

Public Employees Benefits Board Meeting

June 27, 2024

Public Employees Benefits Board

June 27, 2024

9:00 a.m. – 1:00 p.m.

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

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

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TAB 1

**Public Employees Benefits Board
June 27, 2024
9:00 a.m. – 1:00 p.m.**

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

TO JOIN ZOOM MEETING – SEE INFORMATION BELOW

9:00 a.m.*	Welcome and Introductions		Lou McDermott, Chair Pro Tem	
9:05 a.m.	Meeting Overview		Dave Iseminger, Director Employees & Retirees Benefits (ERB) Division	Information
9:10 a.m.	Approval of Meeting Minutes • June 13, 2024	TAB 3	Lou McDermott, Chair Pro Tem	Action
9:20 a.m.	Transition to Executive Session			
9:25 a.m.	Executive Session			
9:45 a.m.	June 13 Meeting Follow Up	TAB 4	David Iseminger, Director Employees & Retirees Benefits (ERB) Division	Information/ Discussion
9:55 a.m.	Property/Casualty Insurance via Payroll Deduction Resolution	TAB 5	John Partin, Section Manager Employees & Retirees Benefits (ERB) Division	Action
10:10 a.m.	Annual Procurement Update for 2025 Plan Year	TAB 6	Beth Heston, Procurement Manager Employees & Retirees Benefits (ERB) Division	Information/ Discussion
10:35 a.m.	2025 PEBB Program Non-Medicare Premiums	TAB 7	Tanya Deuel, ERB Finance Manager Financial Services Division (FSD)	Information/ Discussion
11:05 a.m.	UMP Classic Medicare with Part D (PDP) Policy Resolutions	TAB 8	Stella Ng, Policy & Rules Coordinator Employees & Retirees Benefits (ERB) Division	Action
11:20 a.m.	Break			
11:30 a.m.	<u>Working Lunch</u> Medicare Update	TAB 9	Ellen Wolfhagen, Retiree Benefits Manager Christine Davis, Procurement Manager Employees & Retirees Benefits (ERB) Division	Information/ Discussion
11:50 a.m.	2025 PEBB Program Medicare Premiums	TAB 10	Molly Christie, Fiscal Analyst Financial Services Division (FSD)	Information/ Discussion

12:15 p.m.	2025 Board Meeting Schedule	TAB 11	David Iseminger, Director Employees & Retirees Benefits (ERB) Division	Information/ Discussion
12:25 p.m.	General Public Comment			
12:55 p.m.	Closing			
1:00 p.m.	Adjourn		Lou McDermott, Chair Pro Tem	

*All Times Approximate

The Public Employees Benefits Board will meet Thursday, June 27, 2024 at the Washington State Health Care Authority, Sue Crystal Rooms A & B, 626 8th Avenue SE, Olympia, WA. Attendance for this meeting can be in person or via Zoom. Masks are optional.

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

Pursuant to RCW 42.30.110(1)(L), the Board will meet in Executive Session to consider proprietary or confidential nonpublished information related to the development, acquisition, or implementation of state purchased health care services as provided in RCW 41.05.026. The Executive Session will begin at 9:20 a.m. and conclude no later than 10:50 a.m.*

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

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

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

Materials will be posted at <https://hca.wa.gov/peb-board-meetings> by close of business on Monday, June 24, 2024.

Join Zoom Meeting

<https://us02web.zoom.us/j/86512208429?pwd=VC0wbV4Fa5BoF09FToBEEJwv0u9Lcr.1>

Meeting ID: 865 1220 8429

Passcode: 110813

One tap mobile

+13017158592,,86512208429#,,,,*110813# US (Washington DC)

+13092053325,,86512208429#,,,,*110813# US

Meeting ID: 865 1220 8429

Passcode: 110813

Find your local number: <https://us02web.zoom.us/u/kejPt2RKqL>

PEB Board Members

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

PEB Board Members

Name	Representing
Sharon Laing Box 358421 1900 Commerce Street Tacoma, WA 98402 V 253-692-4475 PEBBoard@hca.wa.gov	Benefits Management/Cost Containment
John Comerford* 121 Vine ST Unit 1205 Seattle, WA V 206-625-3200 PEBBoard@hca.wa.gov	Benefits Management/Cost Containment
Harry Bossi 19619 23 rd DR SE Bothell WA 98012 V 360-689-9275 PEBBoard@hca.wa.gov	Benefits Management/Cost Containment
Legal Counsel Michael Tunick, Assistant Attorney General 7141 Cleanwater DR SW PO Box 40124 Olympia WA 98504-0124 V 360-586-6495 MichaelT4@atg.wa.gov	

*non-voting members

1/26/24



STATE OF WASHINGTON
HEALTH CARE AUTHORITY
626 8th Avenue SE • PO Box 45502 • Olympia, Washington 98504-5502

PEB BOARD MEETING SCHEDULE

2024 Public Employees Benefits (PEB) Board Meeting Schedule

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

February 1, 2024 (Board Retreat) - starting at 9:00 a.m.*

March 21, 2024 - starting at 9:00 a.m.

April 11, 2024 - starting at 9:00 a.m.

May 9, 2024 - starting at 9:00 a.m.

June 13, 2024 - starting at 9:00 a.m.

June 27, 2024 – starting at 9:00 a.m.

July 11, 2024 - starting at 9:00 a.m.

July 18, 2024 - starting at 9:00 a.m.

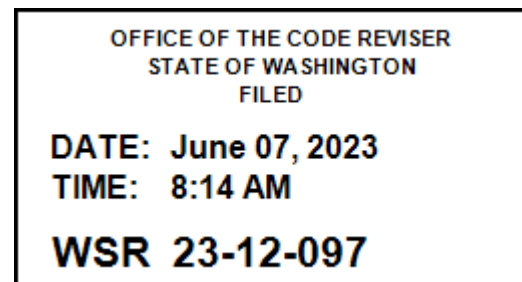
July 25, 2024 - starting at 9:00 a.m.

August 1, 2024 - starting at 9:00 a.m.

*Meeting times are tentative

If you are a person with a disability and need a special accommodation, please contact the Employees and Retirees Benefits (ERB) Board Operations Manager at 360-725-9400.

06/06/2023



TAB 2

PEB BOARD BY-LAWS

ARTICLE I

The Board and its Members

1. **Board Function**—The Public Employees Benefits Board (hereinafter “the PEBB” or “Board”) is created pursuant to RCW 41.05.055 within the Health Care Authority; the PEBB’s function is to design and approve insurance benefit plans and establish eligibility criteria for participation in insurance benefit plans for Higher Education and State employees, State retirees, and school retirees.
2. **Staff**—Health Care Authority staff shall serve as staff to the Board.
3. **Appointment**—The Members of the Board shall be appointed by the Governor in accordance with RCW 41.05.055. Board Members shall serve two-year terms. A Member whose term has expired but whose successor has not been appointed by the Governor may continue to serve until replaced.
4. **Non-Voting Member**—There shall be one non-voting Members appointed by the Governor because of their experience in health benefit management and cost containment.
5. **Privileges of Non-Voting Member**—The non-voting Member shall enjoy all the privileges of Board membership, except voting, including the right to sit with the Board, participate in discussions, and make and second motions.
6. **Board Compensation**—Members of the Board shall be compensated in accordance with RCW [43.03.250](#) and shall be reimbursed for their travel expenses while on official business in accordance with RCW [43.03.050](#) and [43.03.060](#).

ARTICLE II

Board Officers and Duties

1. **Chair of the Board**—The Health Care Authority Administrator shall serve as Chair of the Board and shall preside at all meetings of the Board and shall have all powers and duties conferred by law and the Board’s By-laws. If the Chair cannot attend a regular or special meeting, he or she shall designate a Chair Pro-Tem to preside during such meeting.
2. **Other Officers**—(reserved)

ARTICLE III
Board Committees

(RESERVED)

ARTICLE IV
Board Meetings

1. Application of Open Public Meetings Act—Meetings of the Board shall be at the call of the Chair and shall be held at such time, place, and manner to efficiently carry out the Board's duties. All Board meetings, except executive sessions *as permitted by law*, shall be conducted in accordance with the Open Public Meetings Act, Chapter 42.30 RCW.
2. Regular and Special Board Meetings—The Chair shall propose an annual schedule of regular Board meetings. The schedule of regular Board meetings, and any changes to the schedule, shall be filed with the State Code Reviser's Office in accordance with RCW 42.30.075. The Chair may cancel a regular Board meeting at his or her discretion, including the lack of sufficient agenda items. The Chair may call a special meeting of the Board at any time and proper notice must be given of a special meeting as provided by the Open Public Meetings Act, RCW 42.30.
3. No Conditions for Attendance—A member of the public is not required to register his or her name or provide other information as a condition of attendance at a Board meeting.
4. Public Access—Board meetings shall be held in a location that provides reasonable access to the public including the use of accessible facilities.
5. Meeting Minutes and Agendas—The agenda for an upcoming meeting shall be made available to the Board and the interested members of the public at least 24 hours prior to the meeting date or as otherwise required by the Open Public Meetings Act.

Agendas may be sent by electronic mail and shall also be posted on the HCA website. An audio recording (or other generally accepted electronic recording) shall be made of the meeting. HCA staff will provide minutes summarizing each meeting from the audio recording. Summary minutes shall be provided to the Board for review and adoption at a subsequent Board meeting.

6. Attendance—Board Members shall inform the Chair with as much notice as possible if unable to attend a scheduled Board meeting. Board staff preparing the minutes shall record the attendance of Board Members at the meeting for the minutes.

ARTICLE V
Meeting Procedures

1. Quorum—Five voting members of the Board shall constitute a quorum for the transaction of business. No final action may be taken in the absence of a quorum. The Chair may declare a meeting adjourned in the absence of a quorum necessary to transact business.
2. Order of Business—The order of business shall be determined by the agenda.
3. Teleconference Permitted—A Board Member may attend a meeting in person or, by special arrangement and advance notice to the Chair, by telephone conference call, or video conference when in-person attendance is impracticable.
4. Public Testimony—The Board actively seeks input from the public at large, from enrollees served by the PEBB Program, and from other interested parties. Time is reserved for public testimony at each regular meeting, generally at the end of the agenda. Opportunity for public testimony at Board meetings shall also be made available immediately before the Board’s vote on a resolution. At the direction of the Chair, opportunities for public testimony may also be made available at other times during Board meetings. The Chair has authority to limit the time for public testimony, including the time allotted to each speaker, depending on the time available and the number of persons wishing to speak.
5. Motions and Resolutions—All actions of the Board shall be expressed by motion or resolution. No motion or resolution shall have effect unless passed by the affirmative votes of a majority of the Board Members present and eligible to vote, or in the case of a proposed amendment to the By-laws, a 2/3 majority of the Board.
6. Representing the Board’s Position on an Issue—No Board Member may endorse or oppose an issue purporting to represent the Board or the opinion of the Board on an issue unless the majority of the Board approve of such position.
7. Manner of Voting—On motions, resolutions, or other matters a voice vote may be used. At the discretion of the Chair, or upon request of a Board Member, a roll call vote may be conducted. Proxy votes are not permitted, but the prohibition of proxy votes does not prevent a Chair Pro-Tem designated by the Health Care Authority Director from voting.
8. Parliamentary Procedure—All rules of order not provided for in these By-laws shall be determined in accordance with the most current edition of Robert’s Rules of Order. Board staff shall provide a copy of *Robert’s Rules* at all Board meetings.
9. Civility—While engaged in Board duties, Board Members’ conduct shall demonstrate civility, respect, and courtesy toward each other, HCA staff, and the public and shall be guided by fundamental tenets of integrity and fairness.
10. State Ethics Law and Recusal—Board Members are subject to the requirements of the Ethics in Public Service Act, Chapter 42.52 RCW. A Board Member shall recuse

himself or herself from casting a vote as necessary to comply with the Ethics in Public Service Act.

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

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

Last Revised March 9, 2023

TAB 3

Draft
Public Employees Benefits Board
Meeting Minutes

June 13, 2024
Health Care Authority
Sue Crystal Rooms A & B
Olympia, Washington
9:00 a.m. – 2:00 p.m.

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

Members Present in Olympia

Lou McDermott, Chair Pro-Tem
Sharon Laing
Harry Bossi
Elyette Weinstein

Members Present via Zoom

Tom MacRobert
Kurt Spiegel

Members Absent

John Comerford
Michaela Doelman

PEB Board Counsel

Michael Tunick, AAG (in person)

Call to Order

Lou McDermott, Chair Pro-Tem, called the meeting to order at 9:03 a.m. Sufficient members were present to allow a quorum. Board members and the public were able to attend either in person or virtually via Zoom.

Meeting Overview

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

Approval of Meeting Minutes

Tom MacRobert moved, and Elyette Weinstein seconded a motion to approve the May 9, 2024 meeting minutes. Minutes were approved by unanimous vote. Michaela Doelman was absent for voting.

May Meeting Follow Up

David Iseminger, Director of the Employees and Retirees Benefits (ERB) Division presented some verbal follow-up information regarding Benefits 24/7 enrollment disruptions some retirees experienced earlier in the year.

Property/Casualty Insurance via Payroll Deduction Follow Up

John Partin, Benefit Strategy and Design Section Manager in the Employees and Retirees Benefits (ERB) Division presented more information about the property/casualty insurance benefit and some proposed evaluation criteria for future possible benefits. The presentation included proposed evaluation criteria for contracts under RCW 41.05.065(9) and a proposed resolution for the Board to adopt these criteria for future possible benefits.

- *PEBB 2024-25: Evaluation Criteria for Contracts under RCW 41.05.065.*

No action was taken on the resolution. Voting on the resolution is scheduled to occur at the June 27, 2024 Board meeting.

Pharmacy Administration

Jenny Switzer, Senior Account Manager in the Employees and Retirees Benefits (ERB) Division provided some more details on PEBB Program pharmacy administration in response to several questions from Board members earlier in the year. The presentation included the PEBB Program pharmacy benefits organizational structure, information on the Northwest Prescription Drug Program, now known as ArrayRx, Moda, Navitus, and Ardon Health services, information about pharmacy benefit managers and how Navitus differs from the general market, information about pharmacy and therapeutics (P&T) committees, and UMP rebates.

Medicare Update

Ellen Wolfhagen, Retiree Benefits Manager in the Employees and Retirees Benefits (ERB) Division presented an update on the implementation of UMP Classic Medicare with Part D plan. The presentation included information regarding the UMP Part D implementation plan, timeline, UMP enrollment impacts, and information on members' eligibility with international coverage.

UMP Classic Medicare with Part D (PDP) Policy Resolution

Stella Ng, Policy and Rules Coordinator in the Employees and Retirees Benefits (ERB) Division brought two resolutions to us today regarding coverage for international UMP Classic Medicare with Part D members.

- *PEBB 2024-26: PEBB Retiree Insurance Coverage Deferral – Permanently Live in a Location Outside of the United States.*
- *PEBB 2024-27: Automatic Deferral – PEBB Retiree Insurance Coverage for Medicare Subscribers Who Permanently Live in a Location Outside of the United States.*

No action was taken on the resolutions. Voting on these resolutions is scheduled to occur at the June 27, 2024 Board meeting.

General Public Comment

There were no public comments given at the meeting.

Next Meeting

June 27, 2024

Starting time 9:00 a.m.

Preview of June 27, 2024 PEB Board Meeting

Dave Iseminger, Director, Employees and Retirees Benefits (ERB) Division, provided an overview of potential agenda topics for the June 27, 2024 meeting.

Executive Session

Pursuant to RCW 42.30.110(1)(L), the Board met in in Executive Session to consider proprietary or confidential nonpublished information related to the development, acquisition, or implementation of state purchased health care services as provided in RCW 41.05.026. The Executive Session began at 11:54 a.m. and concluded at 2:17 p.m.

Meeting was adjourned at 2:18 p.m.

TAB 4

June 13 Meeting Follow Up

David Iseminger
ERB Director
Employees and Retirees Benefits Division
June 27, 2024

Pharmacy Locator Tool & Moda Customer Service Number

Pharmacy Locator Tool:

https://memberportal.navitus.com/micro-sites/pharmacy-pricing?entrypoint=pharmacy&type=standard&id=PUBLIC987601*NVUMPP

Moda Customer Service Phone Number:

1-888-361-1611

Drug Price Check Tool

UMP Classic, UMP Select, and UMP Plus:

https://memberportal.navitus.com/micro-sites/pharmacy-pricing?entrypoint=drug&type=standard&id=PUBLIC987601*NVUMPP

UMP Consumer Directed Health Plan (CDHP):

https://memberportal.navitus.com/micro-sites/pharmacy-pricing?entrypoint=drug&type=standard&id=PUBLIC1234501*NVUMPP

Questions?

David Iseminger, ERB Director
Employees and Retirees Benefits (ERB) Division

David.Iseminger@hca.wa.gov

TAB 5

Property/Casualty Insurance via Payroll Deduction Resolution

John Partin
Benefit Strategy and Design Section Manager
Employees and Retirees Benefits Division
June 27, 2024

RCW 41.05.065(9)

(9) The public employees' benefits board shall review plans proposed by insuring entities that desire to offer property insurance and/or accident and casualty insurance to state employees through payroll deduction. The public employees' benefits board may approve any such plan for payroll deduction by insuring entities holding a valid certificate of authority in the state of Washington and which the public employees' benefits board determines to be in the best interests of employees and the state. The public employees' benefits board shall adopt rules setting forth criteria by which it shall evaluate the plans.

Evaluation Criteria for Contracts under RCW 41.05.065(9)

Revised

The Public Employees' Benefits (PEB) Board will use these criteria to evaluate contracts under RCW 41.05.065(9), as applicable:

▶ Product differentiation

- ▶ Does the proposed plan offer additional features that are not available to members outside the program, such as added benefits or lower deductibles?
- ▶ Are the product's benefit design and coverage amounts reasonable in comparison to other such products on the market in Washington?

Evaluation Criteria for Contracts under RCW 41.05.065(9) (*cont.*)

Revised

▶ Product differentiation (*cont.*)

- ▶ Does the proposed plan offer **improved equitable** access to coverage for PEBB Program members (for example, rural, accessibility considerations, etc.)?
- ▶ Does the proposed plan offer discounts that are not available in the general market?

Evaluation Criteria for Contracts under RCW 41.05.065(9) (*cont.*)

Revised

▶ Member convenience

- ▶ Is the process of applying for coverage streamlined and easily understandable?
- ▶ Can the carrier show that it is consistently timely in processing customer requests, such as requests to change benefit limits, or to add or subtract insureds?
- ▶ Does the carrier offer secure, reliable options for automation for member payments?

Evaluation Criteria for Contracts under RCW 41.05.065(9) (*cont.*)

Revised

- ▶ Would the proposed plan require a minimum administration and reduce administrative burden for employers (state agencies, higher education institutions, etc.) or members?
- ▶ Is it reasonable to expect that offering the plan would have a positive impact on employee recruitment and retention?
- ▶ Does the benefit offered align with HCA benefit offerings (~~RCW 41.05.745 and~~ RCW 41.05.065(9))?

Evaluation Criteria for Contracts under RCW 41.05.065(9) (*cont.*)

Revised

- ▶ Is the carrier licensed in the state of Washington and in good standing with the Office of the Insurance Commissioner (OIC), with no actions in effect with the OIC?
- ▶ Are the carrier's marketing and communications consistent with HCA communication standards and education for voluntary or optional benefits?
- ▶ Can the vendor show that it will comply with all relevant federal, state, and HCA data privacy and retention requirements?

Resolution PEBB 2024-25 (Revised)

Evaluation Criteria for Contracts Under RCW 41.05.065(9)

The provision of property, casualty, and accident insurance plans and any related evaluation criteria included in prior Board policy decisions and resolutions is rescinded and replaced with the following:

The Board adopts the evaluation criteria as presented at the June ~~13~~-27, 2024 Board meeting by which it shall evaluate contracts considered under RCW 41.05.065(9), as applicable.

Resolution PEBB 2024-25

Evaluation Criteria for Contracts Under RCW 41.05.065(9)

Resolved that, the provision of property, casualty, and accident insurance plans and any related evaluation criteria included in prior Board policy decisions and resolutions is rescinded and replaced with the following:

The Board adopts the evaluation criteria as presented at the June 27, 2024 Board meeting by which it shall evaluate contracts considered under RCW 41.05.065(9), as applicable.

Next Steps

- ▶ Implement plan evaluation criteria into future renewals and evaluations
- ▶ Return to Board with recommendations for review, input, and decisions

Questions?

John Partin, Benefit Strategy and Design Section
Manager

Employees and Retirees Benefits (ERB) Division

John.Partin@hca.wa.gov

Appendix

Background – Liberty Mutual

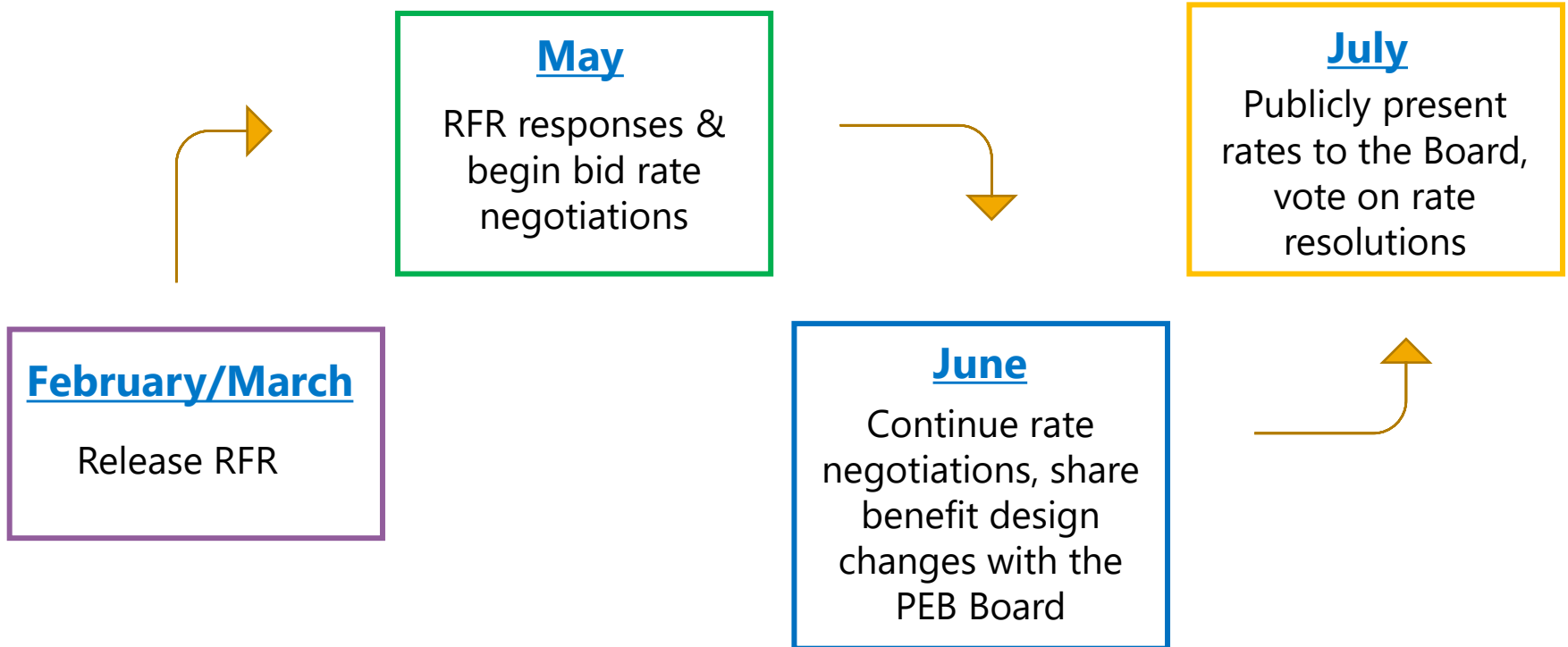
- ▶ Contract executed with Board approval ~23 years ago
- ▶ Largely implemented before direct bank transfers
- ▶ Twice yearly, co-branded mass solicitation letters sent from Liberty Mutual
- ▶ Members have shared concerns
 - ▶ Privacy of personal contact information
 - ▶ Appears to be endorsed by HCA and the PEB Board
- ▶ Due for review

TAB 6

Annual Procurement Update for Plan Year 2025

Beth Heston
Procurement Manager
Employees and Retirees Benefits Division
June 27, 2024

Annual Renewal Timeline



*RFR: Request for Renewal

Presentation Overview

- ▶ IRS Consumer Directed Health Plan (CDHP) update
- ▶ Kaiser Foundation Health Plan of the Northwest (KPNW) benefit changes
- ▶ Kaiser Foundation Health Plan of Washington (KPWA) benefit changes
- ▶ Uniform Medical Plan (UMP) benefit changes

IRS Consumer Directed Health Plan (CDHP) Update

- ▶ IRS sets the inflation adjusted amounts for Health Savings Accounts through: www.irs.gov
 - ▶ [RP-2024-25 \(irs.gov\)](https://www.irs.gov/irb/2024-25)*
- ▶ For UMP, the PEB Board approved Resolution 2023-04

IRS Annual Deductible Minimum (No Less Than)		
	2024	2025
Individual	\$1,600	\$1,650
Family	\$3,200	\$3,300

*<https://www.irs.gov/pub/irs-drop/rp-24-25.pdf>

Kaiser Foundation Health Plan of the Northwest (KPNW) Benefit Changes

KPNW State Mandates

- ▶ **House Bill 1979:** Reducing the Cost of Inhalers and Epinephrine Autoinjectors:
 - ▶ Starting with the 2025 plan year, caps the total out-of-pocket cost for a 30-day supply of
 - ▶ At least one inhaled corticosteroid **and** one inhaled corticosteroid combination product at \$35; and
 - ▶ At least one epinephrine autoinjector product containing at least two autoinjectors at \$35
- ▶ **Senate Bill 6127:** Increasing Access to Human Immunodeficiency Virus Post-Exposure Prophylaxis (PEP) Drugs or Therapies:
 - ▶ Starting with the 2025 plan year, prohibits health plans and Medicaid from imposing cost-sharing or prior authorization requirements for **at least** one full PEP regimen

Kaiser Foundation Health Plan of Washington (KPWA) Benefit Changes

KPWA State Mandates

- ▶ **House Bill 1979:** Reducing the Cost of Inhalers and Epinephrine Autoinjectors:
 - ▶ Starting with the 2025 plan year, caps the total out-of-pocket cost for a 30-day supply of
 - ▶ At least one inhaled corticosteroid **and** one inhaled corticosteroid combination product at \$35; and
 - ▶ At least one epinephrine autoinjector product containing at least two autoinjectors at \$35
- ▶ **Senate Bill 6127:** Increasing Access to Human Immunodeficiency Virus Post-Exposure Prophylaxis (PEP) Drugs or Therapies:
 - ▶ Starting with the 2025 plan year, prohibits health plans and Medicaid from imposing cost-sharing or prior authorization requirements for **at least** one full PEP regimen

KPWA Book of Business Changes

▶ **Advanced Care at Home (ACAH)**

- ▶ Implemented in 2023
- ▶ Removing for 2025
- ▶ Members will have access to services at home via their care providers, as available
- ▶ Plan cost shares (inpatient, outpatient, pharmacy) will apply based on the service provided

KPWA Book of Business Changes for Non-Medicare Members

▶ End Stage Renal Disease Dialysis Benefit

- ▶ Individuals who have End Stage Renal Disease (ESRD) qualify for Medicare after a 90-Day waiting period
- ▶ Once an ESRD member becomes eligible for Medicare, KPWA may add coverage that would include waiving cost shares and reimbursing members for the cost of the standard Medicare Part B monthly premium

Uniform Medical Plan (UMP) Benefit Changes

UMP State Mandates

▶ **Federal mandate**

- ▶ Increasing deductible to CDHP

▶ **House Bill 1979:** Reducing the Cost of Inhalers and Epinephrine Autoinjectors:

- ▶ Starting with the 2025 plan year, caps the total out-of-pocket cost for a 30-day supply of
 - ▶ At least one inhaled corticosteroid **and** one inhaled corticosteroid combination product at \$35; and
 - ▶ At least one epinephrine autoinjector product containing at least two autoinjectors at \$35

▶ **Senate Bill 6127:** Increasing Access to Human Immunodeficiency Virus Post-Exposure Prophylaxis (PEP) Drugs or Therapies:

- ▶ Starting with the 2025 plan year, prohibits health plans and Medicaid from imposing cost-sharing or prior authorization requirements for **at least** one full PEP regimen

Uniform Medical Plan Benefit Impacts

- ▶ **Removal of cost sharing for breast exams:**
 - ▶ Beginning January 1, 2025, diagnostic and supplemental breast exams will be covered at no cost share to Uniform Medical Plan (UMP) members
 - ▶ UMP High Deductible members need to meet their deductible before the plan will pay any portion of the claim

Uniform Medical Plan (UMP) Plus Service Area Changes

Plan Name(s)	Service Area for 2025
Puget Sound High Value Network	Chelan, Douglas , King, Kitsap, Pierce, Snohomish, Yakima
UW Medicine Accountable Care Network	Benton, Franklin, King, Pierce, Skagit, Snohomish, Spokane, Thurston

- ▶ **The Plus networks have until June 30 to notify HCA of any changes to networks:**
 - ▶ We received formal notice that Confluence Health is leaving PSHVN for 2025
 - ▶ PSHVN will withdraw from Chelan and Douglas Counties

Uniform Medical Plan (UMP) Plus Service Area Changes (*cont.*)

▶ **Member impacts**

- ▶ About 1,000 members will be affected by the Confluence Health withdrawal
 - Members will have the other UMP plan offerings to choose from

▶ **June 30 deadline for changes to network**

- ▶ If there are any other changes, we will notify the Board before the final vote

Questions?

Beth Heston, Procurement Manager
Employees and Retirees Benefits (ERB) Division

Beth.Heston@hca.wa.gov

TAB 7

2025 Non-Medicare Premiums

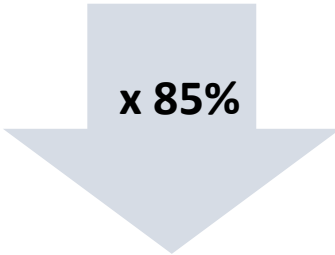
Tanya Deuel
ERB Finance Manager
Financial Services Division
June 27, 2024

Employee Premiums

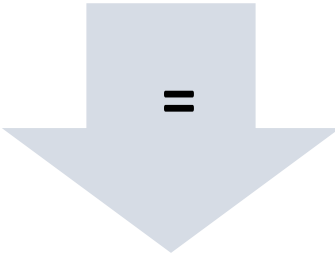
Employer Medical Contribution (EMC)

Sample Illustration

UMP Classic Bid
Rate

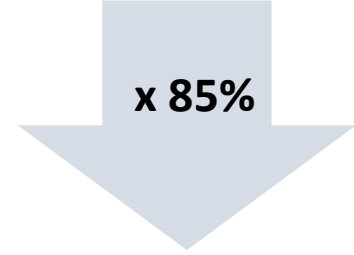


EMC

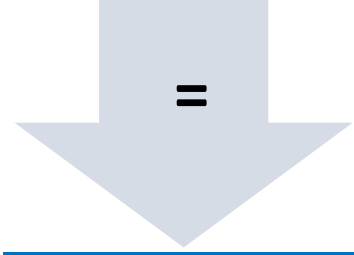


Employee
Premium

\$800



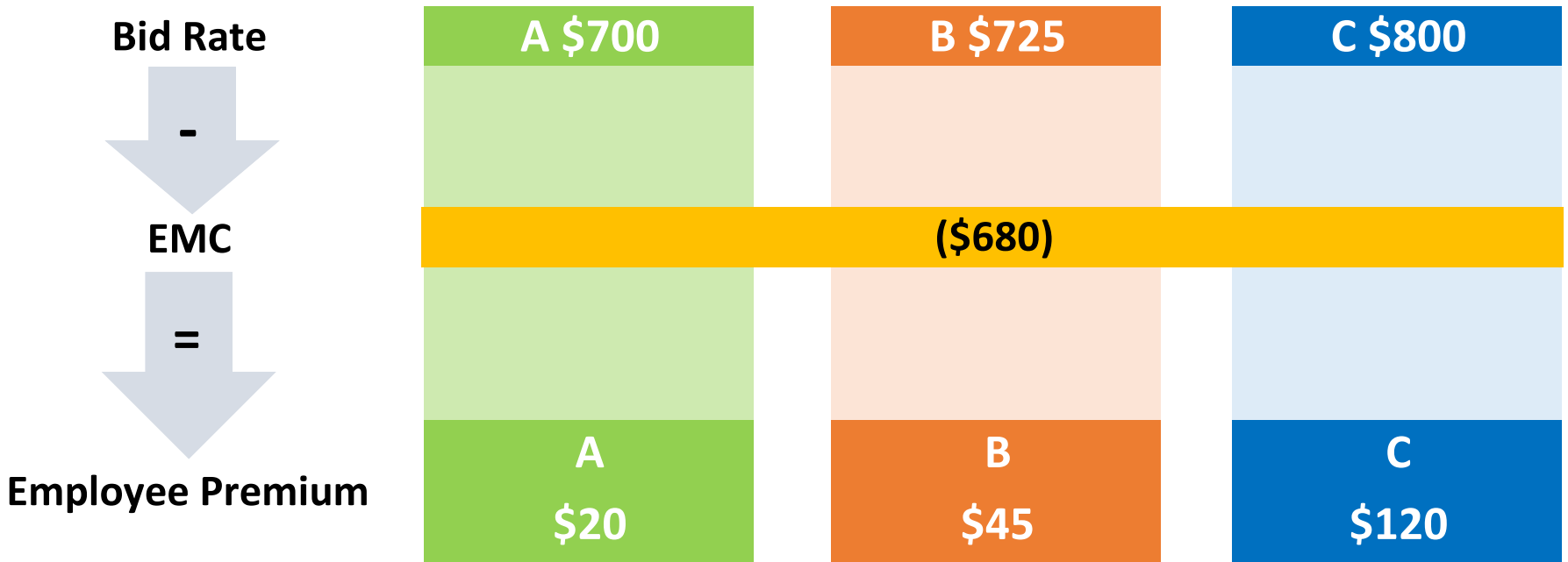
(\$680)



\$120

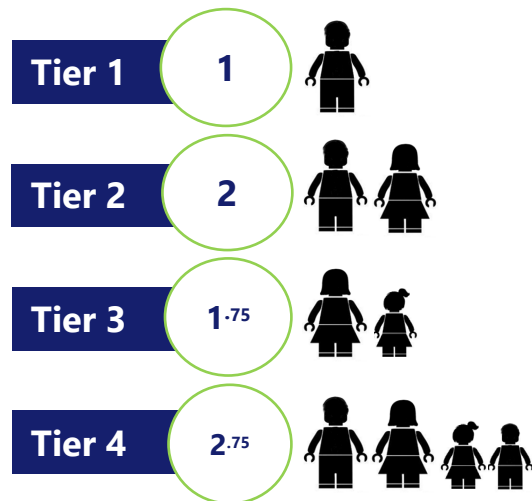
Determining Employee Premiums

Sample Illustration



Employee Premium Tiers

Tiers



Tier 1: Subscriber

Tier 2: Subscriber and Spouse/SRDP*

Tier 3: Subscriber and Child(ren)**

Tier 4: Subscriber, Spouse/SRDP* and Child(ren)**

*SRDP: State Register Domestic Partner

**Tiers 3 and 4 do not change when you have one child or multiple children covered

Proposed 2025 Employee Premiums & Employer Contribution

		Proposed 2025		
		Bid Rate	Employer Contribution	Employee Contribution
KPNW	Classic	\$948.38	\$759	\$189
	CDHP	\$796.42	\$759	\$37
KPWA	Classic	\$887.84	\$759	\$128
	Value	\$878.12	\$759	\$119
	CDHP	\$784.55	\$759	\$25
	SoundChoice	\$832.21	\$759	\$73
UMP	Classic	\$892.96	\$759	\$133
	CDHP	\$805.60	\$759	\$46
	Plus	\$917.81	\$759	\$158
	Select	\$842.36	\$759	\$83

- Consumer Directed Health Plans' (CDHP) bid rates include Health Savings Account (HSA) deposits.
- Bid rate includes Wellness administrative fee.
- Include the state active reduction of \$1.00 Per Adult Unit Per Member (PAUPM) for the employer group surcharge.
- Employee contributions are rounded to the nearest dollar.

Proposed 2025 Employee Premiums

		Subscriber only		Year-over-year change		Enrollment as of April 2024	
		2024	Proposed 2025	\$	%	Members	% of Total
KPNW	Classic	\$331	\$189	(\$142)	-43%	1,469	0.5%
	CDHP	\$195	\$37	(\$158)	-81%	428	0.1%
KPWA	Classic	\$226	\$128	(\$98)	-43%	18,034	6.1%
	Value	\$211	\$119	(\$92)	-44%	10,073	3.4%
	CDHP	\$26	\$25	(\$1)	-4%	5,261	1.8%
	SoundChoice	\$69	\$73	\$4	6%	15,673	5.3%
UMP	Classic	\$124	\$133	\$9	7%	166,879	56.7%
	CDHP	\$35	\$46	\$11	31%	28,228	9.6%
	Plus	\$109	\$158	\$49	45%	33,043	11.2%
	Select	\$59	\$83	\$24	41%	14,976	5.1%

• Employee contributions are rounded to the nearest dollar.

Proposed 2025 Employee Premiums by Tier

		Subscriber	Subscriber & spouse/SRDP*	Subscriber & Child(ren)	Subscriber, spouse/SRDP*, & child(ren)
KPNW	Classic	\$189	\$378	\$331	\$520
	CDHP	\$37	\$74	\$65	\$102
KPWA	Classic	\$128	\$256	\$224	\$352
	Value	\$119	\$238	\$208	\$327
	CDHP	\$25	\$50	\$44	\$69
	SoundChoice	\$73	\$146	\$128	\$201
JMP	Classic	\$133	\$266	\$233	\$366
	CDHP	\$46	\$92	\$81	\$127
	Plus	\$158	\$316	\$277	\$435
	Select	\$83	\$166	\$145	\$228
<i>Subscribers may be subject to the following surcharges</i>					
Tobacco Surcharge		\$25	\$25	\$25	\$25
Spousal Surcharge		N/A	\$50	N/A	\$50

- Employee contributions are rounded to the nearest dollar.
- *SRDP = State registered domestic partner.

Non-Medicare Retiree Premiums

Proposed Non-Medicare Retiree Premiums

		Year-over-year change in Subscriber rate			
		2024	Proposed 2025	\$	%
KPNW	Classic	\$1,039.48	\$953.54	(\$86)	-8.3%
	CDHP	\$908.02	\$806.85	(\$101)	-11.1%
KPWA	Classic	\$933.86	\$893.00	(\$41)	-4.4%
	Value	\$919.67	\$883.28	(\$36)	-4.0%
	CDHP	\$739.28	\$794.98	\$56	7.5%
	SoundChoice	\$777.71	\$837.37	\$60	7.7%
JMP	Classic	\$831.98	\$898.12	\$66	7.9%
	CDHP	\$748.09	\$816.03	\$68	9.1%
	Plus	\$816.80	\$922.97	\$106	13.0%
	Select	\$766.91	\$847.52	\$81	10.5%
<i>Subscribers may be subject to the following surcharges</i>					
Tobacco Surcharge		\$25	\$25	\$25	\$25
Spousal Surcharge		N/A	\$50	N/A	\$50

- *SRDP = State registered domestic partner
- All rates include self-pay administrative fee

Proposed Non-Medicare Retiree Premiums by Tier

		Subscriber	Subscriber & spouse/SRDP*	Subscriber & Child(ren)	Subscriber, spouse/SRDP*, & child(ren)
KPNW	Classic	\$953.54	\$1,901.37	\$1,664.41	\$2,612.24
	CDHP	\$806.85	\$1,606.62	\$1,421.26	\$2,162.71
KPWA	Classic	\$893.00	\$1,780.28	\$1,558.46	\$2,445.75
	Value	\$883.28	\$1,760.84	\$1,541.45	\$2,419.02
	CDHP	\$794.98	\$1,582.88	\$1,400.49	\$2,130.06
	SoundChoice	\$837.37	\$1,669.03	\$1,461.11	\$2,292.77
UMP	Classic	\$898.12	\$1,790.53	\$1,567.43	\$2,459.84
	CDHP	\$816.03	\$1,624.98	\$1,437.33	\$2,187.95
	Plus	\$922.97	\$1,840.23	\$1,610.92	\$2,528.18
	Select	\$847.52	\$1,689.33	\$1,478.88	\$2,320.69
<i>Subscribers may be subject to the following surcharges</i>					
Tobacco Surcharge		\$25	\$25	\$25	\$25
Spousal Surcharge		N/A	\$50	N/A	\$50

- *SRDP = State registered domestic partner
- All rates include self-pay administrative fee

Other Benefits

Life and AD&D, and Long-Term Disability (LTD) 2024 Premiums

- ▶ Basic Life and AD&D, and employer-paid LTD:
 - ▶ Employer funded
 - ▶ No rate change for 2024
- ▶ Supplemental Life and AD&D, and employee-paid LTD:
 - ▶ Employee funded
 - ▶ No rate change for 2024

Proposed Resolutions

Proposed Resolution PEBB 2024-28

Kaiser Foundation Health Plan of the Northwest (KPNW) Non-Medicare 2025 Premiums

The PEB Board authorizes the Kaiser Foundation Health Plan of the Northwest employee and non-Medicare retiree premiums.

Proposed Resolution PEBB 2024-29

Kaiser Foundation Health Plan of WA (KPWA) Non-Medicare 2025 Premiums

The PEB Board authorizes the Kaiser Foundation Health Plan of Washington employee and non-Medicare retiree premiums.

Proposed Resolution PEBB 2024-30

Uniform Medical Plan (UMP) Non-Medicare 2025 Premiums

The PEB Board authorizes the Uniform Medical Plan (UMP) employee and non-Medicare retiree premiums.

Next Steps

HCA will ask the Board to take action on these premium resolutions at the July 11, 2024 meeting.

Questions?

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

TAB 8

UMP Classic Medicare with Part D (PDP) Policy Resolutions

Stella Ng
Policy and Rules Coordinator
Employees and Retirees Benefits Division
June 27, 2024

RCW 41.05.065(4)

(4) Except if bargained for under chapter **41.80** RCW, the public employees' benefits board shall design benefits and determine the terms and conditions of employee and retired or disabled school employee participation and coverage, including establishment of eligibility criteria subject to the requirements of this chapter. Employer groups obtaining benefits through contractual agreement with the authority for employees defined in RCW **41.05.011**(6)(a) (i) through (vi) may contractually agree with the authority to benefits eligibility criteria which differs from that determined by the public employees' benefits board. The eligibility criteria established by the public employees' benefits board shall be no more restrictive than the following:...

RCW 41.05.080(1) and (3)

(1) Under the qualifications, terms, conditions, and benefits set by the public employees' benefits board:

(a) Retired or disabled state employees, retired or disabled school employees, retired or disabled employees of county, municipal, or other political subdivisions, or retired or disabled employees of tribal governments covered by this chapter may continue their participation in insurance plans and contracts after retirement or disablement;

(b) Separated employees may continue their participation in insurance plans and contracts if participation is selected immediately upon separation from employment;

(c) Surviving spouses, surviving state registered domestic partners, and dependent children of emergency service personnel killed in the line of duty may participate in insurance plans and contracts.

(3) Rates charged to surviving spouses and surviving state registered domestic partners of emergency service personnel killed in the line of duty, retired or disabled employees, separated employees, spouses, or children who are eligible for parts A and B of medicare shall be calculated from a separate experience risk pool comprised only of individuals eligible for parts A and B of medicare; however, the premiums charged to medicare-eligible retirees and disabled employees shall be reduced by the amount of the subsidy provided under RCW 41.05.085.

PEB Board Policy Resolutions

PEBB 2024-26

PEBB retiree insurance coverage deferral – Permanently live in a location outside of the United States

PEBB 2024-27

Automatic deferral - PEBB retiree insurance coverage for Medicare subscribers who permanently live in a location outside of the United States

Resolution PEBB 2024-26 (Revised)

PEBB Retiree Insurance Coverage Deferral – Permanently Live in a Location Outside of the United States

Effective January 1, 2025, retirees and survivors who are enrolled in Medicare may defer enrollment in a PEBB retiree insurance coverage when they permanently live in a location outside of the United States.

Evidence of continuous enrollment in a qualified coverage is waived while a retiree or survivor enrolled in Medicare lives outside of the United States.

A retiree or survivor enrolled in Medicare who defers enrollment while permanently living outside of the United States will have the opportunity to enroll in a PEBB health plan when they return to the United States by submitting the required forms and proof of enrollment in Medicare Parts A and B within the HCA required enrollment timeframe.

Resolution PEBB 2024-26

PEBB Retiree Insurance Coverage Deferral – Permanently Live in a Location Outside of the United States

Resolved that, effective January 1, 2025, retirees and survivors who are enrolled in Medicare may defer enrollment in PEBB retiree insurance coverage when they permanently live in a location outside of the United States.

Evidence of continuous enrollment in a qualified coverage is waived while a retiree or survivor enrolled in Medicare lives outside of the United States.

A retiree or survivor enrolled in Medicare who defers enrollment while permanently living outside of the United States will have the opportunity to enroll in a PEBB health plan when they return to the United States by submitting the required forms and proof of enrollment in Medicare Parts A and B within the HCA required enrollment timeframe.

Resolution PEBB 2024-27

Automatic Deferral - PEBB retiree insurance coverage for Medicare subscribers who permanently live in a location outside of the United States

Resolved that, all Medicare enrollees who are enrolled in UMP Classic Medicare with creditable drug coverage as of December 31, 2024 and permanently live outside of the United States, where the subscribers did not make an election during the PEBB annual open enrollment period held in 2024, will be automatically deferred from PEBB retiree insurance coverage with an effective date of January 1, 2025. These subscribers will be exempt from the deferral form requirement.

Next Steps

- ▶ Issue guidance to employing agencies on these resolutions
- ▶ Prepare communications for our members
- ▶ Incorporate resolutions into the PEBB Program rules

Questions?

Stella Ng, Policy and Rules Coordinator
Employees and Retirees Benefits (ERB) Division

Stella.Ng@hca.wa.gov

TAB 9

Medicare Update

Ellen Wolfhagen
Retiree Benefits Manager
Employees and Retirees Benefits Division
June 27, 2024

Presentation Overview

▶ Benefit changes

- ▶ UnitedHealthcare (UHC)
- ▶ Kaiser Foundation Health Plan of the Northwest (KPNW)
- ▶ Kaiser Foundation Health Plan of Washington (KPWA)

▶ Kaiser Permanente specific discussion

- ▶ Service area difference
- ▶ Change from Medicare Advantage (MA) to Medicare Advantage with Prescription Drug (MA-PD)

Benefit Changes



UHC Proposed Benefit Changes

Hearing Aids

- ▶ UnitedHealthcare uses its own network (United Hearing) for both PEBB Balance and PEBB Complete
- ▶ There is **no coverage** for out-of-network providers
- ▶ The most expensive hearing aid **in-network** is \$1,900/ear
- ▶ Increased benefit from \$2,500 combined for two ears to \$3,000 **per ear**, every 36 months

KPNW Proposed Benefit Changes

- ▶ Hearing aids

- ▶ Increasing from \$1,400 to \$3,000/ear every 36 months

- ▶ Vision hardware

- ▶ Increasing from \$150 to \$200 every 24 months

KPWA Proposed Benefit Changes

- ▶ Hearing aids

- ▶ Increasing from \$1,400 to \$3,000 every 36 months

Kaiser Permanente Specific Discussion

KPWA Medicare Update

 +  **PEBB KPWA Medicare Service Area for 2024**

 **PEBB KPWA Medicare Service Area for 2025**



KPWA Medicare

Service Area Difference

- ▶ 2025 Plan offering focuses on KP WA empaneled providers and KP WA facilities
 - ▶ $\geq 99\%$ of members in the “light blue” counties (on the prior slide) were not seen by a Kaiser Permanente Medical Group provider
- ▶ Total 150 providers in those counties; only 3 have not submitted claims to any of the other PEBB Medicare plans
- ▶ Based on 2023 claims data, most of these providers have submitted claims to the other Medicare plans offered within the portfolio
 - ▶ (84%) in UnitedHealthcare
 - ▶ (90%) in Uniform Medical Plan
 - ▶ (80%) in Premera (Plan F/G)

Kaiser Permanente Change from MA to MA-PD

Reasons for Change

- ▶ Cost savings
 - ▶ Lower cost shares
 - ▶ Reduction in 90-day supply copays except for specialty drugs
 - ▶ Maximum out-of-pocket limit
- ▶ Inflation Reduction Act (IRA) enhancements
 - ▶ Premium increase protection
 - ▶ Maximum out-of-pocket calculation
 - ▶ Centers for Medicare and Medicaid Services (CMS) negotiated drug pricing
- ▶ CMS-approved Medicare formulary
- ▶ No change to medical coverage

Part D Formulary

Member Benefits

- ▶ Substantially all medications in 6 “protected classes” are covered under the Part D formulary
 - ▶ Antidepressants, antipsychotics, anticonvulsants, immunosuppressants for treatment of transplant rejection, antiretrovirals; and antineoplastics; except in limited circumstances
- ▶ Members taking a Tier 4 non-preferred brand may request a tier exception (to cover the medication at the preferred brand cost share [Tier 3]), which is not available under the current plan

Part D Formulary (*cont.*)

Member Benefits

- ▶ If a drug becomes non-covered, members are grandfathered for the remainder of the plan year, minimizing impact during the plan year
- ▶ Prior authorization and step therapy requirements are generally less restrictive under Part D
- ▶ Minimal change to exception process for coverage of non-formulary medications
 - ▶ Members granted an exception pay Tier 2 cost share for generics
 - ▶ Tier 4 cost share for non-preferred brands
- ▶ Part D appeals must be resolved more quickly than in current plan (72 hours for regular appeals and 24 hours for urgent appeals)

Cost Share Comparison Key Points

- ▶ Most generic and brand medication cost shares would not change under the Part D plan options
 - ▶ Members could save on most prescriptions under the Part D alternative plan option
- ▶ Members who use high-cost specialty medication may have a higher cost share
 - ▶ (less than 1% total scripts)
 - ▶ Members will pay higher cost share under part D
 - ▶ Most members will reach their true out-of-pocket (TrOOP) during the plan year

Part D Formulary

- ▶ Most drugs will continue be covered under the Part D formulary
- ▶ Bonus drug list will include vitamins, over-the-counter (OTC) nicotine replacement, and other products

KPNW MA vs. MA-PD

Cost Share Structure Comparison

	Creditable Coverage Current MA Design	Part D Option
Deductible	\$0	\$0
Maximum out-of-pocket	No limit	\$2,000 (TrOOP)
Preventive vaccines	\$0	\$0
Preferred generics	\$20	\$20
Non-preferred generics	\$20	\$20
Preferred brands	\$40	\$40
Non-preferred brands	50% to \$200	\$100
Specialty	50% up to \$200	\$200

*All costs expressed per 30-day script (do not include mail order).

KPNW 2023 Top Drugs by Utilization

	Drug Product Name	Members	KPNW Cost Share	Part D Cost Share
1	ATORVASTATIN	378	\$20	\$20
2	TAMSULOSIN	185	\$20	\$20
3	HYDROCO/APAP	101	\$20	\$20
4	PANTOPRAZOLE	153	\$20	\$20
5	AMLODIPINE	175	\$20	\$20
6	ATORVASTATIN	170	\$20	\$20
7	POTASSIUM CHLORIDE	147	\$20	\$20
8	ONETOUCH	139	\$20	Part B
9	ALENDRONATE	145	\$20	\$20
10	TRAZODONE	133	\$20	\$20
11	PRADAXA	142	\$20	\$20
12	LOSARTAN	153	\$20	\$20

KPNW 2023 Top Drugs by Utilization (*cont.*)

	Drug Product Name	Members	KPNW Cost Share	Part D Cost Share
13	OXYCODONE	76	\$20	\$20
14	LOSARTAN 25MG	138	\$20	\$20
15	LOSARTAN 50MG	140	\$20	\$20
16	ATORVASTATIN	148	\$20	\$20
17	ALBUTEROL	119	\$20	\$20
18	METOPROL TAR	124	\$20	\$20
19	FUROSEMIDE	115	\$20	\$20
20	SIMVASTATIN	129	\$20	\$20
21	AMLODIPINE	121	\$40	\$20
22	SIMVASTATIN	122	\$20	\$20
23	AMLODIPINE	123	\$20	\$20

KPWA MA vs. MA-PD

Cost Share Structure Comparison

	Creditable Coverage Current Design	Part D Option
Deductible	\$0	\$0
Maximum out-of-pocket	No Limit	\$2,000 (TrOOP)
Preventive vaccines	\$0	\$0
Preferred generics	\$20	\$20
Non-preferred generics	\$20	\$20
Preferred brands	\$40	\$40
Non-preferred brands	50% to \$250	\$100
Specialty	By exception only	\$250

*All costs expressed per 30-day script (do not include mail order).

KPWA 2023 Top Drugs by Utilization

	Drug Product Name	Members	Current Cost Share	Part D Cost Share
1	ATORVASTATIN CALCIUM	5683	\$20	\$20
2	LISINOPRIL	3732	\$20	\$20
3	LOSARTAN POTASSIUM	3231	\$20	\$20
4	LEVOTHYROXINE SODIUM	2949	\$20	\$20
5	AMLODIPINE BESYLATE	2982	\$20	\$20
6	ROSUVASTATIN CALCIUM	2130	\$20	\$20
7	METOPROLOL SUCCINATE ER	2005	\$20	\$20
8	OMEPRAZOLE	1929	\$20	\$20
9	HYDROCHLOROTHIAZIDE	1851	\$20	\$20
10	GABAPENTIN	1417	\$20	\$20
11	SIMVASTATIN	1713	\$20	\$20
12	TAMSULOSIN HYDROCHLORIDE	1536	\$20	\$20

KPWA 2023 Top Drugs by Utilization (*cont.*)

	Drug Product Name	Members	Current Cost Share	Part D Cost Share
13	PRADAXA	1617	\$20	\$20
14	METFORMIN HYDROCHLORIDE	1410	\$20	\$20
15	FUROSEMIDE	1395	\$20	\$20
16	HYDROCODONE BITARTRATE/AC	1371	\$20	\$20
17	TRAZODONE HYDROCHLORIDE	1369	\$20	\$20
18	PREDNISON	1219	\$20	\$20
19	POTASSIUM CHLORIDE ER	1173	\$20	\$20
20	PANTOPRAZOLE SODIUM	1147	\$20	\$20
21	JARDIANCE (Preferred Brand)	1093	\$40	\$40
22	LATANOPROST	1085	\$20	\$20
23	ALENDRONATE SODIUM	1037	\$20	\$20

KPWA Formulary Changes

- ▶ The previous two slides represent 94% of plan prescriptions for 2023
- ▶ Based on 2023 claims, about 2,500 prescriptions would need further medical review to comply with CMS determinations of Tier and/or Part B or Part D coverage
 - ▶ This represents ~10% of all plan prescriptions
 - ▶ Exceptions may be provided or alternative drugs may be prescribed

KPWA Part D Out-of-Network (OON) Pharmacies

Pharmacy Name	Unique Member Count	City	Mileage to Nearest In-Network Pharmacy
Walgreens #16095	60	Bellingham	5
Safeway Pharmacy #1740	32	Cheney	11
Cheney Owl Pharmacy	26	Cheney	11
Medical Lake Owl Pharmacy	17	Medical Lake	2
Rite Aid Pharmacy # 05307	15	Spokane	7
Rite Aid Pharmacy # 06462	14	Kingston	12
Bartell Drugs #33	13	Snohomish	12
Safeway Pharmacy #2248	12	Liberty Lake	4
Bartell Drugs #6957	12	Tacoma	1.8

Communication Plan

- ▶ Open enrollment (OE):
 - ▶ Dates: October 28, 2024 to November 25, 2024
 - ▶ Direct communication from Kaiser Permanente and HCA prior to OE to notify impacted members of:
 - The service area difference for KPWA Medicare
 - Broader Part D drug coverage changes for both the KPWA and KPNW regions
- ▶ Letters
- ▶ Newsletters

Communication Plan (*cont.*)

- ▶ Website updates
- ▶ Created centralized HCA e-mail inbox
 - ▶ KPQuestions@hca.wa.gov
 - ▶ Collect and respond to member questions/concerns

Questions?

Ellen Wolfhagen, Retiree Benefits Manager
Employees and Retirees Benefits Division
HCAPEBBMedicare@hca.wa.gov

TAB 10

2025 PEBB Program Medicare Premiums

Molly Christie
Fiscal Analyst
Financial Services Division
June 27, 2024

Plan Updates

- ▶ UMP Classic Medicare with Part D
 - ▶ 2025 bid rate reduced by approximately \$247 compared to UMP Classic Medicare if the plan had retained creditable drug coverage
- ▶ Kaiser Foundation Health Plan of Washington (KPWA)
 - ▶ Transition to Part D for prescription drug coverage
- ▶ Kaiser Foundation Health Plan of the Northwest (KPNW)
 - ▶ Transition to Part D for prescription drug coverage

PEBB Program Medicare Retiree Enrollment Summary

2024 Enrollment Summary

Plan	Total Members	Percentage of Total
Kaiser Permanente NW Senior Advantage	2,275	2.1%
Kaiser WA Medicare Advantage	22,875	21.3%
Uniform Medical Plan Classic Medicare	35,936	33.4%
UnitedHealthcare PEBB Complete	22,140	20.6%
UnitedHealthcare PEBB Balance	529	0.5%
Premera Blue Cross Medicare Supplement F	13,541	12.6%
Premera Blue Cross Medicare Supplement G	10,290	9.6%
Grand Total	107,586	

*Based on May 2024 enrollment

Proposed PEBB Program Medicare Retiree Premiums

2025 Medicare Retiree Premiums

	2024 Final Premium	2025 Proposed Premium	\$	%
Kaiser NW Senior Advantage with Part D	\$193.95	\$171.19	(\$23)	-12%
Kaiser WA Medicare Advantage with Part D	\$188.62	\$177.41	(\$11)	-6%
UMP Classic Medicare with Part D	\$532.94	\$453.21	(\$80)	-15%
UnitedHealthcare (MA-PD) PEBB Complete	\$160.58	\$181.55	\$21	13%
UnitedHealthcare (MA-PD) PEBB Balance	\$135.65	\$153.56	\$18	13%
Premera Medicare Supplement Plan F Retired	\$119.05	\$134.18	\$15	13%
Premera Medicare Supplement Plan F Disabled	\$207.45	\$259.49	\$52	25%
Premera Medicare Supplement Plan G Retired	\$101.99	\$114.80	\$13	13%
Premera Medicare Supplement Plan G Disabled	\$169.20	\$193.60	\$24	14%

*Monthly premium for a single subscriber after deduction of the Medicare Explicit Subsidy, which is the lesser of \$183 or 50% of the bid rate for the 2025 plan year. Includes administrative fee of \$5.71 for 2025.

2025 Medicare Subscriber and Medicare Spouse/SDRP Premiums

	Monthly Single Subscriber Premium	Monthly Subscriber + Spouse/SDRP Premium
Kaiser NW Senior Advantage with Part D	\$171.19	\$336.67
Kaiser WA Medicare Advantage with Part D	\$177.41	\$349.11
UMP Classic Medicare with Part D	\$453.21	\$900.71
UnitedHealthcare (MA-PD) PEBB Complete	\$181.55	\$357.39
UnitedHealthcare (MA-PD) PEBB Balance	\$153.56	\$301.41
Premera Medicare Supplement Plan F Retired	\$134.18	\$262.65
Premera Medicare Supplement Plan F Disabled	\$259.49	\$513.27
Premera Medicare Supplement Plan G Retired	\$114.80	\$223.89
Premera Medicare Supplement Plan G Disabled	\$193.60	\$381.49

*Monthly premium for a single subscriber after deduction of the Medicare Explicit Subsidy, which is the lesser of \$183 or 50% of the bid rate for the 2025 plan year. Includes administrative fee of \$5.71 for 2025. SDRP + State-registered Domestic Partner

2025 Medicare Explicit Subsidy Amount by Plan

	Monthly Single Subscriber Premium	2025 Medicare Explicit Subsidy	Composite Rate
Kaiser NW Senior Advantage with Part D	\$171.19	\$165.49	\$336.68
Kaiser WA Medicare Advantage with Part D	\$177.41	\$171.71	\$349.12
UMP Classic Medicare with Part D	\$453.21	\$183.00	\$636.21
UnitedHealthcare (MA-PD) PEBB Complete	\$181.55	\$175.85	\$357.40
UnitedHealthcare (MA-PD) PEBB Balance	\$153.56	\$147.86	\$301.42
Premera Medicare Supplement Plan F Retired	\$134.18	\$128.47	\$262.65
Premera Medicare Supplement Plan F Disabled	\$259.49	\$183.00	\$442.49
Premera Medicare Supplement Plan G Retired	\$114.80	\$109.09	\$223.89
Premera Medicare Supplement Plan G Disabled	\$193.60	\$183.00	\$376.60

*Monthly premium for a single subscriber after deduction of the Medicare Explicit Subsidy, which is the lesser of \$183 or 50% of the bid rate for the 2025 plan year. Includes administrative fee of \$5.71 for 2025.

UMP Classic Medicare Rate Details

UMP Classic Medicare Rate Development

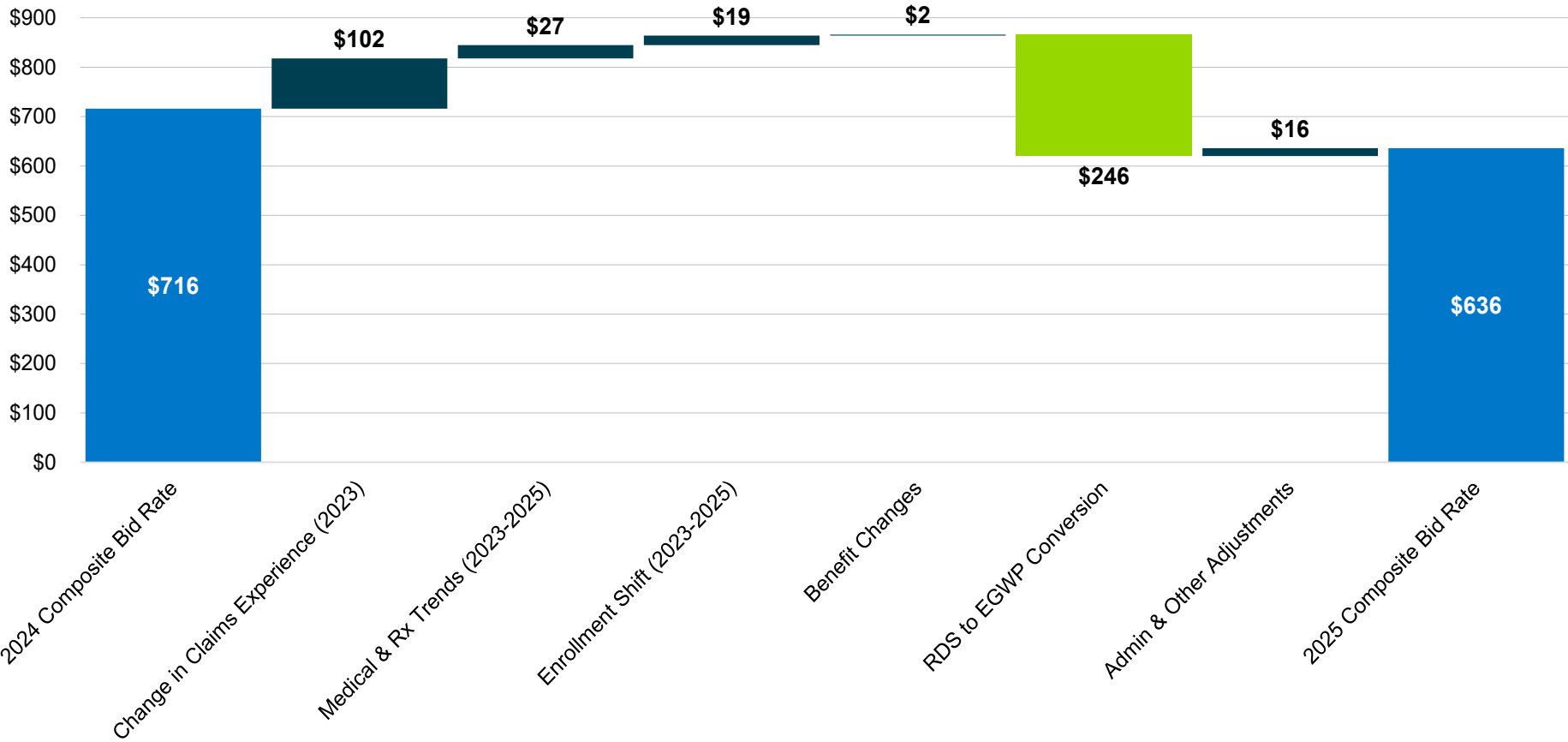
- ▶ **Goal:** Set rates based on required cost to pay claims and administer the plan
- ▶ **Method:** Use actual historical claims experience to project future costs per member per month
 - ▶ HCA sets rates in consultation with contracted actuaries at Milliman; Regence and Moda do not set rates for UMP
 - ▶ Self-insured plan means **no profit margin** – only retain enough to cover actual costs to administer the plan, including statutorily mandated reserves
- ▶ **Impacts:** Changes in health care costs, utilization, and benefits may increase or decrease cost assumptions used to set rates

UMP Classic Medicare 2025 Proposed Rate Comparison

	Current Benefit		Future Benefit	
	UMP Classic Medicare		UMP Classic Medicare with Part D	
2025 Composite Bid Rate	\$886.97	(\$251)	\$636.21	
Medicare Explicit Subsidy	\$183.00		\$183.00	
2024 Final Premium	\$532.94		N/A	
2025 Proposed Premium	\$703.97		\$453.21	
\$ Change (2024 to 2025)	\$171.03		-\$79.73	
% Change (2024 to 2025)	32%		-15%	

*2025 UMP Classic Medicare with Part D total bid rate savings, almost all attributed to change from creditable drug coverage to Part D.

UMP Classic Medicare with Part D Rate Development Details



*Values are 2024 to 2025 rate components, rounded and expressed as Per Adult Unit Per Month (PAUPM)

Kaiser Permanente Medicare Rate Comparison

Kaiser Foundation Health Plan of Washington (KPWA) Medicare 2025 Rate Comparison

	Current Benefit	Future Benefit
	KPWA Medicare Advantage	KPWA Medicare Advantage with Part D
2025 Composite Bid Rate	\$465.19	(\$116) \$349.12
Medicare Explicit Subsidy	\$183.00	\$171.71
2024 Final Premium	\$188.62	N/A
2025 Proposed Premium	\$282.19	\$177.41
\$ Change (2024 to 2025)	\$93.57	(\$11.21)
% Change (2024 to 2025)	50%	-6%

Kaiser Foundation Health Plan of the Northwest (KPNW) Medicare 2025 Rate Comparison

	Current Benefit	Future Benefit
	KPNW Senior Advantage	KPNW Senior Advantage with Part D
2025 Composite Bid Rate	\$410.85	\$336.68
		(\$74)
Medicare Explicit Subsidy	\$183.00	\$165.49
2024 Final Premium	\$193.95	N/A
2025 Proposed Premium	\$227.85	\$171.19
\$ Change (2024 to 2025)	\$33.90	(\$22.76)
% Change (2024 to 2025)	17%	-12%

PEBB Program Medicare Proposed Premium Resolutions

Proposed Resolution PEBB 2024-31

Medicare Explicit Subsidy

The PEB Board authorizes the calendar year 2025 monthly Medicare Explicit Subsidy of \$183 or 50% of premium, whichever is less.

Proposed Resolution PEBB 2024-32

Kaiser Foundation Health Plan of the Northwest (KPNW) Medicare Premium

The PEB Board authorizes the Kaiser Foundation Health Plan of the Northwest (KPNW) Medicare plan premium.

Proposed Resolution PEBB 2024-33

Kaiser Foundation Health Plan of Washington (KPWA) Medicare Premium

The PEB Board authorizes the Kaiser Foundation Health Plan of Washington (KPWA) Medicare plan premium.

Proposed Resolution PEBB 2024-34

UnitedHealthcare (UHC) Medicare Premiums

The PEB Board authorizes the UnitedHealthcare (UHC) Medicare plan premiums.

Proposed Resolution PEBB 2024-35

Premera Medicare Premiums

The PEB Board authorizes the Premera Medicare Supplement plan premiums.

Proposed Resolution PEBB 2024-36

Uniform Medical Plan (UMP) Medicare Premium

The PEB Board authorizes the Uniform Medical Plan (UMP) Classic Medicare with Part D (PDP) plan premium.

Questions?

Molly Christie, Fiscal Information & Data Analyst

Financial Services Division

Molly.Christie@hca.wa.gov

TAB 11



STATE OF WASHINGTON
HEALTH CARE AUTHORITY

626 8th Avenue SE • PO Box 45502 • Mail Stop/P.O. Box 45502 • Olympia, Washington 98504-5502

PEB BOARD MEETING SCHEDULE

2025 Public Employees Benefits (PEB) Board Meeting Schedule

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

January 30, 2025 (Board Retreat) - starting at 9:00 a.m.*

March 13, 2025 - starting at 9:00 a.m.

April 10, 2025 - starting at 9:00 a.m.

May 15, 2025 - starting at 9:00 a.m.

June 12, 2025 - starting at 9:00 a.m.

June 26, 2025 – starting at 9:00 a.m.

July 10, 2025 - starting at 9:00 a.m.

July 17, 2025 - starting at 9:00 a.m.

July 24 2025 - starting at 9:00 a.m.

July 31, 2025 - starting at 9:00 a.m.

*Meeting times are tentative

If you are a person with a disability and need a special accommodation, please contact the Employees and Retirees Benefits (ERB) Board Operations Manager at 360-725-9484.

06/14/2024