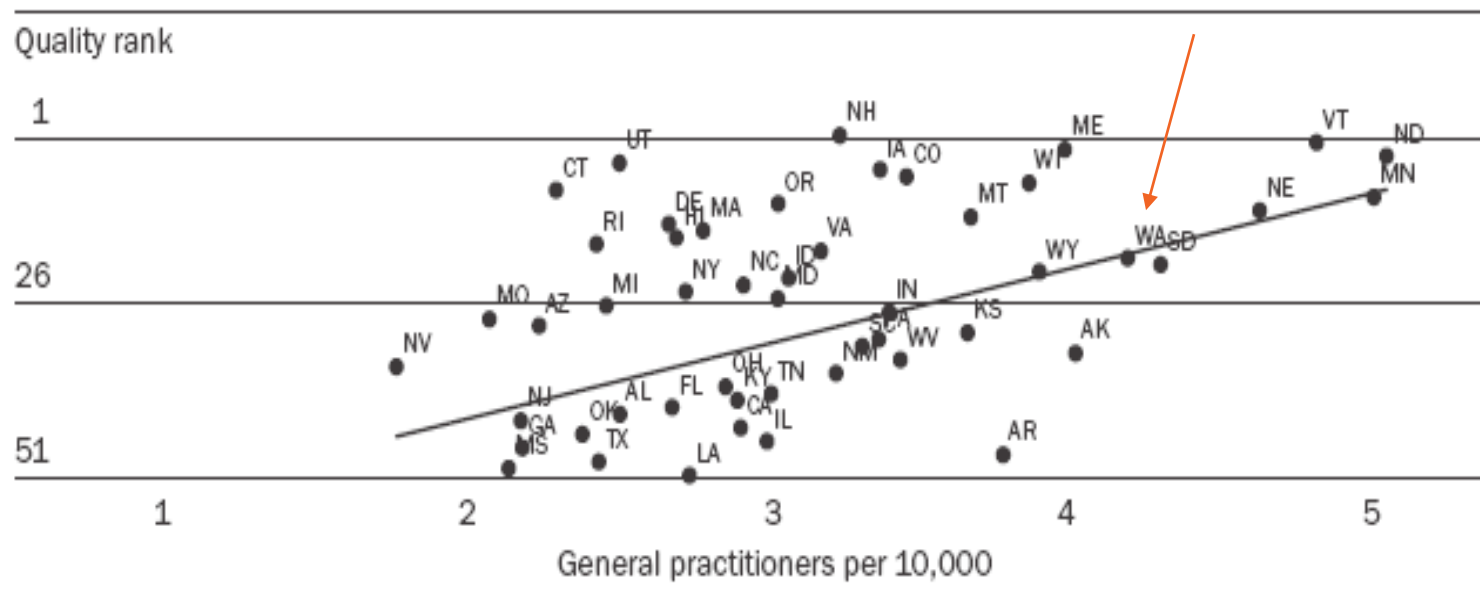
# Primary Care: What should it look like?

- “Primary Care Medical Home” (PCMH) and similar models
- Whole-person approach, first contact for all needs
- “Quarterback” directing and coordinating care, communicating with specialists if needed (not a “gatekeeper”)
- Prevention and health maintenance, chronic disease management, acute care management
- Proactive, team-based approach to care

# Primary Care Associated with Higher Quality...

## EXHIBIT 8

### Relationship Between Provider Workforce And Quality: General Practitioners Per 10,000 And Quality Rank In 2000



**SOURCES:** Medicare claims data; and Area Resource File, 2003.

**NOTES:** For quality ranking, smaller values equal higher quality. Total physicians held constant.

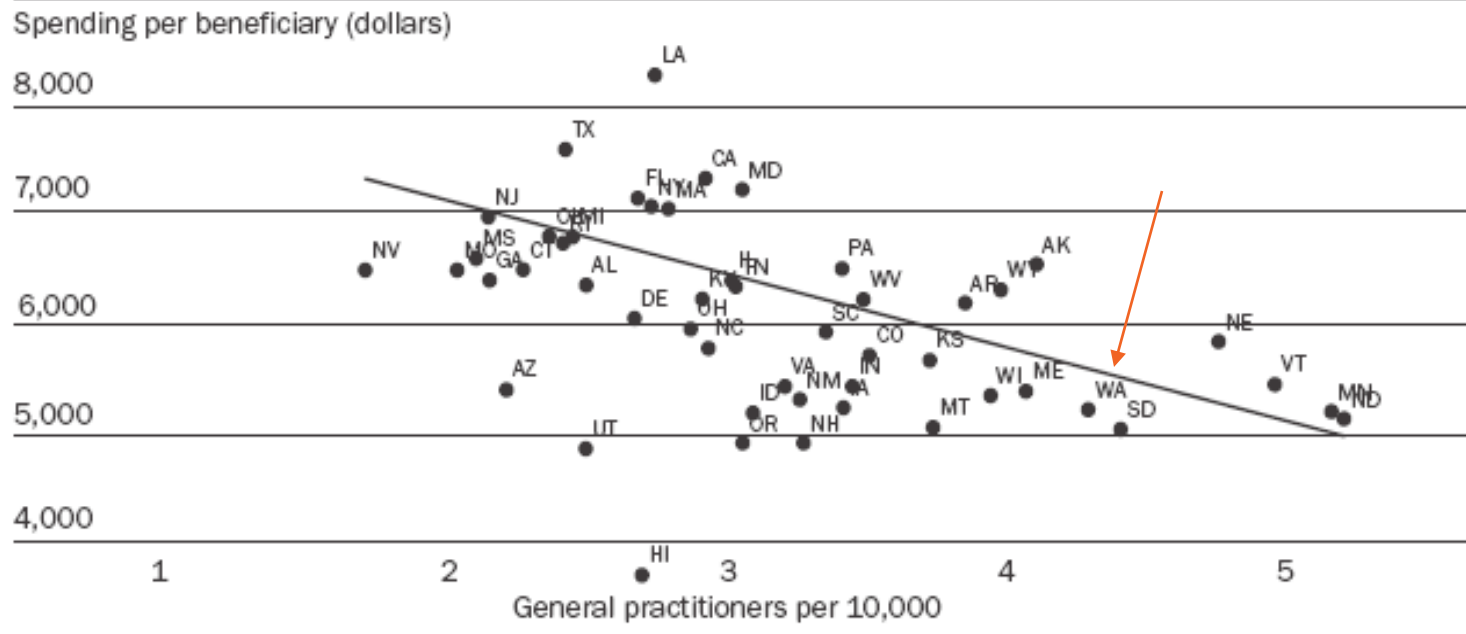
Source: Baicker & Chandra, Health Affairs, April 7, 2004

Slides in this section adapted from Chris Koller, Milbank Fund, and from Lisa M. Letourneau's presentation at Richard Engel Primary Care Symposium, 3/2019

# ...And Lower Costs

## EXHIBIT 9

### Relationship Between Provider Workforce And Medicare Spending: General Practitioners Per 10,000 And Spending Per Beneficiary In 2000



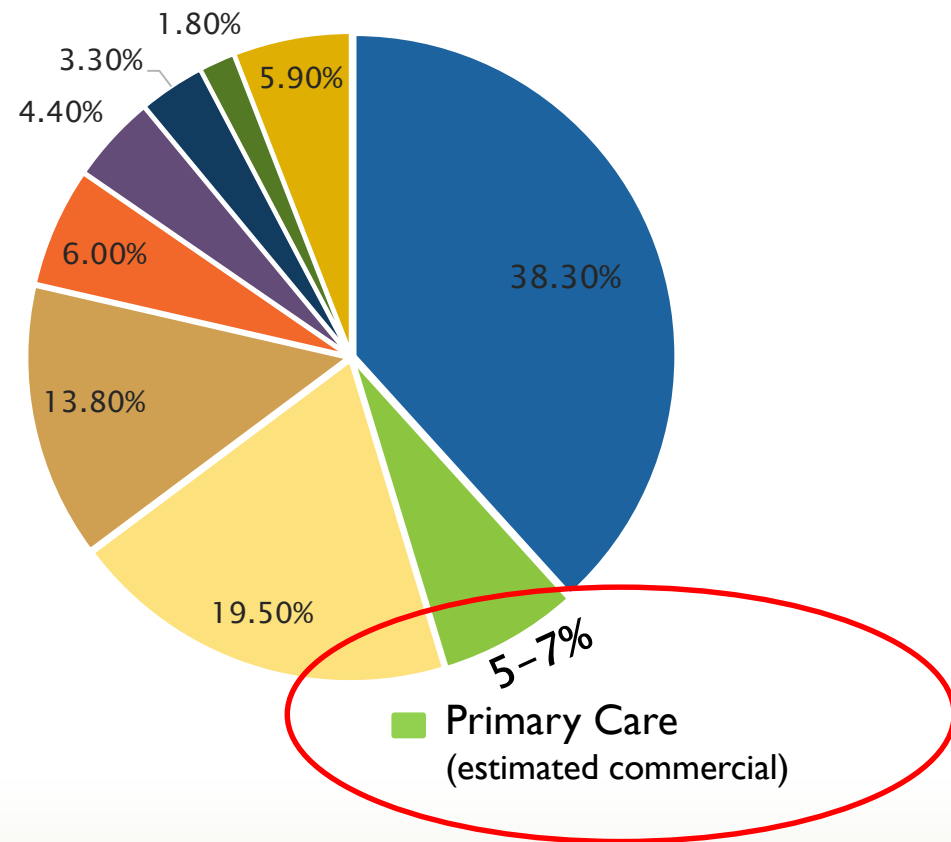
**SOURCES:** Medicare claims data; and Area Resource File, 2003.

**NOTE:** Total physicians held constant.

Source: Baicker & Chandra, Health Affairs, April 7, 2004

# But... A Fundamental Disconnect

- Hospital Care
- All Other Physician and Professional Services
- Prescription Drugs and Other Medical Nondurables
- Nursing Home Care
- Dental Services
- Home Health Care
- Medical Durables
- Other Health, Residential, and Personal Care



# Why Focus on Primary Care Investment?

1. Supported by evidence
2. Number and implications easily understood, supported by patients/public
3. Non-partisan approach
4. Communicates misplaced social priorities and builds consensus on societally-oriented goals
5. Potential “gateway” policy to more attention to social services investing

# Other States' Efforts: The Rhode Island Experience

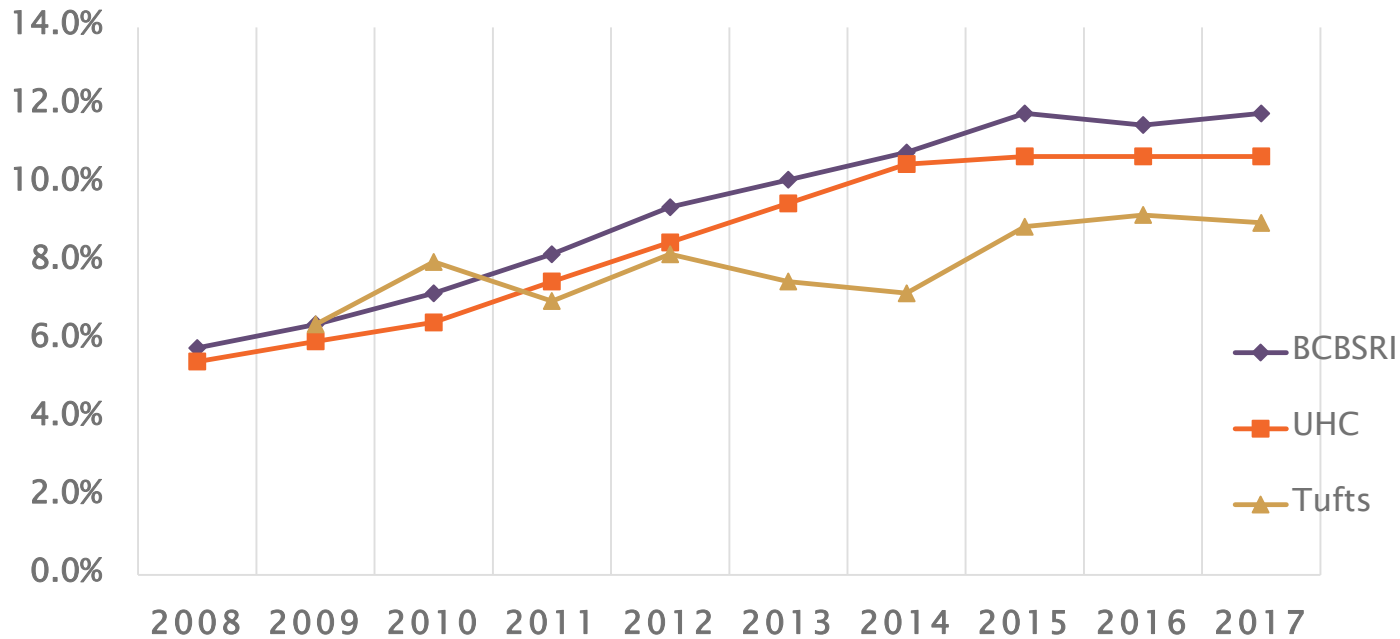
2010: RI Office Health Insurance Commissioner:

1. Required commercial health plans to invest in primary care, raise primary care spending by 1%/yr for 5 yrs
  - New payments had to be made through non-FFS payments
  - Could not increase overall health care spending
2. Promoted multi-payer primary care efforts
3. Invested in health information technology
4. Implemented Value-Based Payment models with caps on hospital rate increases



# RI Requirements Increased Primary Care Spending

RI primary care payments by commercial insurers on primary care increased from \$47M/yr to \$73M/yr over 7yrs

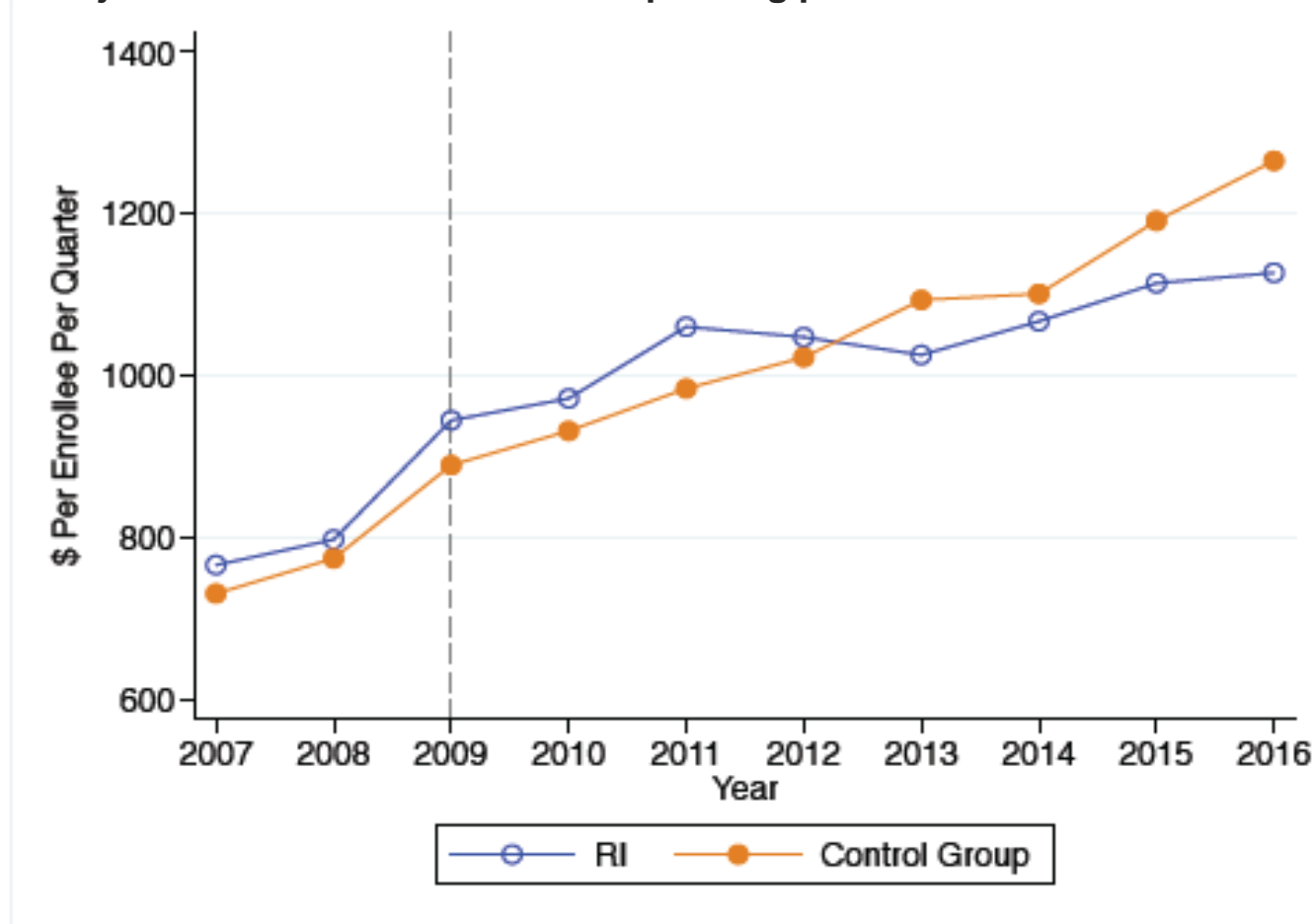


**Primary Care Spending as Percent of Total Medical Spending Insurer (2008-2017)**  
(Self-insured plan payments not captured)

Source: Office of the Health Insurance Commissioner, State of Rhode Island

# RI's Efforts Bent the Total Cost Curve

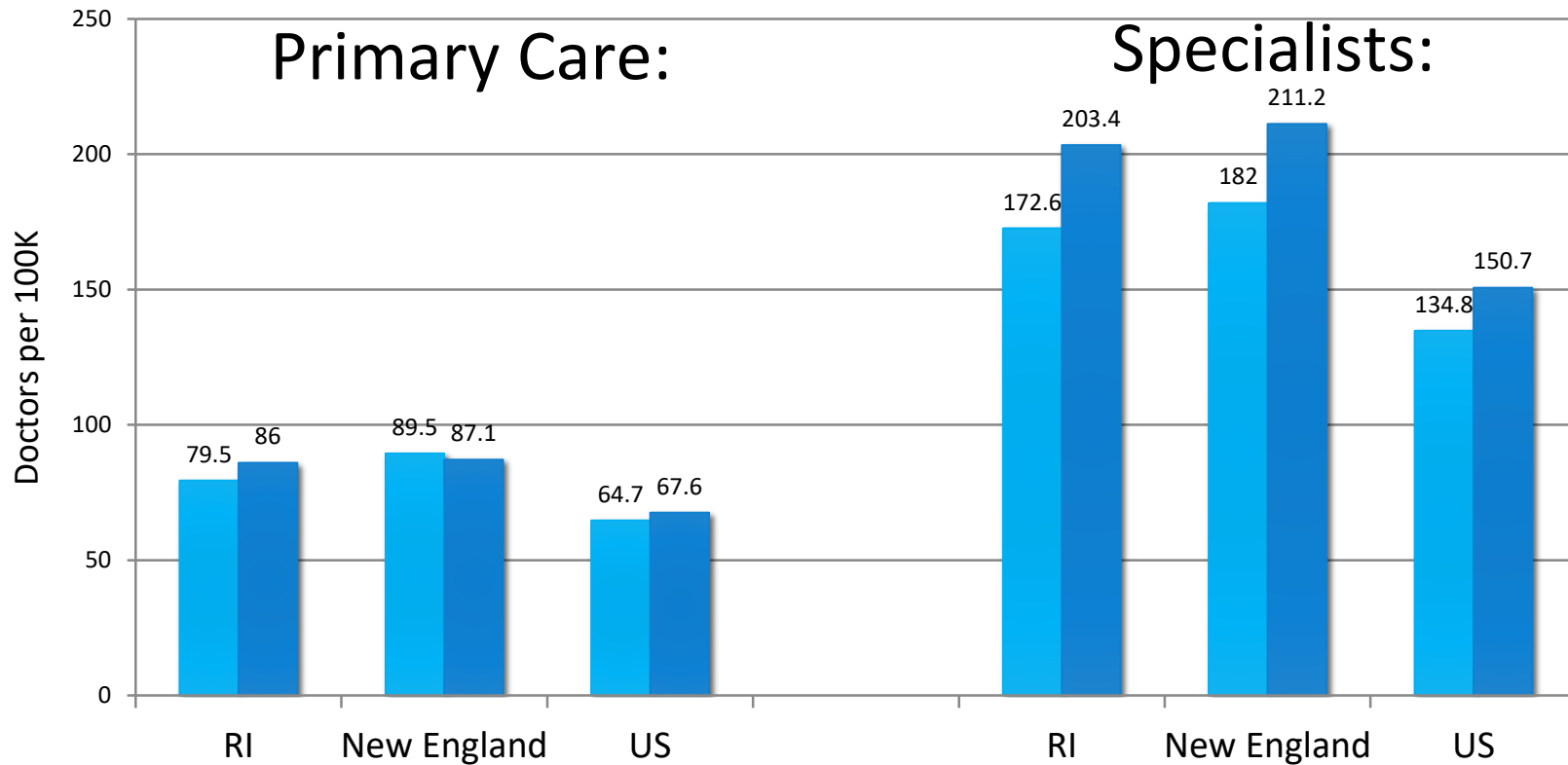
Risk Adjusted Commercial Insurance Spending per Enrollees in Rhode Island vs. Matched Control



Spill Over Effects? Per CMS Actuary, across all payers, RI went from 4th to 9<sup>th</sup> most expensive state for health care (2009 to 2014)

Source: Landon et al, Academy Health Annual Research Meeting, 2018

# And... RI Saw Increased Primary Care Supply (and no "Specialty Flight")



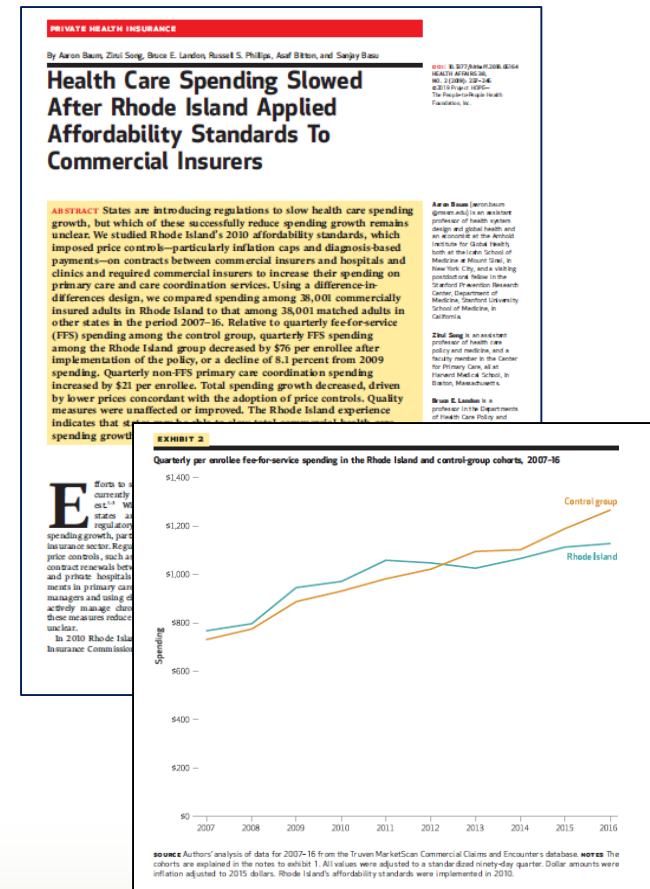
Notes: MDs only; Primary Care: FP, Peds, IM;  
Sources: AMA Licensure and Census.Gov

2005  
2015

# Significant Long-Term Impact of RI Strategy

- Analyzed trends in health care commercial plan spending in RI compared to other states over 10yr period
- Saw \$21pmpm\* increase in non-FFS payments to primary care
- \$76pmpm (8%) decrease in overall health care spending

\*pmpm = per member per month



# Challenges in Primary Care

- Workforce: Longer hours for lower pay, more stress than many specialties
- Not enough time to spend with patients
- Inadequate funding to staff primary care team
- Positive changes in health reform (quality measurement/improvement, cost containment, increased out-of-office contact) have often landed on the shoulders of primary care without compensation

# Primary Care Washington and HCA Efforts

- Measuring how much is spent on primary care
  - Office of Financial Management 2019
  - Reporting requirements in HCA contracts
  - Future directions: Possible legislation to require spending levels
- Bree Collaborative
  - Workgroup on Primary Care in 2020
  - May address primary care spend and other issues
  - Chaired by Judy Zerzan, MD, HCA CMO

# WA State Primary Care Program

- HCA is working with primary care and health plan stakeholders to develop a Washington primary care model
- WA Primary Care program may include a new payment model, workforce changes, health IT strategy, accreditation
- HCA has been convening primary care providers and stakeholders since early 2019; additional meetings scheduled through mid 2020

# Shared Decision Making



# What is Shared Decision Making?

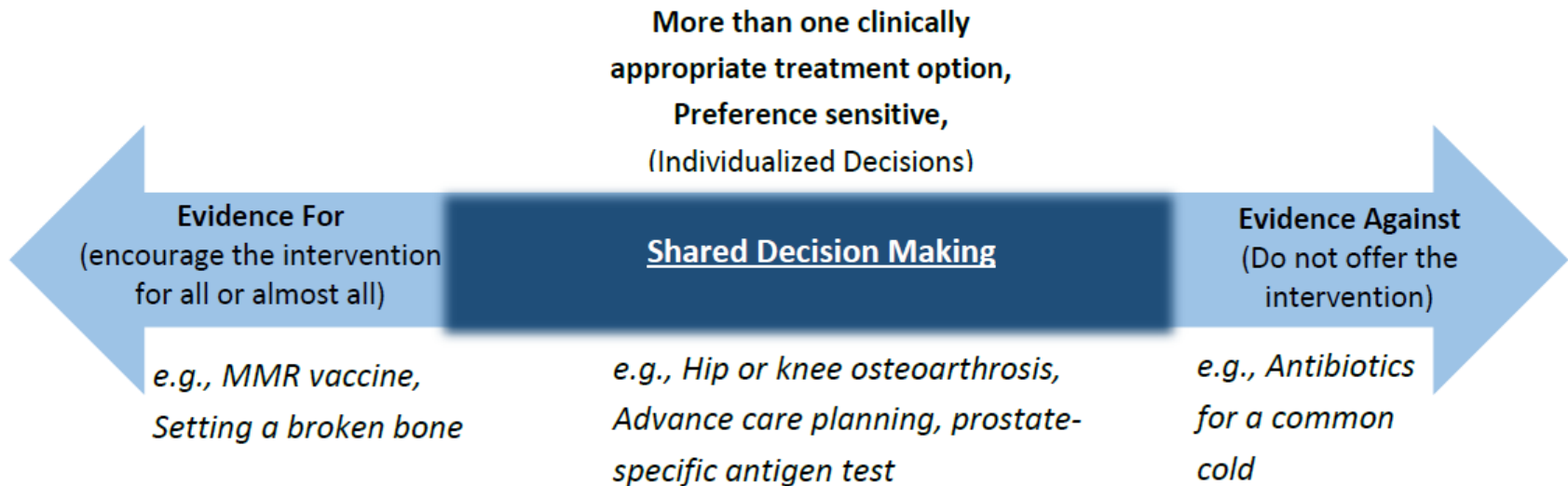
A process in which clinicians and patients work together to make decisions and select tests, treatments and care plans based on clinical evidence that balances risks and expected outcomes with patient preferences and values.

- National Learning Consortium  
HealthIT.gov, 2013

# Don't providers already do this?

- At first glance, most providers say “Yes”
- Good shared decision making (SDM) involves specific skills
  - Reviewing all appropriate options, including risks and benefits
  - Eliciting values
  - Helping the patient think about the implications of the choice in light of their options
  - Sharing control with the patient

# What *is/isn't* Shared Decision Making?



# History of Shared Decision Making in Washington

- In the early 2000s, Jack Wennberg, MD of Dartmouth, presented to the Legislature and Governor on clinical variation across regions of the state
- Response was legislation to support SDM, with goal of reducing variation without restricting choice
- Goal was appropriate utilization based on patient preferences, rather than decreased utilization
  - Evidence suggests SDM decreases overutilization, but also helps correct underutilization

# Health Care Authority role in SDM

- Certification of Patient Decision Aids (PDAs)
  - Tools to educate patients and elucidate values
- Promotion of SDM and PDA use in HCA's role as purchaser (Medicaid, PEBB, SEBB)
- Providing training and support to providers
- Convening statewide discussion around spread and sustainability

# Bree SDM Workgroup 2019

- Focus on increasing implementation of SDM statewide
- Endorsed frameworks for provider implementation
- Defined roles for different stakeholders
  - Providers, patients/community, health plans, employers, etc.
- Identified high-priority clinical focus areas

# Bree SDM: Areas of Focus

- Surgical/Procedural:
  - Knee and Hip Osteoarthritis\*
  - Spine Surgery\*
  - Abnormal Uterine Bleeding
  - Trial of Labor After Cesarean Section\*
- Advance Care Planning\*
- Screening:
  - Prostate Specific Antigen Testing
  - Breast Cancer Screening
  - Colon Cancer Screening
- Behavioral health:
  - Depression Treatment
  - Attention Deficit Hyperactivity Disorder Treatment
  - Opioid Use Disorder Treatment

\*HCA certified PDAs available

# Shared Decision Making

- Next steps/future efforts
  - Summit Spring 2020
  - Future contract requirements
  - Support for implementation efforts



# Other Updates

- Hepatitis C Elimination
- Bree Collaborative
- Cascade Care

# Hepatitis C Elimination

# Hepatitis C Elimination

- Per Governor's Directive 18-13, HCA is working with the Department of Health and others to eliminate Hepatitis C in Washington by 2030

## Hepatitis C Elimination (*cont.*)

- AbbVie contract in place for Mavyret (Hep C drug)
  - Rate provisions include Moda (PEBB and SEBB) as well as Medicaid
  - May include fully insured plans going forward
- Prior authorization requirements reduced/removed
- SmartHealth tiles added
- DOH is ramping up statewide education/outreach efforts

# Bree Collaborative

# Bree Collaborative Update

- 2019 Recommendations:
  - Shared Decision Making
  - Palliative Care
  - Maternity Care Bundle\*
  - Risk of Violence to Others\*
  - Opioid Prescribing\*
- 2020 Topics:
  - Primary Care
  - Colon cancer screening
  - Oncology treatment and inpatient care
  - Reproductive health

\* Not yet finalized

# Cascade Care/Public Option

# Cascade Care (Senate Bill 5526) Three Main Parts

1. Standard Plans: Goal to make care more accessible by lowering deductibles, making cost-sharing more transparent, and providing more services before the deductible.
2. Public Option Plans: Goal to make more affordable (lower premium) options available across the state, that also include additional quality and value requirements.
3. Subsidy Study: Goal to develop and submit a plan for implementing premium subsidies through Exchange for individuals up to 500% FPL (study due to Legislature by November 15, 2020)



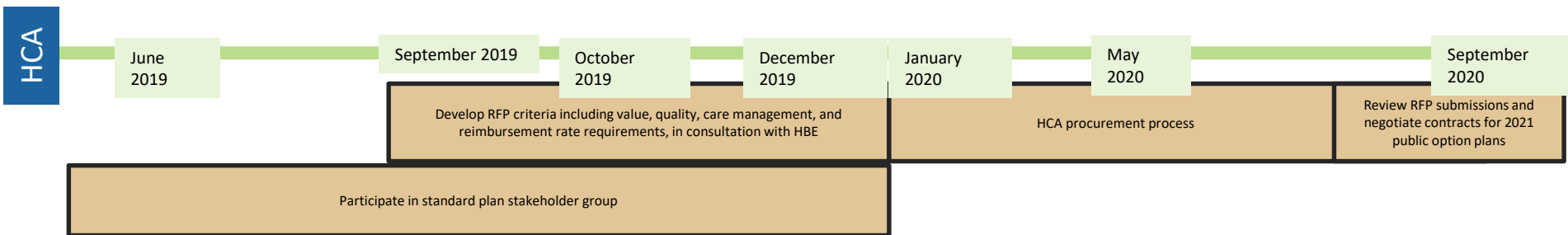
# Multi-agency Joint Effort

Health Care Authority, Health Benefit Exchange, and the Office of the Insurance Commissioner

- Interdependent parts of the development, different phases of work
- Joint workgroup, multiple sub-groups, and multiple stakeholder groups



# Cascade Care Implementation Timeline



# Quality, Value, and Affordability Standards for Cascade Care

- Affordability opportunity - Legislation outlines reimbursement caps and floors for health carrier payments to providers:
  - Cap set at aggregate of 160% of Medicare
  - Floors set such that primary care physicians may not be paid less than 135% of Medicare, and rural critical access hospitals or sole community hospitals not less than 101% of Medicare (allowable costs)
- Quality and value participation requirements:
  - Must incorporate recommendations of the Robert Bree Collaborative and health technology assessment program
  - Additional requirements that align to state agency value-based purchasing (VBP), focus on maintaining and improving health

# Guiding Principles for Program Development

- Strive to increase affordability and value, while aligning with state purchasing standards
- Success is dependent on carrier and provider participation; administrative barriers to participation should be minimized
- Program development and refinement will be a continual process; initial development will lay the groundwork for phasing in additional requirements/standards

# Questions?

Emily Transue, MD, MHA, FACP

Associate Medical Director

[emily.transue@hca.wa.gov](mailto:emily.transue@hca.wa.gov)

**TAB 4**



# Behavioral Health Panel

Marcia Peterson, Moderator  
Benefits Strategy and Design Section  
Employees and Retirees Benefits Division  
January 30, 2020



**Keri Waterland, Ph.D., MAOB**  
**Assistant Director**  
**Division of Behavioral Health and Recovery**

Keri Waterland started working for the state ten years ago as an intern at Western State Hospital, and started her newest role at the Washington State Health Care Authority as the Assistant Director of the Division of Behavioral Health and Recovery on May 1, 2019. Prior to that, she was with the Washington State Senate for two legislative sessions working with the Human Services, Reentry and Rehabilitation Committee. Prior to her work with the Senate, Keri served in a variety of clinical and executive administrator positions with the Department of Social and Health Services, and the Department of Corrections. Keri holds a Doctorate in Forensic Psychology with an emphasis in public policy and law, as well as Master's degrees in Counseling, Forensic Psychology, and Organizational Behavior.





**Charissa Fotinos, M.D.  
Deputy Chief Medical Officer  
Washington State Health Care Authority**

Dr. Charissa Fotinos is the Deputy Chief Medical Officer and Director of Behavioral Health Integration at Washington State's Health Care Authority. In this position, she provides support to both the Health Care Authority and the Department of Social and Health Services in support of the Apple Health/Medicaid programs. Her primary focus at this time is on improving access to and the care of persons with substance use and mental health disorders.

Dr. Fotinos has focused her career on providing care to and improving the systems of care for underserved populations. She has helped to develop mobile medical programs to deliver health care to persons living homeless and has spent a number of years providing care in the field for persons living homeless.

Prior to her current position, Dr. Fotinos was the Chief Medical Officer for Public Health Seattle-King County.

Dr. Fotinos is board certified in Family and Addiction Medicine. Before joining Seattle-King County, she was a physician-faculty member at the Providence Family Medicine Residency in Seattle, Washington.

She holds a Master of Science degree in evidence-based health care from Oxford University, Kellogg College, in England, and is a Clinical Associate Professor at the University of Washington in the Department of Family Medicine.



**Michael Garrett, MS, CCM, CVE, NCP, BCPA**

**Michael Garrett, MS, CCM, CVE, NCP, BCPA** has more than 30 years of experience in case and utilization management, healthcare quality, and population health management services. His experience includes developing and implementing new care delivery models and care transformation initiatives, such as patient centered medical homes and accountable care organizations. He currently works as a Principal for Mercer, a global consulting firm helping clients advance the health, wealth, and careers of their workforce. Michael has experience working in a range of benefit programs, including self-funded health plans, workers' compensation, Medicaid, government employee plans, and long-term disability. He has served as an author, editor, and contributor on six case/care management books, as well as the author of numerous journal articles in the field. He holds a Bachelor of Arts in psychology from Gonzaga University and a Master of Science in clinical psychology from the University of Idaho. He is a certified case manager, certified vocational evaluator, nationally certified psychologist, and a board certified patient advocate.



**Dustin Howard, LMHC, MBA**

Dustin Howard is the Program Director of Behavioral Health for Regence Health Plans, driving the overall behavioral health strategy in Washington, Oregon, Idaho, and Utah in collaboration with Behavioral Health Medical Director Dr. Jim Polo. Dustin also oversees behavioral health clinical programs including utilization management and case management. Dustin holds a Master's degree in Counseling, Master of Business Administration, and a Master of Health Systems Management. Dustin brings 15 years' experience in behavioral health and social services, nine of those in health plan behavioral health programs. A Texan by birth, but Washingtonian by choice, Dustin enjoys spending his free time exploring the many hiking and nature opportunities in our beautiful state.



**Alicia Eng, RN, MBA, MHO**

Alicia.T.Eng@kp.org

Alicia Eng is the Vice President of Clinical Operations for the Western Washington at Kaiser Permanente of Washington. She is responsible for clinical operations in the Group Practice for Primary Care, Mental Health and Wellness, Women's Health and retail clinics.

Prior to this role, Alicia was the Executive Director for Primary Care Services, as well as operational leader in the design and implementation of the Patient Centered Medical Home at Group Health. She is a Registered Nurse by background and holds a Master's in Health Administration, as well as a Master's in Business Administration.


Prior to her current role, Alicia was the Regional Director of Clinical Operations for East King and Executive Director for Primary Care Services. She was a key operational leader in the design and implementation of the Patient Centered Medical Home at Group Health, now KP Washington. She is a Registered Nurse by background and holds a Master's in Health Administration, as well as a Master's in Business Administration.

**TAB 5**



# 2020 PEBB Program Open Enrollment Summary

Renee Bourbeau, Manager  
Benefits Strategy and Design Section  
Employees and Retirees Benefits Division  
January 30, 2020



# Open Enrollment

- Subscribers could log in until 11:59 p.m. on November 30
  - All open enrollment changes were accepted via PEBB My Account until that time
  - No technical difficulties with PEBB My Account server
- HCA staff reviewed envelopes for postmark dates:
  - If the date was postmarked by November 30, documents were “date stamped” with that date
  - Documents postmarked or received after the November 30 date were stamped with the actual date they were received


# Open Enrollment Engagement

## Benefits Fairs and *Messaging*

- 21 benefits fairs conducted across the state
  - 7 benefits fairs in Eastern Washington
  - 14 benefits fairs in Western Washington
- Approximately 2,200 attendees at these fairs
- Health plans and vendors participated
- Five GovDelivery email messages distributed to employees' personnel, payroll, and benefits offices at Open Enrollment

## PEBB My Account

- Access from **[www.hca.wa.gov/my-account](http://www.hca.wa.gov/my-account)**
- Use of PEBB My Account for open enrollment change rather than paper form
- For 2018: 86.4% changes made online out of 10,811 plan changes
- For 2019: 86.1% changes made online out of 8,187 plan changes
- For 2020: 82.3% changes made online out of 4,910



[PEBB Home](#)   [About HCA](#)   [Contact PEBB](#)   [Login](#)

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### PEBB/My Account login

Log into My Account to view your coverage and premium surcharge information, get your statement of insurance, and make open enrollment changes. To learn more about working with My Account, visit our [Help with My Account](#) webpage.

#### Returning member login

Email Address

Password

[Log into My Account](#)

[Forgot Email?](#) [Forgot Password?](#)

New to My Account? [Register now](#)

#### Actions you can take using My Account year-round

- View your medical and dental coverage information
- View your basic employer-paid life and AD&D insurance information (employees only)
- View your long-term disability insurance information (employees only)
- Download your statement of insurance
- View your premium surcharge attestations (if applicable)
- Make changes to your tobacco use premium surcharge attestation (if applicable)

#### Actions you can take during open enrollment (November 1-30) (some restrictions may apply)

- Make changes to your medical and dental coverage
- Attest to the spouse or state-registered domestic partner coverage premium surcharge
- Remove medical and/or dental for dependents
- Waive coverage for yourself (employees only)



# Open Enrollment Engagement

## E-Subscription

- 2015: 22% subscribers signed up (42,781 subscribers/out of 193,188)
- 2016: 28% subscribers signed up (55,785 subscribers/out of 199,068)
- 2017: 29% subscribers signed up (58,862 subscribers/out of 203,851)
- 2018: 32% subscribers signed up (66,939 subscribers/out of 208,856)
- 2019: 29% subscribers signed up (68,516 subscribers/out of 232,957)

# Changes Effective 1/1/2020

- Premera Blue Cross (PBC) Plan Medicare Supplement Plan F is closed to new enrollment
- PBC Medicare Supplement Plan G is offered as a new PEBB medical plan:
  - Only PEBB Medicare Supplement plan available for members enrolling on or after January 1, 2020
  - Only benefit difference between Plan F and Plan G is that Plan G does not cover the Medicare Part B deductible
- 14 new Employer Groups joined PEBB benefits
  - Six groups withdrew or reduced participation in PEBB Benefits
- 3,000 employees of NW Hospital and UW Physicians now covered by PEBB
- K-12 employees enrolled in PEBB benefits transitioned to SEBB benefits

# Changes effective 1/1/20 (*cont.*)

## UMP Plus – Spokane County:

- MultiCare exited UMP Plus – Puget Sound High Value Network (PSHVN) and became an exclusive partner with UMP Plus – UW Medicine Accountable Care Network (ACN)
- Change impacted 1,200 members
- MultiCare is the major UMP Plus – UW Medicine ACN provider group in Spokane County

# Changes effective 1/1/2020: UMP Plus Outreach Efforts

## August:

- HCA mailed a targeted letter to subscribers in Spokane County notifying them of the UMP Plus change in the Puget Sound High Value Network (PSHVN)
- Sent a GovDelivery message to agencies to alert their employees

## September:

- Regence added information on their Provider Search tool regarding the provider network changes for 2020

## October:

- MultiCare sent a targeted letter to subscribers about network change
- *For Your Benefit* Newsletter included information
- HCA held a webinar
- HCA added a targeted message in PEBB My Account for Spokane County subscribers in UMP Plus - PSHVN

## Change Effective 1/1/2020: UMP Plus Outreach Efforts (*cont.*)

### November:

- PEBB Program Benefits Fairs in Cheney and Spokane included presentations on UMP Plus and the MultiCare network change
- Second webinar conducted
- Mid-November: HCA made 413 targeted calls to subscribers in UMP Plus - PSHVN in Spokane County who had not yet made a plan change

### December:

- 293 enrollees actively made a health plan change to UMP Plus – UW Medicine ACN

## PEBB Program Enrollment Changes 2019 - 2020

### Employees and Non-Medicare Retirees

Carrier	2019	2020	Change	% Change	% of Total
Kaiser NW CDHP	556	570	14	2.5%	0.2%
Kaiser NW Classic	3,341	3,302	(39)	-1.2%	1.1%
Kaiser WA CDHP	5,167	4,927	(240)	-4.6%	1.7%
Kaiser WA Classic	26,014	25,089	(925)	-3.6%	8.7%
Kaiser WA Sound Choice	6,012	7,332	1,320	22.0%	2.5%
Kaiser WA Value	39,085	36,881	(2,204)	-5.6%	12.8%
UMP Plus–Puget Sound High Value Network	10,741	8,260	(2,481)	-23.1%	2.9%
UMP Plus–UW Medicine Accountable Care Network	20,631	22,841	2,210	10.7%	7.9%
Uniform Medical Plan CDHP	21,130	22,271	1,141	5.4%	7.7%
Uniform Medical Plan Classic	152,963	157,618	4,655	3.0%	54.5%
<b>Total Members</b>	<b>285,640</b>	<b>289,091</b>	<b>3,451</b>	<b>1.2%</b>	<b>100.0%</b>

### Medicare Retirees

Carrier	2019	2020	Change	% Change	% of Total
Kaiser NW Classic	2,536	2,535	(1)	0.0%	2.5%
Kaiser WA Classic	451	397	(54)	-12.0%	0.4%
Kaiser WA Medicare	23,962	23,932	(30)	-0.1%	24.0%
Kaiser WA Value	385	337	(48)	-12.5%	0.3%
Premera Blue Cross Medicare Supplement Plan F	16,993	17,540	547	3.2%	17.6%
Premera Blue Cross Medicare Supplement Plan G	N/A	363	363	N/A	0.4%
Uniform Medical Plan Classic	54,941	54,706	(235)	-0.4%	54.8%
<b>Total Members</b>	<b>99,268</b>	<b>99,810</b>	<b>542</b>	<b>0.5%</b>	<b>100.0%</b>

# Customer Service Strategies

## **Pre-Open Enrollment Activities:**

- Redesigned forms to be more user-friendly and easier to read
- Eliminated backlog in document processing

## **Open Enrollment (November 1-30):**

- Offered an additional self-service online interactive tutorial on completing the Retiree Coverage Election form
- Had 13 fully trained staff available to take calls compared to 7 last year
- Put rolling messages on the main phone menu about Premera Blue Cross Medicare Supplement Plan G

# Yearly Open Enrollment Comparison 1-800 Line and Documents Received

	2017	2018	2019
<b>Calls Received</b>	18,790	8,652	8,581
<b>Calls Answered</b>	4,217	5,325	6,644
<b>Wait Time Average</b>	25 minutes and 15 seconds	24 minutes and 44 seconds	12 minutes and 13 seconds
<b>Callback Feature Utilized by Caller</b>	969	882	1,104
<b>Open Enrollment Forms Received</b>	1,651	1,600	1,146



# Customer Service Improvements Results

Compared to last year:

- Wait time average improved by 12 minutes
- Number of calls answered improved by 17%
- Customer service satisfaction improved by 18%
- Trained staff processed all open enrollment forms in December

# Questions?

Renee Bourbeau, Manager  
Benefits Accounts Section

Employees and Retirees Benefits Division

[Renee.bourbeau@hca.wa.gov](mailto:Renee.bourbeau@hca.wa.gov)



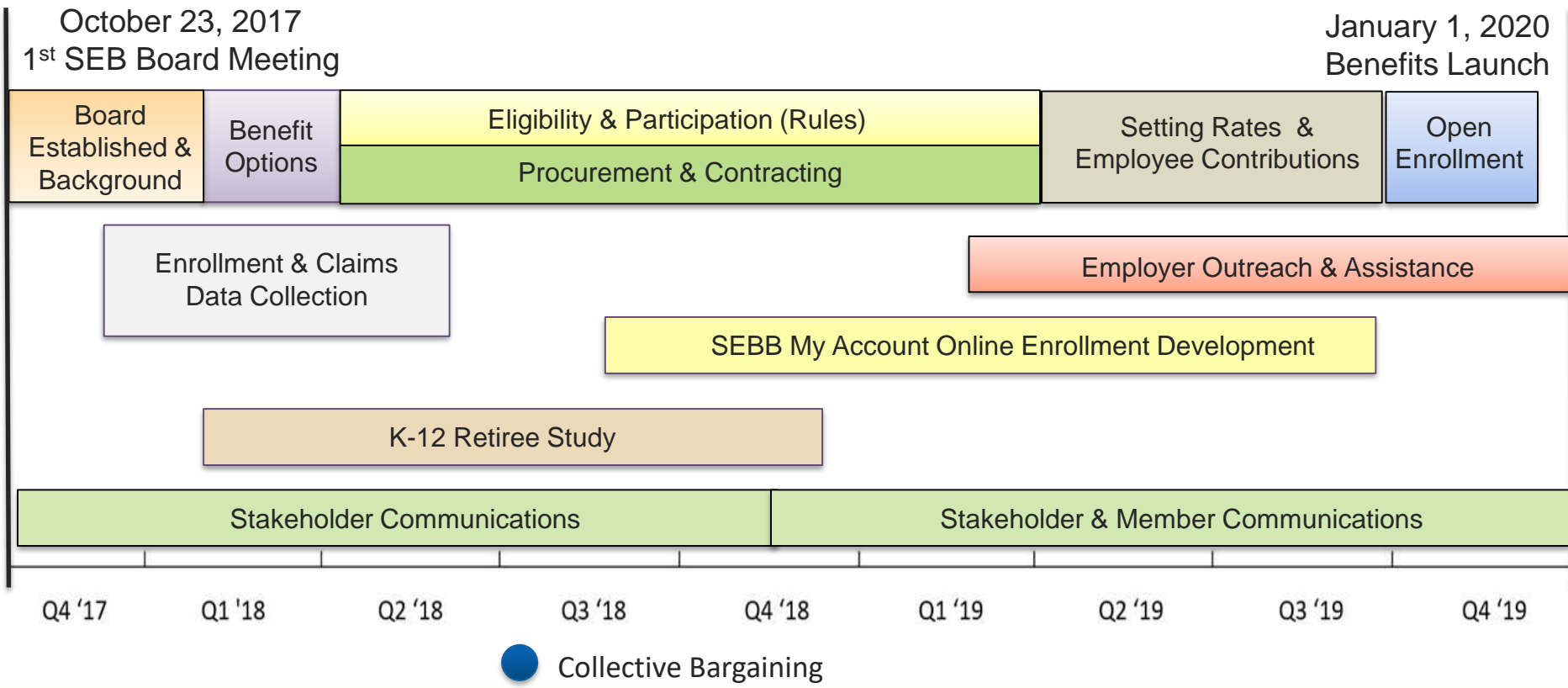
# SEBB Program Update

David M. Iseminger, JD, MPH  
Director, Employees and Retirees Benefits Division  
January 30, 2020

# Background

- Legislative history of school employees' health care benefit consolidation
  - EHB 2242 (2017 session)
  - ESSB 6241 (2018 session)
  - HB 2140 (2019 session)
- Collective bargaining occurred summer 2018
- Program funded at PEBB Program funding rate levels and collective bargaining agreement ratified April 28, 2019
- Open Enrollment occurred October 1 - November 15, 2019
- Administrative start and benefits began for the SEBB Program January 1, 2020

# SEBB Program Launch Key Activities



# Major Program Launch Accomplishments

- 23 SEB Board meetings with action on 68 policy resolutions
  - Established benefit designs for 17 medical plans, 3 dental plans, 3 vision plans, a life, an accidental death and dismemberment, and a long term disability plan
  - Authorized monthly medical plan employee premiums for 2020
- 3 benefit procurements and contract negotiations with 24 vendors
- Ongoing regular stakeholder engagement
- IT systems built, tested, and rolled out
- Open enrollment held

# SEBB Medical Plans: Rates and Premiums Set

- Funding rate established by Legislature
- The PEBB and SEBB employer contributions are bargained separately
- School employee premium insights
  - Subscribers covering only themselves have premium options starting at \$13 a month, depending on the plan service area
  - School employees can cover themselves and multiple eligible dependents from \$39-\$348 a month
    - Prior to the SEBB Program, some school employees could not afford to cover dependents or had monthly premiums of \$1,500-\$2,000 to cover them

# IT Systems Built and Tested

- SEBB My Account - online user friendly enrollment system
  - Build started end of October 2018
  - Benefit Administrator(s) functions went live 9/3/19
  - Member enrollment functions went live 10/1/19

Washington State Health Care Authority  
SCHOOL EMPLOYEES BENEFITS BOARD

SEBB Home About HCA Contact SEBB

## School Employees Benefits Board - Login

Log into SEBB My Account to view your coverage and premium surcharge information, get your statement of insurance, and make changes. To learn more about working with SEBB My Account, visit our [help with SEBB My Account](#) webpage.

**Employee/Subscriber login**

[Log into SEBB My Account](#)

**Admin User?** [Log in here](#)  
Manage SEBB benefits for your organization

**HCA Employee?** [Log in here](#)

**Actions you can take during open enrollment (October 1 - November 15) (some restrictions apply)**

- Enroll in SEBB benefits
- Attest to the spouse or state-registered domestic partner coverage and tobacco premium surcharges
- Waive coverage for yourself (employees only)
- Add dependents (you must provide proof of your dependent's eligibility before they can be enrolled).

**Actions you can take using SEBB My Account year-round**

- View your coverage information (employees and dependents)
  - View your coverage information (Continuation Coverage - January 1, 2020)
- View your basic employer-paid life and AD&D insurance information (employees only)
- View your long-term disability insurance information (employees only)
- Download your statements of insurance
- View your premium surcharge attestations (if applicable)
- Make changes to your tobacco use premium surcharge attestation (if applicable)
- Make changes based on qualifying events specified in the SEBB Program rules

Contact HCA

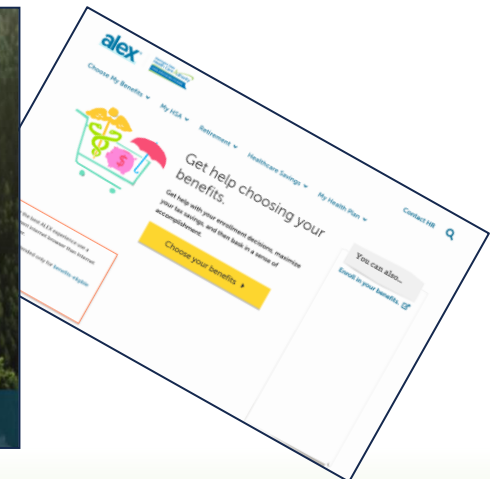
Accessibility Language Access Non-discrimination Privacy practices

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SEBB My Account v.1.0.90901.3



# SEBB Program Open Enrollment

- Initial open enrollment 10/1/2019 – 11/15/2019
- 20 statewide onsite benefits fairs – ~10,000 participants
- Virtual Benefit Fair (VBF) – over 21,500 unique participants
- Benefits advisor (ALEX) – over 137,500 visits
- Benefit Administrator and subscriber training videos online
- Initial Enrollment Guide book



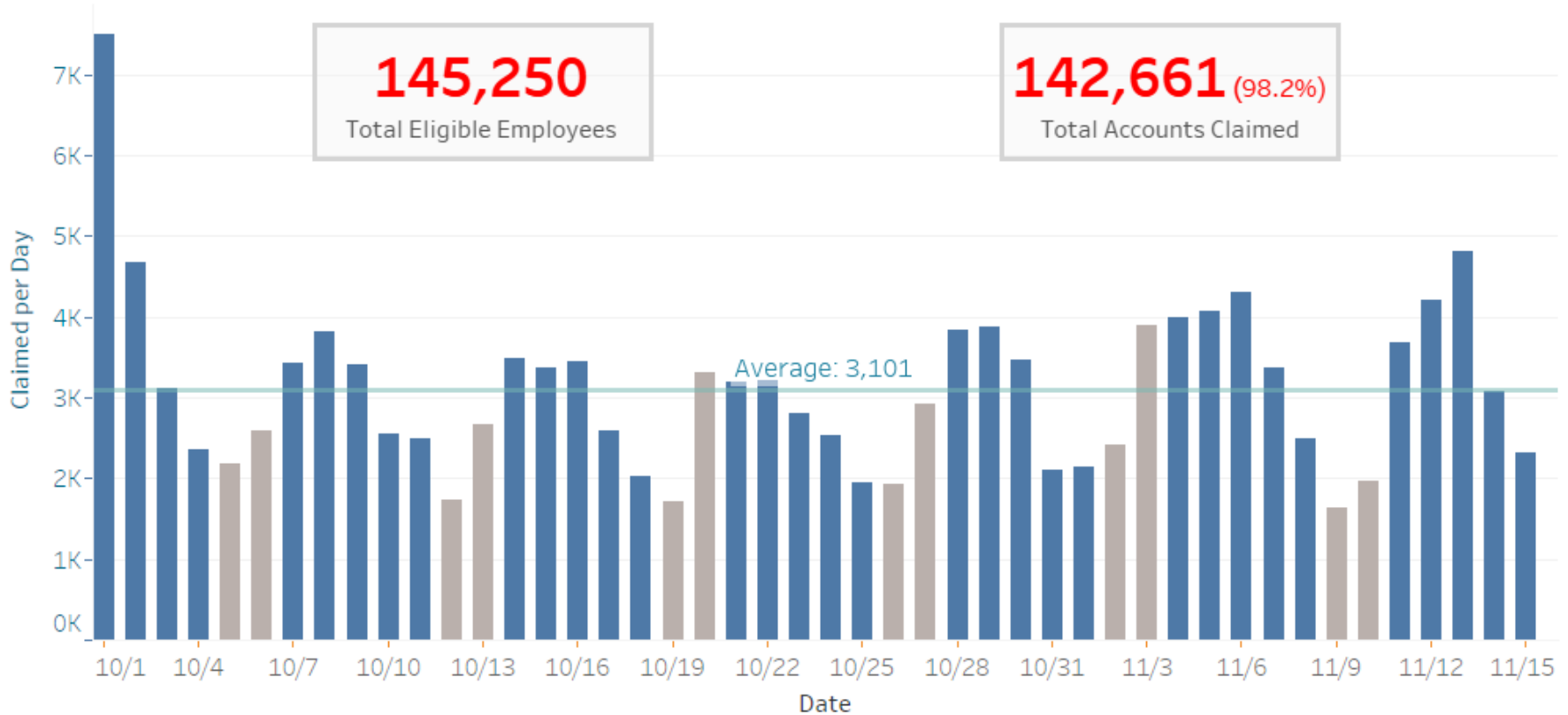
# SEBB Program Open Enrollment Key Results

(approximate)	
<b>146,000</b>	Eligible employees
<b>98%</b>	Enrolled in or affirmatively waived a medical plan
<b>2%</b>	Automatically enrolled in benefits
<b>13%</b>	Employees who waived coverage
<b>183,000</b>	Eligible dependents

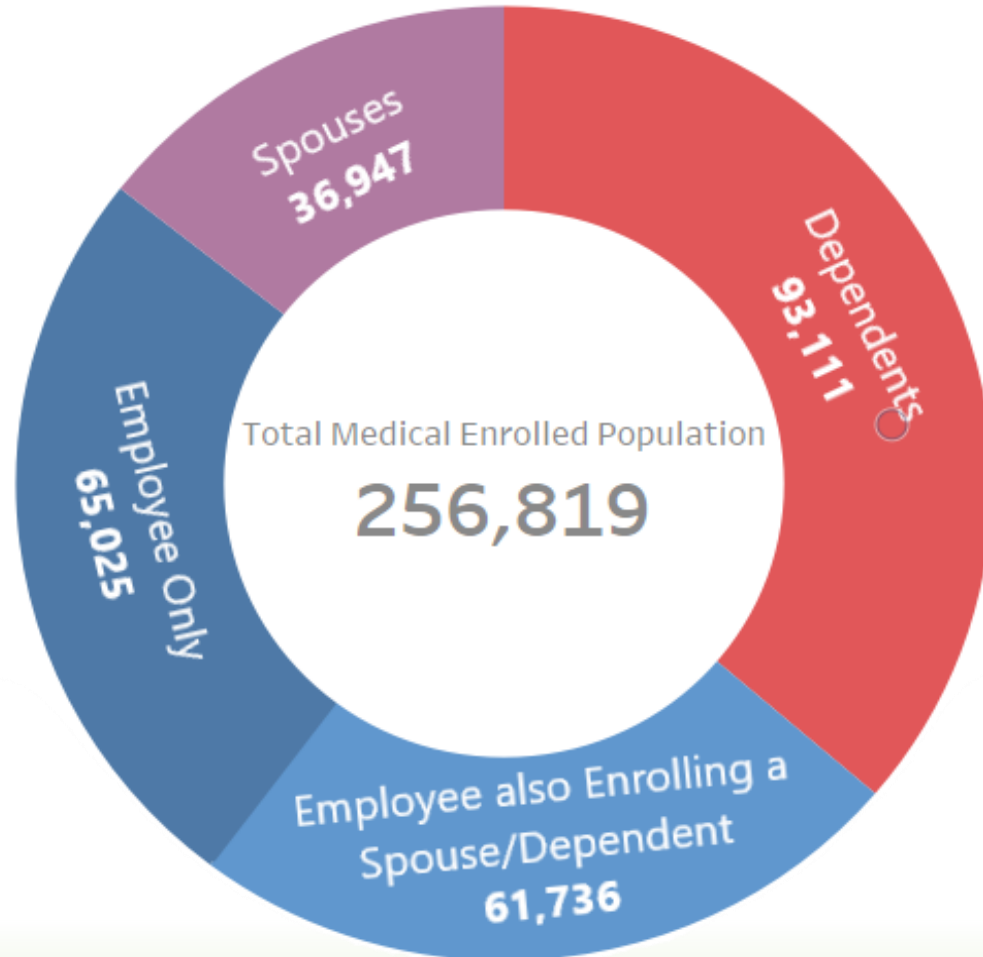
As of January 16, 2020

# SEBB My Accounts Claimed per Day

Accounts Claimed per Day during Open Enrollment

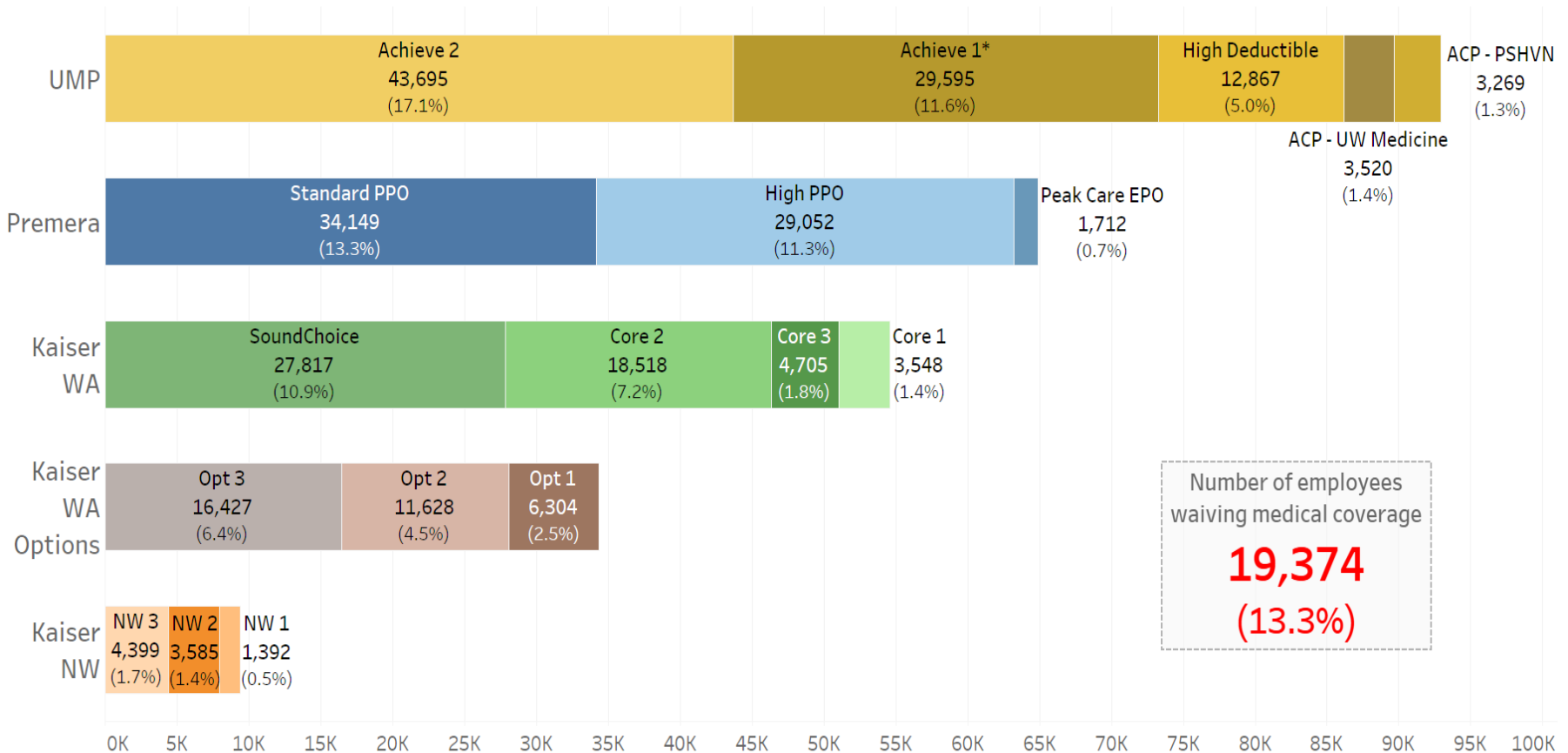


# SEBB Medical Plan Enrollment by Member Type



As of January 16, 2020

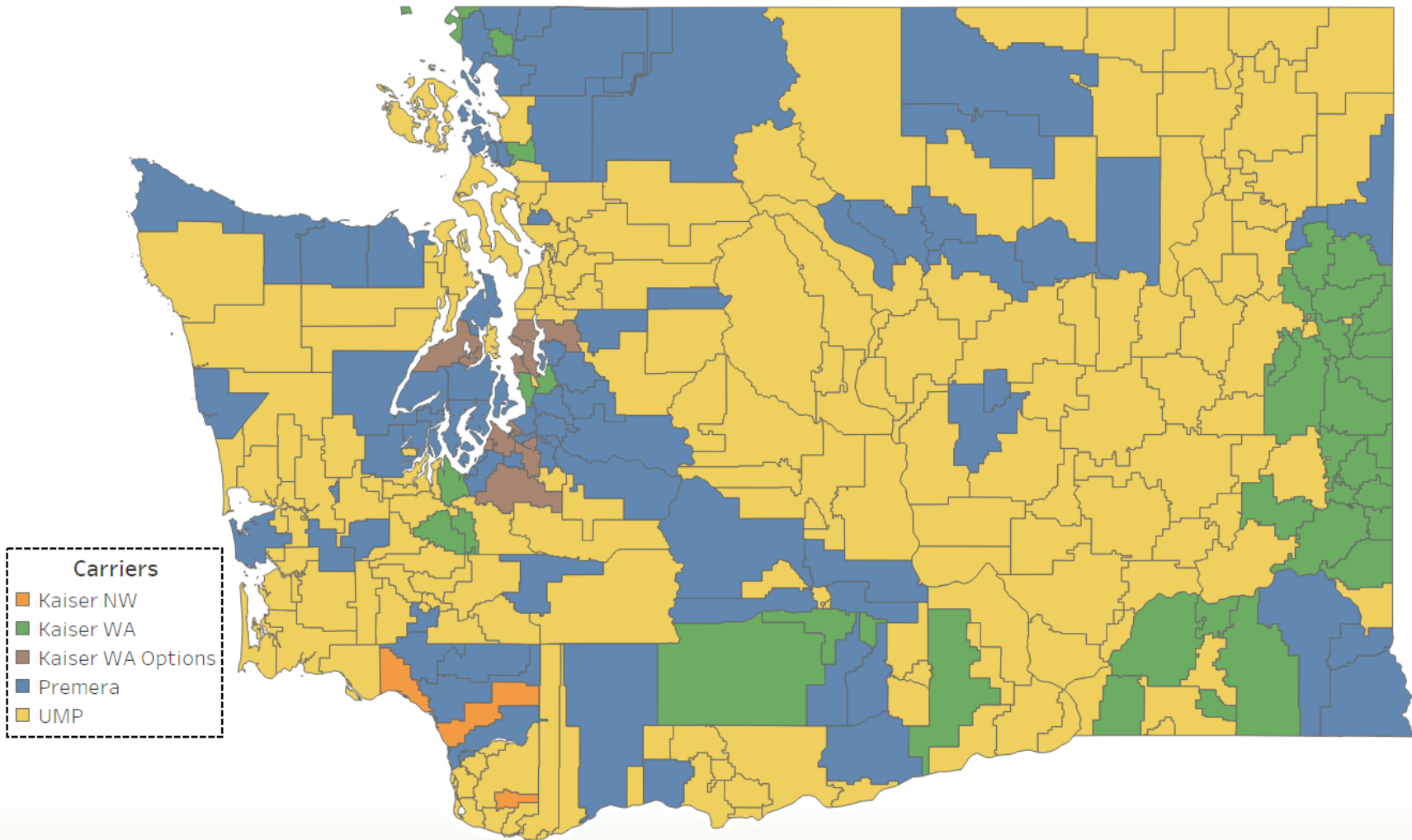
# SEBB Member Enrollment by Medical Plan



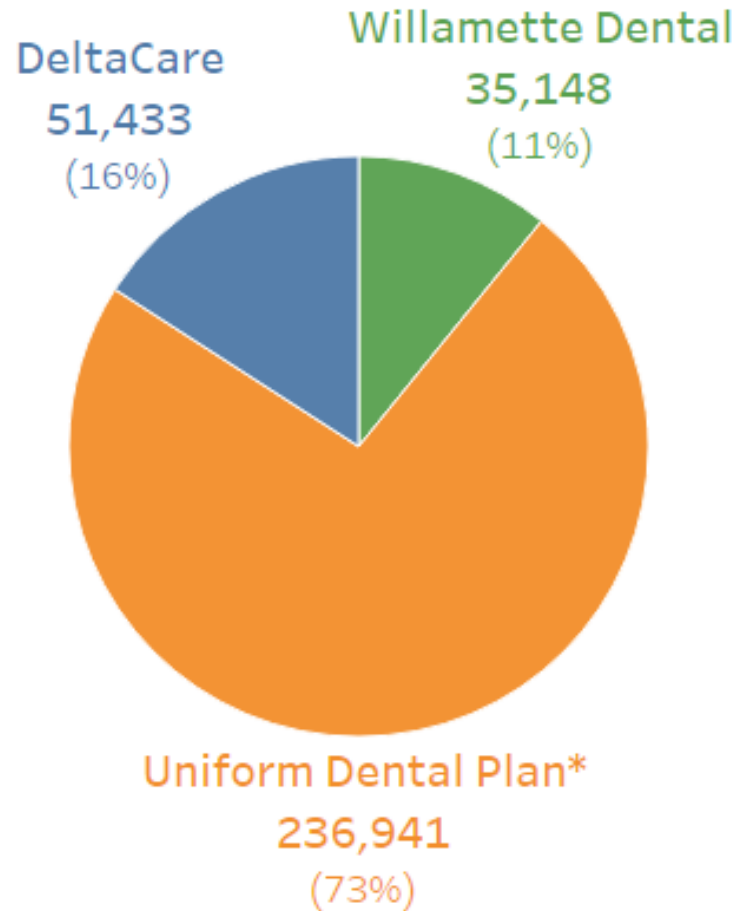
Number of employees waiving medical coverage  
**19,374**  
**(13.3%)**

\*Default plan

# Top Medical Carrier by District (All Members)

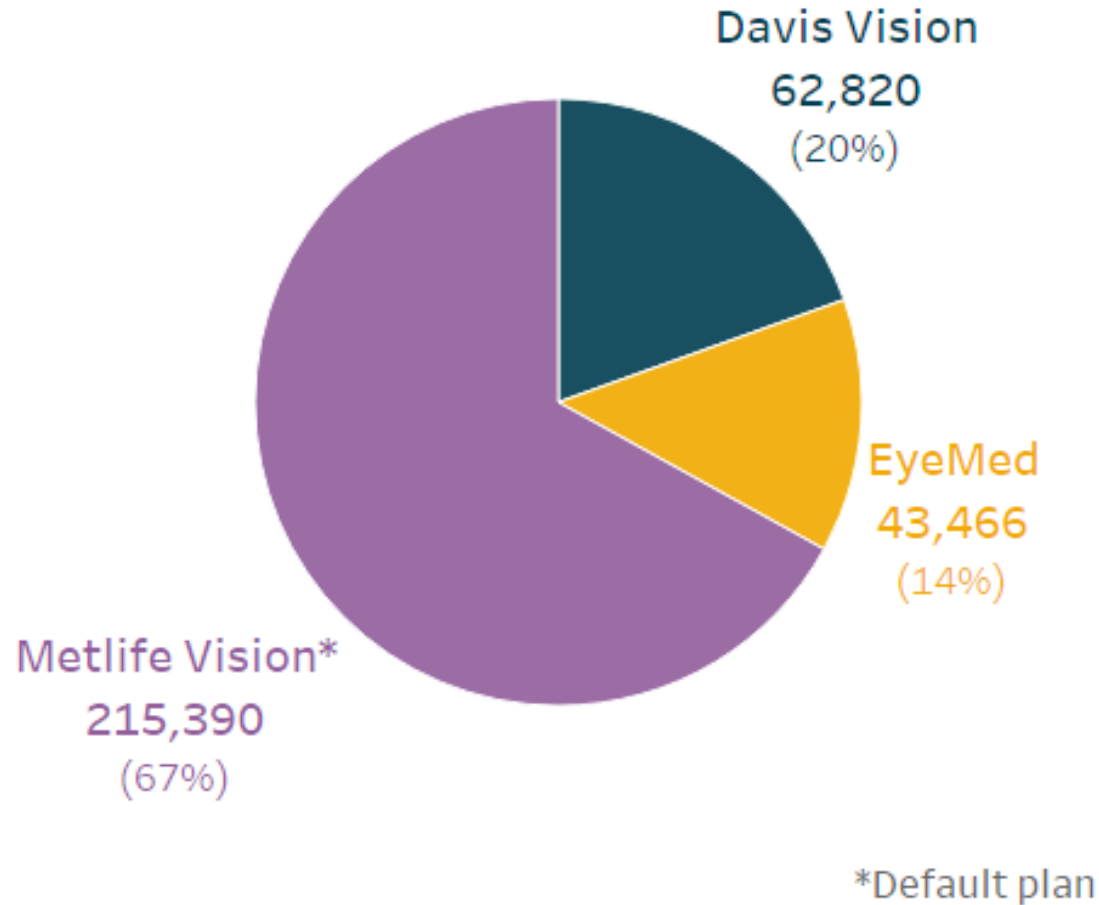


# SEBB Member Dental Enrollment by Plan



\*Default plan

# SEBB Member Vision Enrollment by Plan





# Questions?

David M. Iseminger, JD, MPH  
Director  
Employees and Retirees Benefits Division  
Phone: 360-725-1108  
[David.Iseminger@hca.wa.gov](mailto:David.Iseminger@hca.wa.gov)

# Appendix

## SEBB 2020 Monthly Medical Plan Employee Contributions by Tier

	Subscriber	Subscriber & Spouse/SRDP*	Subscriber & Child(ren)	Subscriber, Spouse/SRDP*, and Child(ren)
Kaiser Permanente NW 1	\$28	\$56	\$49	\$84
Kaiser Permanente NW 2	\$41	\$82	\$72	\$123
Kaiser Permanente NW 3	\$106	\$212	\$186	\$318
Kaiser Permanente WA Core 1	\$13	\$26	\$23	\$39
Kaiser Permanente WA Core 2	\$19	\$38	\$33	\$57
Kaiser Permanente WA Core 3	\$89	\$178	\$156	\$267
Kaiser Permanente WA SoundChoice	\$49	\$98	\$86	\$147
Kaiser Permanente WA Options Access PPO 1	\$39	\$78	\$68	\$117
Kaiser Permanente WA Options Access PPO 2	\$69	\$138	\$121	\$207
Kaiser Permanente WA Options Access PPO 3	\$116	\$232	\$203	\$348
<b>Subscribers may be subject to the following surcharges</b>				
Tobacco Surcharge	\$25	\$25	\$25	\$25
Spousal Surcharge	N/A	\$50	N/A	\$50

- State-Registered Domestic Partner (SRDP)
- Rounded to the nearest dollar

# SEBB 2020 Monthly Medical Plan Employee Contributions by Tier (*cont.*)

	Subscriber	Subscriber & Spouse/SRDP*	Subscriber & Child(ren)	Subscriber, Spouse/SRDP*, and Child(ren)
Premera Blue Cross High PPO	\$70	\$140	\$123	\$210
Premera Blue Cross Peak Care EPO	\$31	\$62	\$54	\$93
Premera Blue Cross Standard PPO	\$22	\$44	\$39	\$66
Uniform Medical Plan (UMP) Achieve 1	\$33	\$66	\$58	\$99
UMP Achieve 2	\$98	\$196	\$172	\$294
UMP High Deductible (with a health savings account)	\$25	\$50	\$44	\$75
UMP Plus	\$68	\$136	\$119	\$204
<b>Subscribers may be subject to the following surcharges</b>				
Tobacco Surcharge	\$25	\$25	\$25	\$25
Spousal Surcharge	N/A	\$50	N/A	\$50

- State-Registered Domestic Partner (SRDP)
- Total Composite Rate for the SEBB UMP High Deductible includes an employer HSA contribution of \$375 per year for Tier 1 and \$750 per year for all other tiers
- Rounded to the nearest dollar

# Questions?

More Information:

<http://xxxxx.xxx>

Name of Presenter, Title

Division

[email@hca.wa.gov](mailto:email@hca.wa.gov)

Tel: 360-555-5555

**TAB 6**



# 2020 Supplemental Governor's Budget Update - PEBB

Tanya Deuel  
ERB Finance Manager  
Financial Services Division  
January 30, 2020

# PEBB Funding Rate

- \$939 FY20 State Funding Rate
  - Remained unchanged
- \$980 FY21 State Funding Rate
  - Increased from \$976
  - Per employee per month
  - Adequate to maintain current level of benefits



# Medicare Explicit Subsidy

- \$183 Medicare Explicit Subsidy (per Medicare retiree per month)
  - Maintained level from Calendar Year 2020

# Funded Decision Packages

Title	FTE	Dollar
<p><b>Audit Capabilities</b> Staffing to support audit functionality.</p>	<p>4 FTE Total 2 PEBB 2 SEBB</p>	<p>\$233K (PEBB)</p>
<p><b>PEBB Program Enrollment Process</b> Funding to modernize the enrollment capabilities to the PEBB My Account enrollment system.</p>	<p>7.5 Temporary FTE</p>	<p>\$1.9M (\$3.867 Requested)</p>

## Other Items of Interest

Title	Dollar
<p><b>Hearing Aid Benefit</b> – Language provided to align with E2SSB 5179, which states hearing instrument coverage must include a new instrument every five years.</p>	<p>NA – Claims based</p>
<p><b>Diabetes Management Request For Information (RFI)</b> – One time administrative funding to complete an RFI related to diabetes management program.</p>	<p>\$150K (\$75K PEBB/\$75K SEBB)</p>

# Questions?

Tanya Deuel, ERB Finance Manager

Financial Services Division

[Tanya.Deuel@hca.wa.gov](mailto:Tanya.Deuel@hca.wa.gov)

Tel: 360-725-0908



# 2020 Legislative Session Debrief

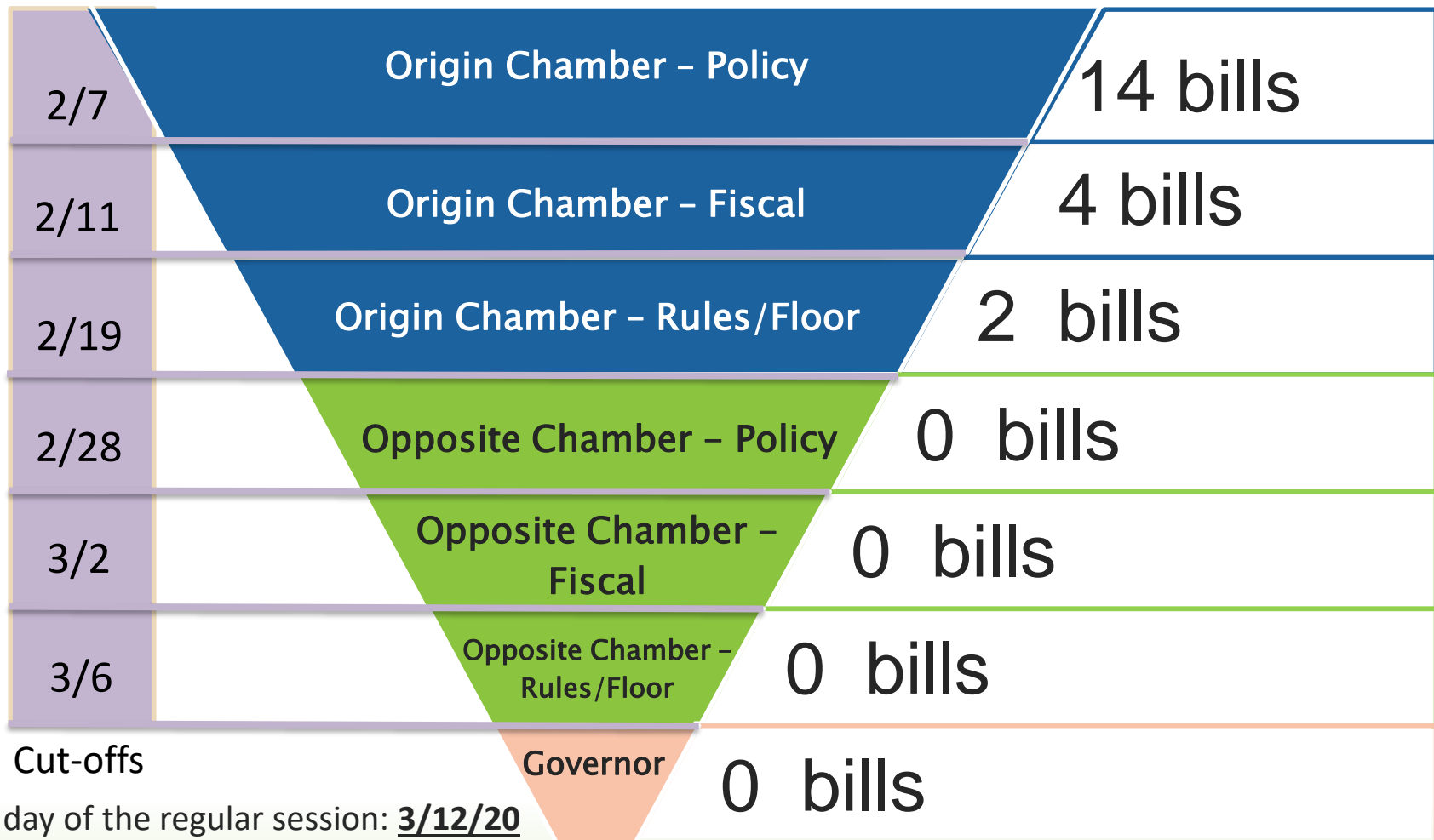
Cade Walker  
Executive Special Assistant  
Employees and Retirees Benefits Division  
January 30, 2020

# Number of 2020 Bills Analyzed by Employees & Retirees Benefits Division

	ERB Lead	ERB Support	Total
High Impact	14	13	27
Low Impact	40	52	92
	54	65	119

\*As of January 21, 2020

# Legislative Update – ERB High Lead Bills



# Topical Areas of Introduced Legislation

- Provider/health carrier credentialing
- Pharmacy
  - Diabetes medication
  - Rx tourism
- Expanded DME coverage
  - Hearing aides
  - Prosthetics/orthotics



## SEBB Program Impact Bills

- SB 6189 – Eligibility for school employees' benefits board coverage
- SB 6290 – Contribution to and eligibility for school employee benefit plans
- SB 6296 – Health care benefits for public school employees
- HB 2458/SB 6479 – Optional benefits offered by school districts

# Questions?

Cade Walker, Executive Special Assistant  
Employees and Retirees Benefits Division

[cade.walker@hca.wa.gov](mailto:cade.walker@hca.wa.gov)

**TAB 7**



# Leveraging SEBB Medical Plan Contracts in PEBB Program

Lauren Johnston  
SEBB Procurement Manager  
Employees and Retirees Benefits Division  
January 30, 2020

# Objective

Inform PEB Board of advantages and disadvantages to future leveraging the SEBB Program fully insured medical plan contracts for the PEBB Program (non-Medicare).

# SEBB Medical Plans

- Four (4) fully insured medical carriers:
  - Kaiser Northwest (3 plans)
  - Kaiser Washington (4 plans)
  - Kaiser Washington – Options (3 plans)
  - Premera Blue Cross (3 plans)
- Self-insured option:
  - Uniform Medical Plan (5 plans)

# SEBB & PEBB 2020 Plan Offerings (Employee Only)

SEBB Plans					PEBB Plans				
Carrier	Deductible (Single)	Single Out-of-Pocket Max	AV	Plan Name	Carrier	Deductible (Single)	Single Out-of-Pocket Max	AV	Plan Name
UMP	\$ 1,400	\$ 4,200	84.8%	UMP High Deductible	UMP	\$ 1,400	\$ 4,200	87.93%	UMP CDHP
KPWA	\$ 1,250	\$ 4,000	83.7%	KPWA Core 1	KPWA	\$ 1,400	\$ 5,100	87.90%	KPWA CDHP
Premera	\$ 1,250	\$ 5,000	80.5%	Premera Standard PPO	KPNW	\$ 1,400	\$ 5,100	85.42%	KPNW CDHP
KPNW	\$ 1,250	\$ 4,000	83.2%	KPNW 1	KPNW	\$ 300	\$ 2,000	88.80%	KPNW Classic
KPWAO	\$ 1,250	\$ 4,500	82.8%	KPWAO Access PPO 1	UMP	\$ 250	\$ 2,000	88.24%	UMP Classic
KPWA	\$ 750	\$ 3,000	86.8%	KPWA Core 2	KPWA	\$ 250	\$ 3,000	84.42%	KPWA Value
Premera	\$ 750	\$ 3,500	84.7%	Premera Peak Care EPO	KPWA	\$ 175	\$ 2,000	88.18%	KPWA Classic
UMP	\$ 750	\$ 3,500	83.6%	UMP Achieve 1	UMP	\$ 125	\$ 2,000	89.46%	UMP Plus
KPNW	\$ 750	\$ 3,500	85.6%	KPNW 2	KPWA	\$ 125	\$ 2,000	88.95%	KPWA SoundChoice
KPWAO	\$ 750	\$ 3,500	85.7%	KPWAO Access PPO 2					
Premera	\$ 750	\$ 3,500	84.7%	Premera High PPO					
KPWA	\$ 250	\$ 2,000	90.4%	KPWA Core 3					
UMP	\$ 250	\$ 2,000	88.2%	UMP Achieve 2					
KPWAO	\$ 250	\$ 2,500	89.4%	KPWAO Access PPO 3					
KPWA	\$ 125	\$ 2,000	91.9%	KPWA SoundChoice					
UMP	\$ 125	\$ 2,000	90.0%	UMP Plus					
KPNW	\$ 125	\$ 2,000	90.6%	KPNW 3					

- SEBB UMP High Deductible includes an employer HSA contribution of \$375 per year for Tier 1 and \$750 per year for all other tiers
- PEBB UMP CDHP includes an employer HSA contribution of \$700.04 per year for Tier 1 and \$1400.08 per year for all other tiers

# Advantages to Members

- More plan options with different cost share levels.
- Two more preferred provider organizations (PPOs) to choose from: Kaiser Washington, Options and Premera Blue Cross.
  - May appeal to members who appreciate knowing what they will pay up front when seeing certain providers, while also having freedom to choose their provider.



# Disadvantages

Concerns about too many plan options and not being able to distinguish the differences between them.

# Impacts to Program

- Ability to leverage provisions that are in the SEBB contracts which are not in the PEBB contracts.
- Potential to eliminate confusion. For example, a PEBB Program member accessing a certificate of coverage for a plan available only in the SEBB Program.
- We'll likely need to do an active open enrollment.

# Examples of Differences Between PEBB and SEBB Plans

- Deductible, out-of-pocket maximums, and coinsurance and copayment amounts.
- Chiropractic, acupuncture, and massage therapy visit limits (massage visits under SEBB Kaiser has its own limits – not combined with other therapies).
- Physical, occupational, speech, and neurodevelopmental therapy visit limits.

# Questions?

Lauren Johnston

SEBB Procurement Manager

Employees and Retirees Benefits Division

[Lauren.johnston@hca.wa.gov](mailto:Lauren.johnston@hca.wa.gov)

Tel: 360-725-1117

# Appendix

## SEBB Program Medical Benefits Comparison Chart

Annual Costs/ Benefits ^	Kaiser NW			Kaiser WA				Kaiser WA Options			Premiera			Uniform Medical Plan (UMP)				
	KPNW 1	KPNW 2	KPNW 3	KPWA Core 1	KPWA Core 2	KPWA Core 3	KPWA Sound Choice	Access PPO 1	Access PPO 2	Access PPO 3	High PPO	Peak Care EPO	Standard PPO	UMP Achieve 1 (8.2% AV)	UMP Achieve 2 (88% AV)	UMP High Deductible	UMP Plus	
Deductible (single/ family)	\$1,250/ \$2,500	\$750/ \$1,500	\$125/ \$250	\$1,250/ \$3,750	\$750/ \$2,250	\$250/ \$750	\$125/ \$375	\$1,250/ \$3,750	\$750/ \$2,250	\$250/ \$750	\$750/\$1,875	\$1,250/ \$3,125	\$750/ \$2,250	\$250/ \$750	\$250/ \$750	\$1,400/ \$2,800*	\$125/ \$375	
Max out-of-pocket limit	\$4,000/ \$8,000	\$3,500/ \$7,000	\$2,000/\$ 4,000	\$4,000/ \$8,000	\$3,000/ \$6,000	\$2,000/ \$4,000	\$2,000/ \$4,000	\$4,500/ \$9,000	\$3,500/ \$7,000	\$2,500/ \$5,000	\$3,500/\$7,000	\$5,000/ \$10,000	\$2,000/ \$4,000	\$2,000/ \$4,000	\$2,000/ \$4,000	\$4,200/ \$8,400**	\$2,000/ \$4,000	
Coinsurance	20%	20%	20%	20%	20%	20%	15%	20%	20%	20%	25%	20%	20%	15%	15%	15%	15%	
Ambulance (air/ground, per trip)	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	25%	20%	20%	20%	20%	20%	20%	
Diagnostic tests, lab, and x-rays	\$30	\$25	\$20	20% over \$500	20% over \$500	20%	15%	20% over \$500	20% over \$500	20%	25%	20%	20%	15%	15%	15%	15%	
Emergency room	20%	20%	20%	\$150 + 20%	\$150 + 20%	\$150 + 15%	\$150 + 15%	\$150 + 20%	\$150 + 20%	\$150 + 20%	\$150 + 25%	\$150 + 20%	\$150 + 20%	\$75 + 15%	\$75 + 15%	15%	\$75 + 15%	
Inpatient services	20%	20%	20%	20%	20%	20%	15%	20%	20%	20%	25%	20%	20%	\$200/day up to \$600 + 20%	\$200/day up to \$600 + 15%	15%	\$200/day up to \$600 + 15%	
Outpatient services	20%	20%	20%	20%	20%	20%	15%	20%	20%	20%	25%	20%	20%	15%	15%	15%	15%	
Preventive care	Covered 100%	Covered 100%	Covered 100%	Covered 100%	Covered 100%	Covered 100%	Covered 100%	Covered 100%	Covered 100%	Covered 100%	Covered 100%	Covered 100%	Covered 100%	Covered 100%	Covered 100%	Covered 100%	Covered 100%	
Spinal manipulations	\$40	\$35	\$30	\$30	\$25	\$20	\$0	\$30	\$25	\$20	25%	20%	20%	15%	15%	15%	15%	
Primary care	\$30	\$25	\$20	\$30	\$25	\$20	\$0	\$30	\$25	\$20	\$20	\$20	\$20	15%	15%	15%	\$0	
Specialist	\$40	\$35	\$30	\$40	\$35	\$30	\$30	\$40	\$35	\$30	\$40	\$40	\$40	15%	15%	15%	15%	
Urgent care	\$50	\$45	\$40	\$30	\$25	\$20	\$0	\$30	\$25	\$20	25%	20%	20%	15%	15%	15%	15%	
Mental health (outpatient)	\$30	\$25	\$20	\$30	\$25	\$20	\$0	\$30	\$25	\$20	\$20	\$20	\$20	15%	15%	15%	15%	
Physical, occupational, and speech therapy	\$40	\$35	\$30	\$40	\$35	\$30	\$30	\$40	\$35	\$30	\$40	\$40	\$40	15%	15%	15%	15%	

^ In-network

\* UMP High Deductible has a combined medical and prescription drug deductible.

\*\* Out of pocket expenses for a single member under a family account are not to exceed \$6,850.

# SEBB Program Medical Benefits Comparison Chart

Note: Subject to legislative funding and final decisions by the SEB Board

Annual Costs/ Benefits (in network)	Kaiser NW			Kaiser WA				Kaiser WA Options			Premiera			Uniform Medical Plan (UMP)			
	KPNW 1	KPNW 2	KPNW 3	KPIWA Core 1	KPIWA Core 2	KPIWA Core 3	KPIWA Sound Choice	Access PPO 1	Access PPO 2	Access PPO 3	High PPO	Peak Care PPO	Standard PPO	UMP Achieve 1 (82% AV)	UMP Achieve 2 (88% AV)	UMP High Deductible	UMP Plus
Rx deductible (single/family)	None	None	None	None	None	None	None	None	None	None	\$125/\$312*	\$250/\$750*	Tier 2 and specialty; \$250/\$750	Tier 2 and specialty; \$100/\$300	Combined with medical deductible	None	
Rx out-of-pocket limit	Applies to max	Applies to max	Applies to max	Applies to max	Applies to max	Applies to max	Applies to max	Applies to max	Applies to max	Applies to max	Applies to max	Applies to max	\$2,000 per member; \$4,000 family maximum	\$2,000 per member; \$4,000 family maximum	Applies to max	\$2,000 per member; \$4,000 family maximum	
Retail: Value tier																	
Retail: Tier 1 (Generics)	\$20	\$15	\$10	\$5	\$10	\$10	\$10	\$10	\$10	\$10	\$7	\$7	5% up to \$10	5% up to \$10	15%**	5% up to \$10	
Retail: Tier 2 (Preferred Brand)	\$40	\$30	\$20	\$25	\$25	\$25	\$25	\$50	\$50	\$50	\$30	30%	10% up to \$25	10% up to \$25	15%**	10% up to \$25	
Retail: Tier 3 (Non-preferred)	50% up to \$100	50% up to \$100	50% up to \$100	50% up to \$50	50% up to \$50	50% up to \$50	50% up to \$50	50% up to \$125	50% up to \$125	50% up to \$125	30%	50%	30% up to \$75	30% up to \$75	15%**	30% up to \$75	
(Most Specialty)	50% up to \$150	50% up to \$150	50% up to \$150	50% up to \$150	50% up to \$150	50% up to \$150	50% up to \$150	50% up to \$150	50% up to \$150	50% up to \$150	\$50	40%	30% up to \$75	30% up to \$75	15%**	30% up to \$75	

Note: All plans cover legally-required preventive prescription drugs at 100 percent, with no deductible.

\*Waived for preferred generic prescription drugs.

\*\*After deductible met.

Note: The retail pharmacy benefit member costs are based on a 30-day supply.

**TAB 8**





# Expanding PEBB Program Medicare Options Procurement Update

Ellen Wolfhagen  
Senior Account Manager  
Employees and Retirees Benefits Division  
January 30, 2020

# Today's Agenda

- Request for Proposals (RFP) Recap
  - Apparently Successful Bidders (ASBs) awarded for national Medicare Advantage plus Prescription Drug (MA-PD) plans\*
- Contract Negotiation & Request for Completion (RFC)
  - Where we are in the process
- Timeline
  - Putting it all together

\* See appendix for additional background

# MA-PD Request for Proposals Recap

- RFP released July 2019
  - National & Regional MA-PD PPO plans to supplement the current PEBB Program Medicare retiree portfolio
- Apparent Successful Bidders (ASBs) announced September 18, 2019 – *National MA-PD PPOs only*
  - United Healthcare
  - Regence BlueShield

# Contract Negotiation & RFC

- Contract negotiations began in November 2019 and are nearing finalization
- Request for Completion will be released shortly to further refine plan design and rates
  - RFP bids showed significant premium reduction compared to UMP Classic Medicare, with similar benefit levels and coverage
  - Intention to prioritize supplemental benefits that are responsive to members' preferences including:
    - Fitness/gym membership program (Silver&Fit or SilverSneakers)
    - Alternative therapies (naturopathy, acupuncture, massage)
    - Virtual care

# Rate Development Phases

**January –  
May**

**Release RFC – negotiate final rates and plan design;  
review negotiations in Board Executive Sessions**

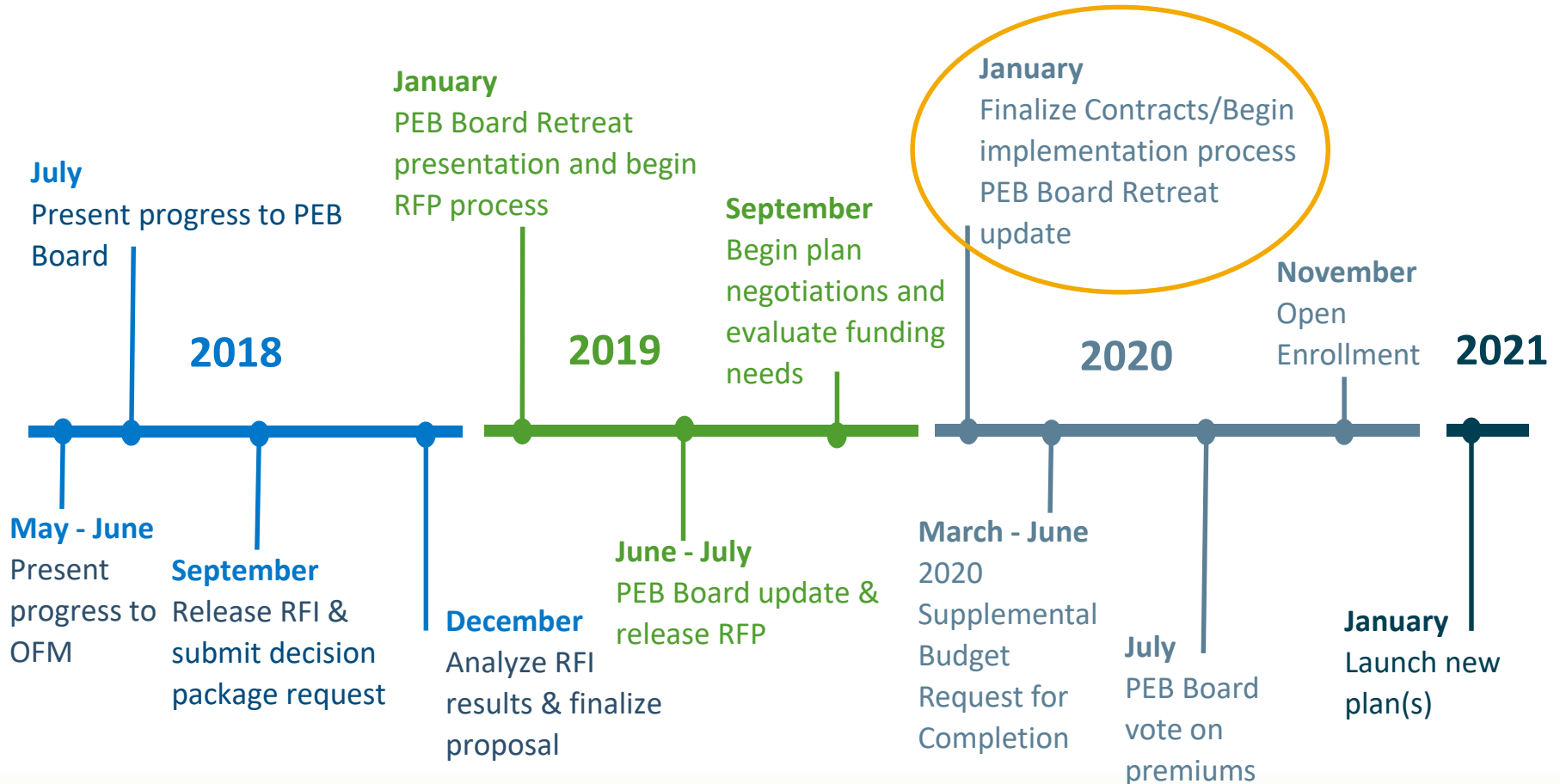
**May –  
June**

**Additional negotiation as needed to align with  
2020 supplemental budget & any CMS changes to  
reimbursement methodology**

**June –  
August**

**PEB Board vote on 2021 rates**

# Timeline



# Appendix

# Medicare Advantage Plus Prescription Drug (MA-PD) Recap

- MA-PDs are private insurance plans that cover all Medicare benefits, including Part D drug benefits
  - CMS\* pays Medicare Advantage Organizations (MAOs) a capitated (per enrollee) subsidy to provide coverage for all Original Medicare\*\* benefits
  - MA-PD plans also receive subsidies from CMS that cover at least 74.5% of the cost of Part D drug benefits, as well as drug manufacturer discounts
  - Medicare Advantage plans set their own limits on how much members pay for covered services
  - Many Medicare Advantage plans offer benefit enhancements over Original Medicare, such as vision, dental, hearing, and alternative therapies (chiropractic, acupuncture, massage)

\*Centers for Medicare & Medicaid Services

\*\*Medicare Parts A & B



# National MA-PD Coverage Recap

Some large MAOs are able to offer national MA-PD coverage through an Extended Service Area (ESA) waiver from CMS. These plans are called Non-differential PPO\* ESAs, and:

- Members are able to receive care from any Medicare-participating provider who accepts the plan
- Member cost-sharing levels are the same regardless of whether providers are 'in' or 'out' of the plan's network

# Questions?

Ellen Wolfhagen  
Senior Account Manager  
Employees and Retirees Benefits Division  
[ellen.Wolfhagen@hca.wa.gov](mailto:ellen.Wolfhagen@hca.wa.gov)

**TAB 9**



# UMP Formulary Update

Ryan Pistorosi, PharmD, MS (HCA)

Sital Patel, PharmD, MBA (Moda Health)

Cole Ahnberg, Operations Manager (Moda Health)

January 30, 2020

# Why the value formulary?

- Value-based purchasing
  - Direct members and their health care providers to the highest value, most affordable prescription drugs
  - Non formulary drugs
    - Have no additional benefit in safety or efficacy when compared to preferred alternatives
    - Often cost significantly more than preferred alternatives
  - Exception process
    - When a formulary drug is deemed ineffective or not appropriate for an individual member, an exception will be granted and the member can get UMP coverage for the non formulary drug

# What We Did to Prepare

- Washington State Rx Services staff training
  - Orientation to new formulary
- Staggered approach to implementation
  - Reduce member wait times to speak to customer service and better serve member needs
- Reviewed lessons learned from Oregon Educators Benefit Board (OEBB)
  - Additional refill protected drug classes

# Refill Protected Classes

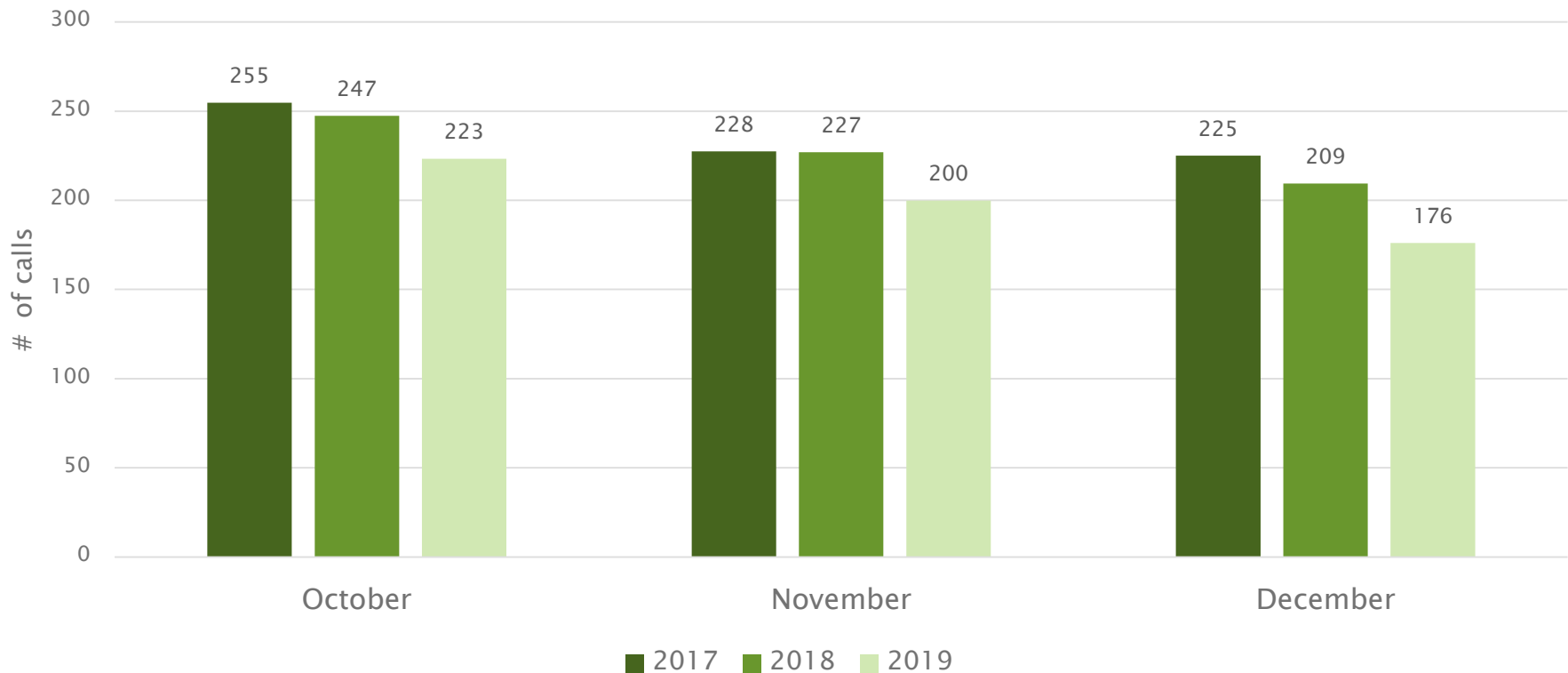
Original	Additional
<ol style="list-style-type: none"> <li>1. Antidepressants</li> <li>2. Antiepileptics</li> <li>3. Antipsychotics</li> <li>4. Antiretrovirals</li> <li>5. Chemotherapy</li> <li>6. Immunomodulatory/anti viral treatment for Hepatitis C</li> <li>7. Immunosuppressives</li> </ol>	<ol style="list-style-type: none"> <li>1. ADHD drugs for Pediatrics</li> <li>2. Antiarrhythmics</li> <li>3. Anticoagulants</li> <li>4. Antiparkinsons</li> <li>5. Antivirals</li> <li>6. Cardiovascular drugs – Single source brand</li> <li>7. Compounded drugs</li> <li>8. Gout drugs</li> <li>9. Insulin with no therapeutic equivalent</li> <li>10. Irritable Bowel Disease (IBD) drug</li> <li>11. Pancreatic enzymes</li> <li>12. Rare disease medications (e.g. Cuvposa)</li> <li>13. Specialty drugs (previously authorized)</li> <li>14. Thyroid drugs</li> </ol>

# Communications

- Drug specific letters to members
- Published Open Enrollment information by October 1
- PEBB and UMP Newsletters
- Certificate of Coverage (COC)
- UMP Website

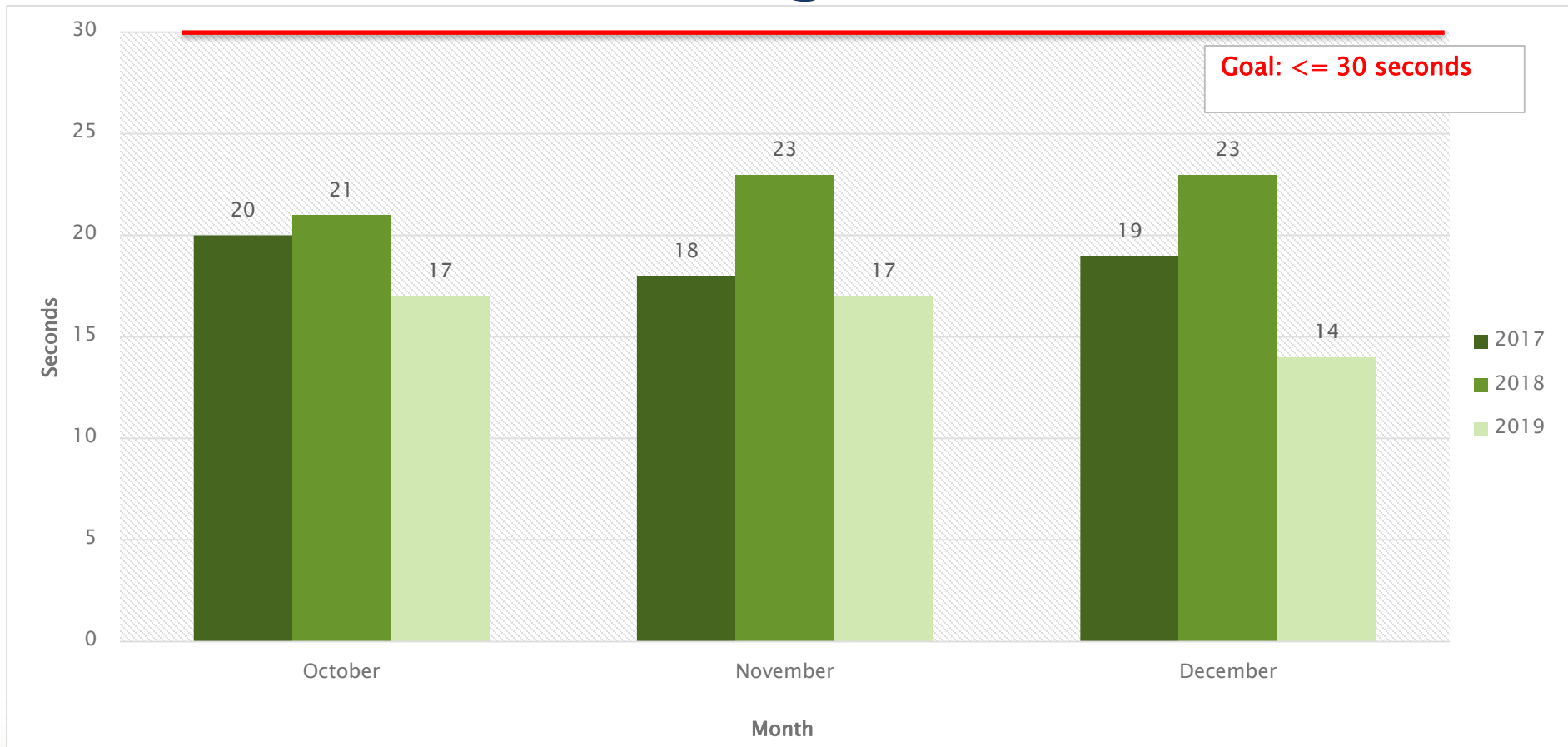


# Customer Service Calls Per 1,000 Members: 2017- 2019



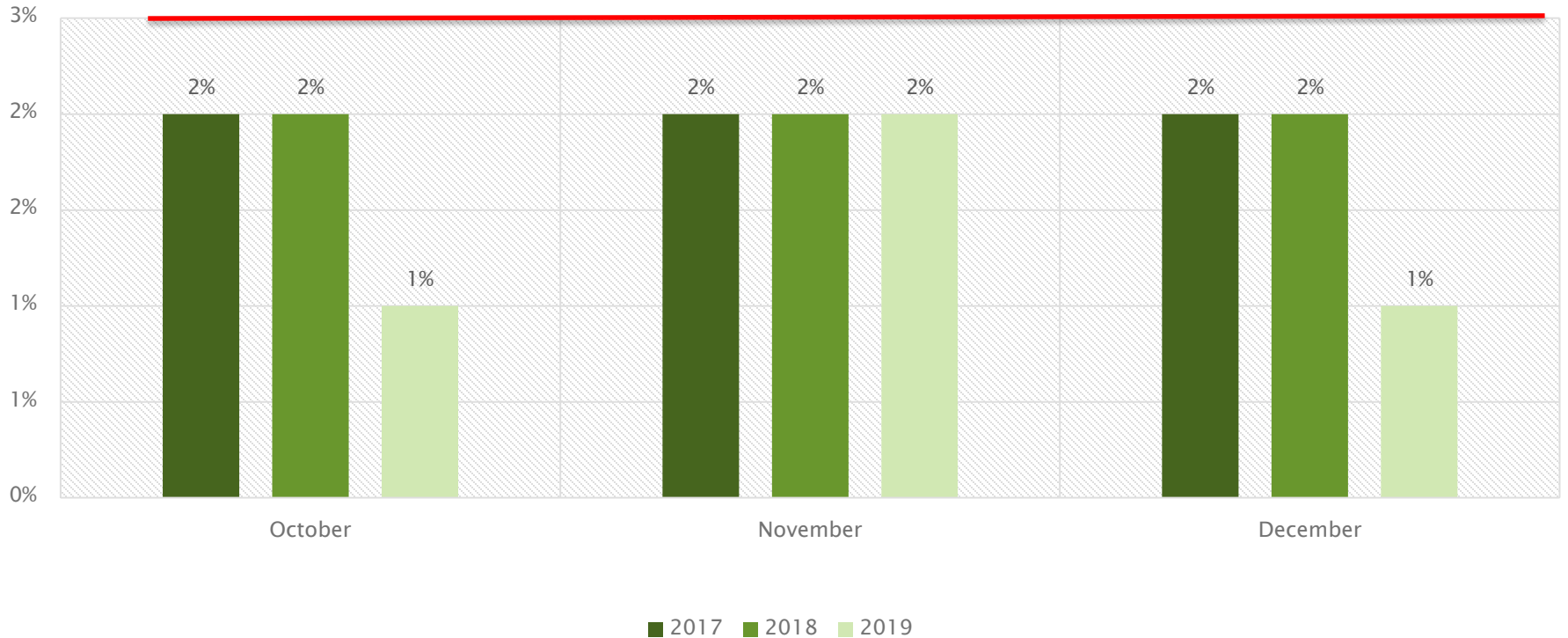
2017 & 2018 include PEBB only  
2019 includes PEBB and SEBB

# Customer Service Wait Time Average: 2017 - 2019

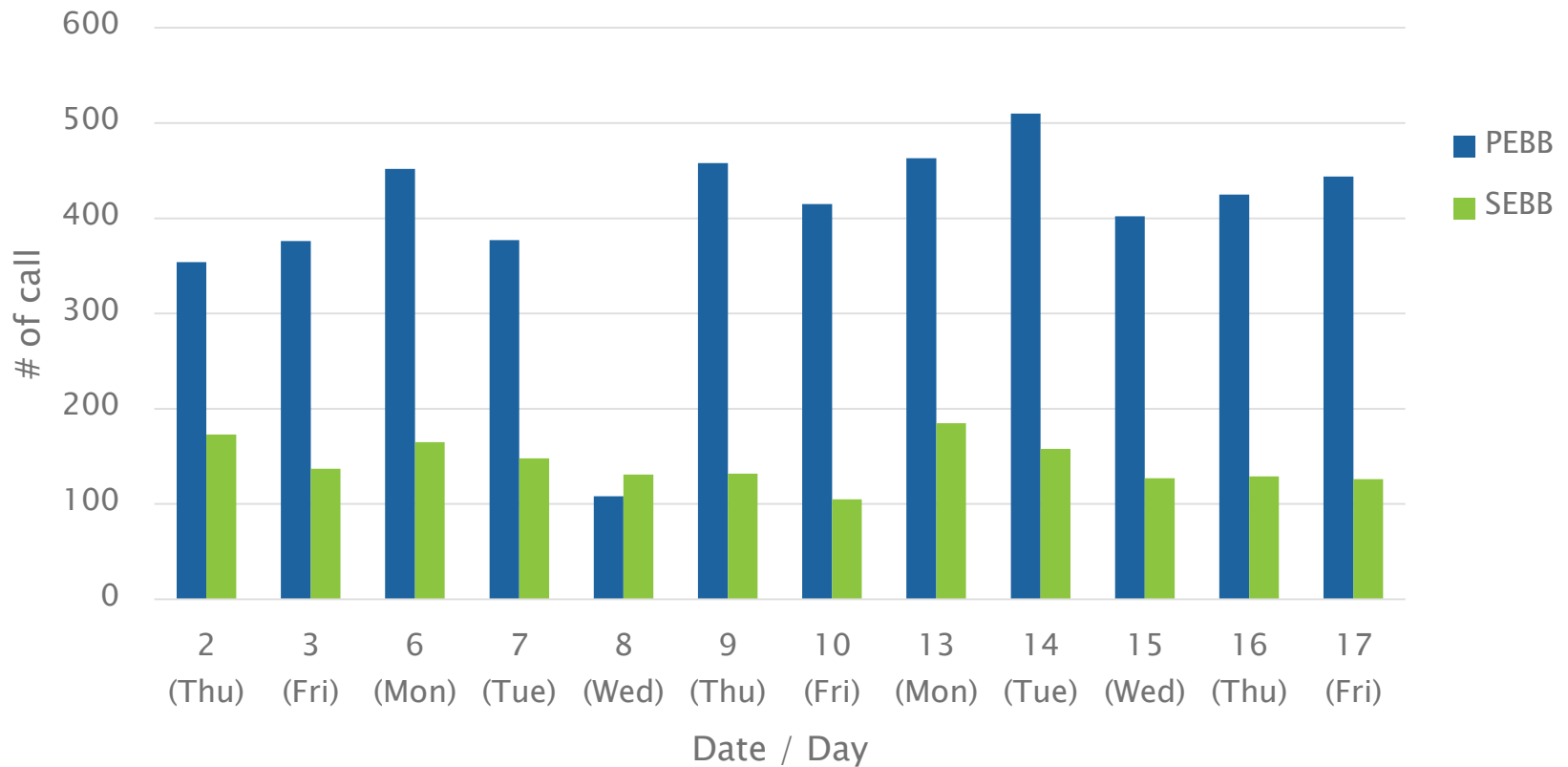


# Customer Service Abandonment Rate: 2017- 2019

Goal:  $\leq 3\%$

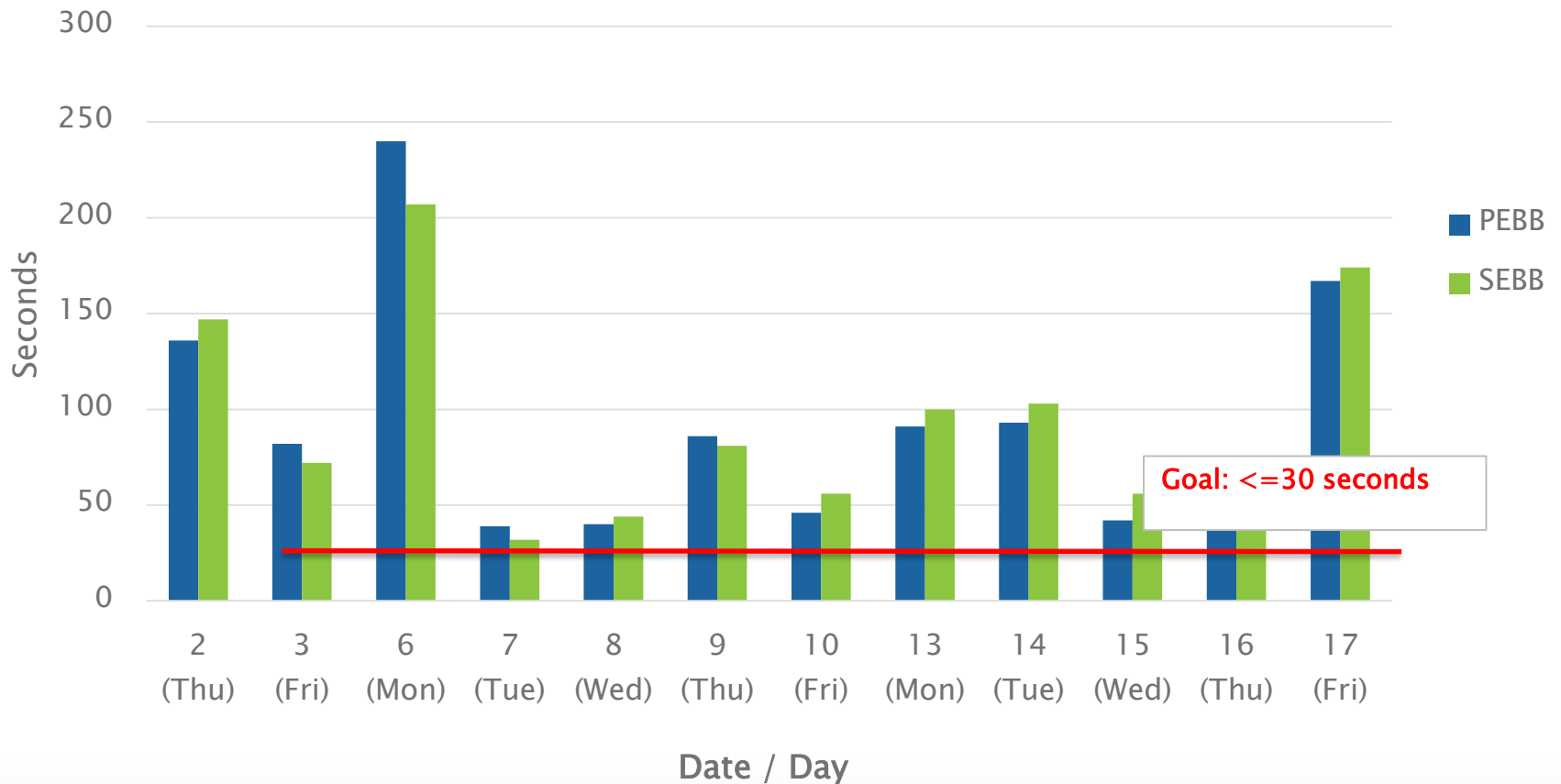


# Customer Service Calls: January 2020

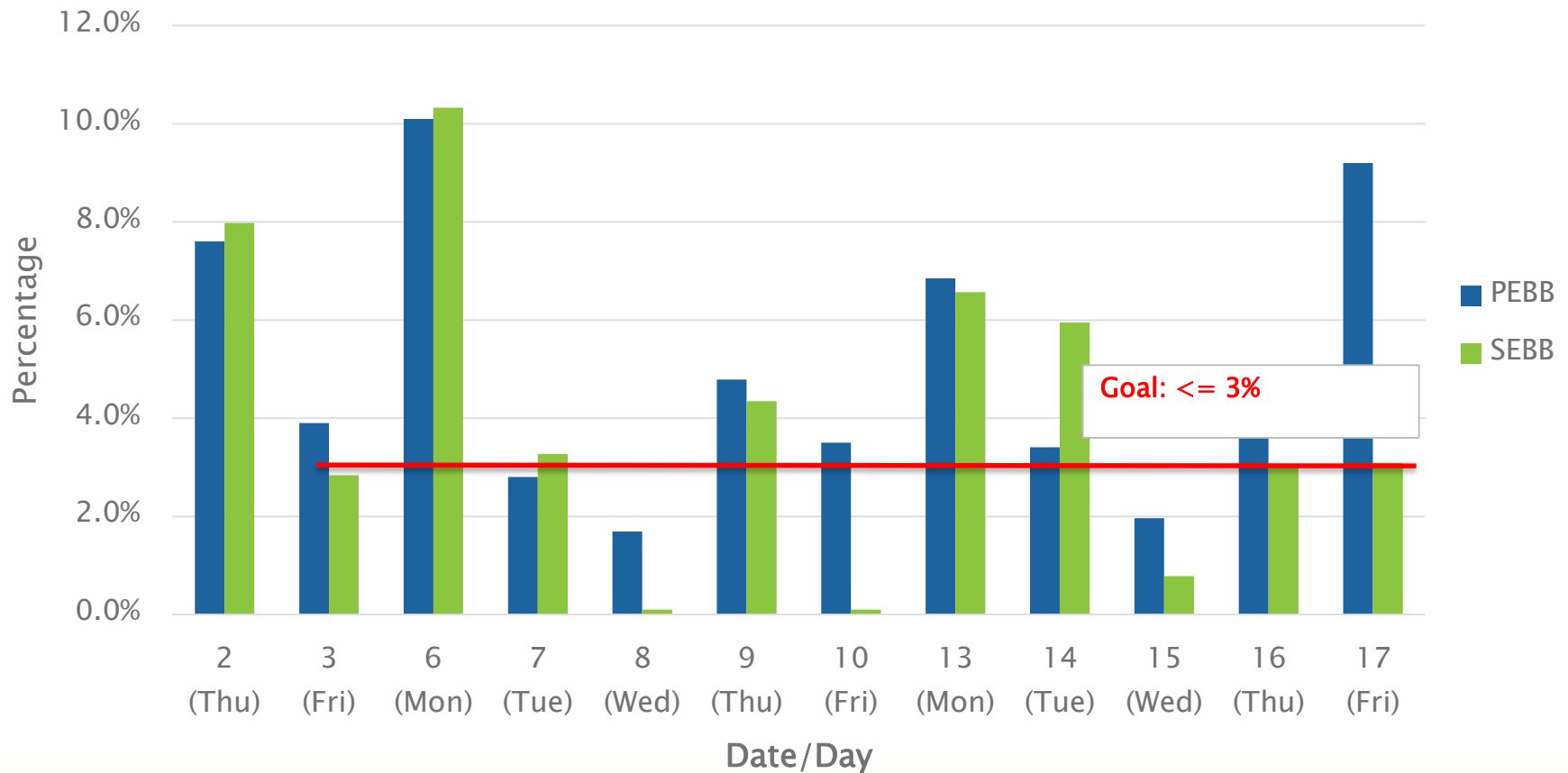


# Customer Service

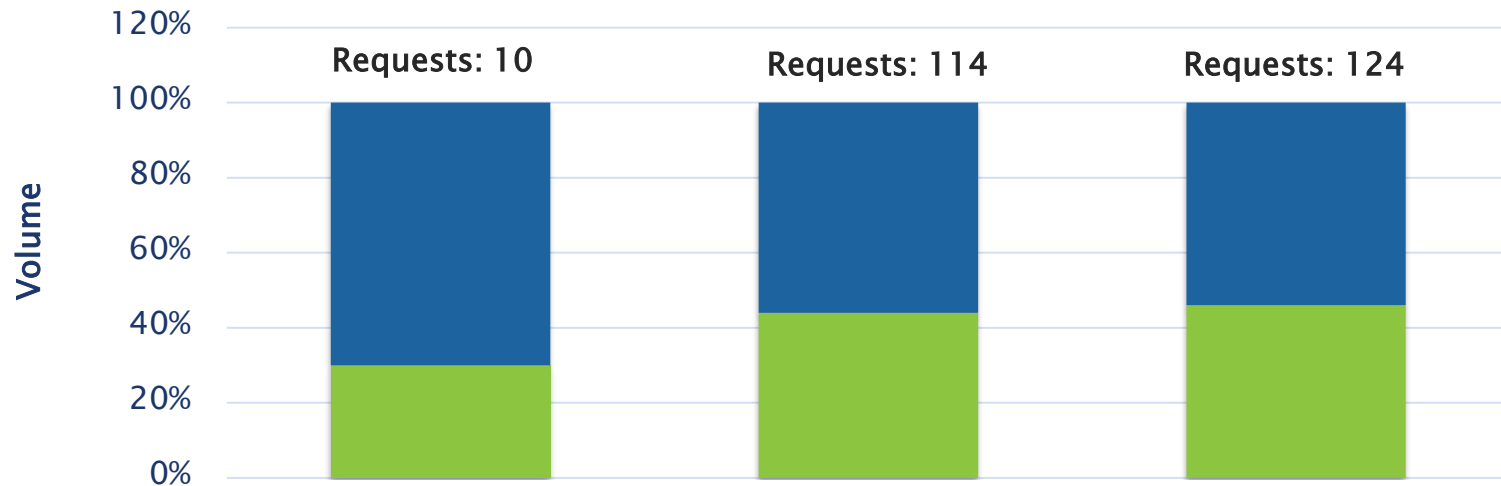
## Average Speed to Answer: January 2020



# Customer Abandonment Rate: January 2020



# Exception Requests



	Oct-19	Nov-19	Dec-19
■ Denial rate	70%	56%	54%
■ Approval rate	30%	44%	46%

Top 5 drugs requested for exception in Q4 2019:

- Myrbetriq, Mydayis, Xiidra, Trulicity, and Ozempic

# Questions?

Ryan Pistoiresi, PharmD, MS  
Assistant Chief Pharmacy Officer  
Clinical Quality and Care Transformation

[ryan.pistoiresi@hca.wa.gov](mailto:ryan.pistoiresi@hca.wa.gov)

Tel: 360-725-0473



# Appendix

## Member letter sample



Washington State Rx Services  
P.O. Box 40168  
Portland, OR 97240-0168



<<Date>>

Member Name  
Address  
City, State Zip

**Re: The Uniform Medical Plan will no longer cover <DRUG> effective January 1, 2020**

An important change to the Uniform Medical Plan (UMP) Preferred Drug List will affect how UMP covers your prescriptions. You are receiving this letter because our records show you recently filled a prescription for <DRUG>.

Beginning **January 1, 2020**, <DRUG> will no longer be covered under your UMP prescription drug benefit because it is no longer on UMP's Preferred Drug List (PDL). This means that UMP will not pay for <DRUG> and that you will be responsible for the entire cost of your prescription drug.

Below is a list of alternative drug(s) to consider. These drugs may be an option for the treatment of your condition because they are effective alternatives in treating this condition, and they may be less costly for you:

- Alt 1
- Alt 2
- Alt 3
- Alt 4
- Alt 5

\*Drugs marked with an asterisk (\*) may require preauthorization or step therapy.

If you would like to switch to another prescription drug, please talk with your provider to get a new prescription.

Beginning **January 1, 2020**, tier 3 (nonpreferred) prescription drugs, such as <DRUG>, will become noncovered drugs unless you or your provider request an exception by contacting Washington State Rx Services (WSRxS), and WSRxS approves the exception. WSRxS has reviewed Tier 3 (nonpreferred) prescription drugs and found they do not have a clinically significant therapeutic advantage over the PDL alternative(s). They are also less cost-effective than the PDL alternative(s).

If you have tried all of the alternative drugs listed above and found none of them to be effective, or if the alternatives are not medically appropriate, you or your prescriber can request an exception by calling WSRxS at 888-361-1611 (TRS: 711). Your provider can also request an exception using CoverMyMeds, a provider portal (website).

Your provider will need to submit documentation for WSRxS to make a decision.

If WSRxS approves an exception, the amount you will pay is based on your plan (see below):

- **UMP Classic and UMP Plus:** You will pay the Tier 2 cost-share\* (30% of the allowed amount, up to \$75 maximum payment per 30-day supply)
- **UMP CDHP:** You will pay 15% coinsurance\*

\*This assumes UMP Classic and UMP CDHP members have met their deductibles.

If WSRxS denies an exception, you will receive a letter about the denial. The letter will list all the alternative drug(s) that you will need to try before you or your provider can request another exception.

If you continue to fill the noncovered drug and you are a resident of Washington State or Oregon State, you can register for the Washington or Oregon Prescription Drug Programs (WPDP and OPDP) Discount Card. This discount card provides discounts for prescription drugs not covered by your plan. All Washington State and Oregon State residents are eligible for a discount card, regardless of age or income. To learn more about the WPDP and OPDP Discount Cards, visit:

- **Washington State residents:**  
[www.hca.wa.gov/pdp](http://www.hca.wa.gov/pdp)
- **Oregon State residents:**  
[www.opdp.org](http://www.opdp.org)

For detailed information on exceptions, refer to your certificate of coverage by visiting [hca.wa.gov/ump-pebb-coc](http://hca.wa.gov/ump-pebb-coc). If you have any questions, please contact WSRxS at 888-361-1611 (TRS: 711). You can also find the PDL and more information about your UMP prescription drug benefit at [regence.com/ump/pebb/benefits/prescriptions](http://regence.com/ump/pebb/benefits/prescriptions).

Serving your prescription needs is important to us. Appropriate and cost-effective use of prescription drugs can help improve our members' health and make healthcare costs reasonable for everyone.

Sincerely,

**Washington State Rx Services**

**TAB 10**



# Annual Rate Process

Megan Atkinson  
Chief Financial Officer  
Financial Services Division  
January 30, 2020

# PEB Board Premium Setting Authority

- RCW 41.05.065 (Public Employees' Benefits Board) – the board has the final authority on authorizing employee premium contributions
- Until the Board takes action, the rate development and premium setting process is not complete
- The Board can clarify what information it will consider in setting premiums

# Proposed Resolution PEBB 2020-01 Rate Development Procedure

Beginning with the rate development process in 2020 (to set premium contributions for plan year 2021), and annual rate development processes thereafter, the PEB Board will not review or consider unsolicited revised rates after proposed employee premium contributions are published publicly by the Health Care Authority on its website.

# Next Steps

- Incorporate Board feedback in the proposed policy
- Send the proposed policy to stakeholders
- Bring a recommended policy resolution to the Board for action at the March 18, 2020 Board Meeting



# PEBB Plan Year 2021 RFR Process

- Updating RFR language regarding the process for final premiums and Board adoption
- Standardizing the bid rate process between the PEBB and SEBB Programs to provide for better comparative insight

# Questions?

Megan Atkinson, Chief Financial Officer  
Financial Services Division  
[Megan.Atkinson@hca.wa.gov](mailto:Megan.Atkinson@hca.wa.gov)

**TAB 11**

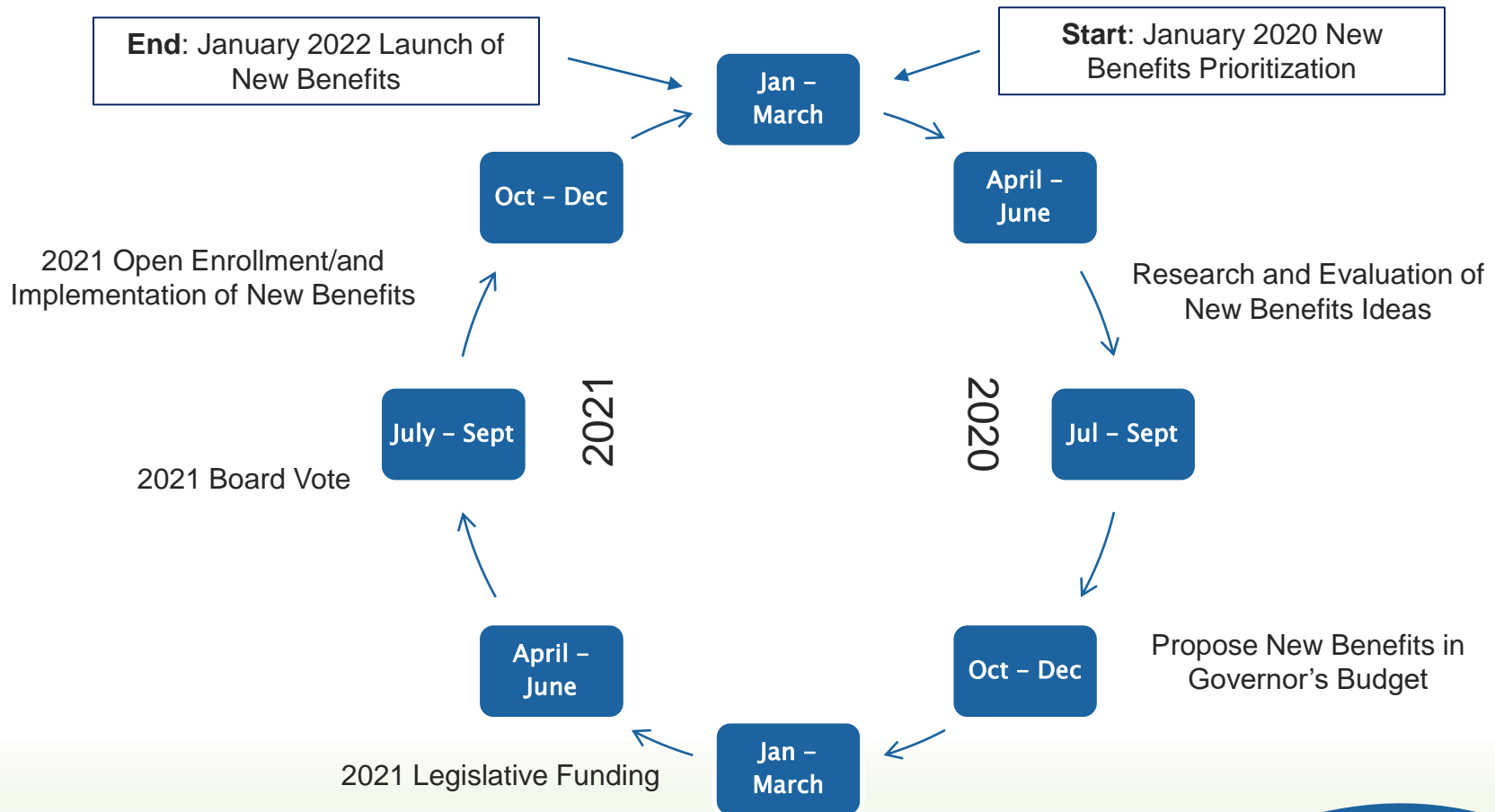


# Annual Benefits Planning Cycle

Marcia Peterson, Manager  
Benefit Strategy and Design Section  
Employees and Retirees Benefits Division  
January 27, 2020

# PEBB Benefits Cycle

for Benefit Year 2022



# Discussion

Are there new benefit ideas you would like to explore in the upcoming benefit cycle?

# Questions?

Marcia Peterson, Manager  
Benefit Strategy and Design Section  
Employees and Retirees Benefits Division  
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[marcia.peterson@hca.wa.gov](mailto:marcia.peterson@hca.wa.gov)