

Public Employees Benefits Board Meeting

August 5, 2024

Public Employees Benefits Board Special Meeting

August 5, 2024

10:00 a.m. – 11:00 a.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
August 5, 2024
10:00 a.m. – 11:00 a.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

10:00 a.m.*	Welcome and Introductions		Sue Birch, Chair	
10:05 a.m.	Meeting Overview		Dave Iseminger, Director Employees & Retirees Benefits (ERB) Division	Information
10:10 a.m.	UMP Classic Medicare with Part D (PDP) 2025 Premium Revision	TAB 3	Ellen Wolfhagen, Retiree Benefits Manager Employees & Retirees Benefits (ERB) Division Molly Christie, Fiscal Analyst Financial Services Division (FSD)	Action
10:40 a.m.	General Public Comment			
10:55 a.m.	Closing			
11:00 a.m.	Adjourn		Sue Birch, Chair	

***All Times Approximate**

The Public Employees Benefits Board will meet Monday, August 5, 2024 in a special Board meeting 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.

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

Pursuant to the Open Public Meeting Act, Chapter 42.30.080(3) RCW, final disposition shall not be taken on any other matter in special Board meetings.

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> 24 hours before the Board meeting occurs.

Join Zoom Meeting

<https://us02web.zoom.us/j/88525658951?pwd=Vb320eWbWIToL9pNhDIGT3JHBaWyvy.1>

Meeting ID: 885 2565 8951

Passcode: 497108

One tap mobile

+12532158782,,88525658951#,,,,*497108# US (Tacoma)

+12532050468,,88525658951#,,,,*497108# US

Meeting ID: 885 2565 8951

Passcode: 497108

Find your local number: [https://us02web.zoom.us/u/kt6BjgTbw](https://us02web.zoom.us/j/88525658951?pwd=Vb320eWbWIToL9pNhDIGT3JHBaWyvy.1)

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.

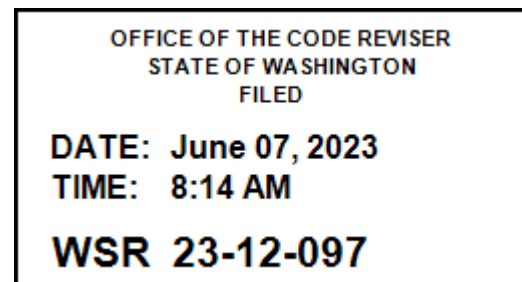
July 25, 2024 - starting at 9:00 a.m.

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

UMP Classic Medicare with Part D (PDP) 2025 Premium Revision

Ellen Wolfhagen
Retiree Benefits Manager
Employees and Retirees Benefits Division

Molly Christie
Fiscal Analyst
Financial Services Division
August 5, 2024

Centers for Medicare and Medicaid (CMS) Updates to Medicare Part D

- ▶ On July 29, 2024, there were two significant updates to Medicare Part D for 2025
 - ▶ Higher than expected increase in the CMS direct subsidy to Part D plans
 - ▶ Creation of a new payment demonstration for Medicare Part D plans
- ▶ Combined, these changes allow for an approximately \$34 decrease in the Uniform Medical Plan Classic Medicare with Part D (PDP) 2025 premium

Voluntary Medicare Part D Premium Stabilization Demonstration

- ▶ On July 29, 2024, CMS announced a voluntary Medicare Part D reimbursement/payment demonstration project
- ▶ Project provides additional federal subsidy in 2025 that lowers participating Medicare Part D plans' premiums
- ▶ Demonstration project runs through December 2027
- ▶ CMS will reassess funding for 2026 and 2027
- ▶ Part D plans that are not included in Medicare Advantage Plans (MA-PDs) are eligible
 - ▶ Employer Group Waiver Plans (EGWPs), like UMP, are eligible
 - ▶ MA-PDs, like Kaiser and UnitedHealthcare, are not eligible

Voluntary Medicare Part D Premium Stabilization Demonstration (*cont.*)

- ▶ Implementation of the Inflation Reduction Act (IRA) resulted in higher Medicare Part D premiums on the individual market
 - ▶ \$2,000 maximum out-of-pocket
 - ▶ Eliminated "donut hole"
- ▶ The intent of the demonstration project is to stabilize Medicare Part D premiums and minimize enrollment churn during initial implementation of the IRA
- ▶ Participation is at the CMS contract level – Moda as UMP pharmacy benefit administrator

2025 PEBB Medicare Retiree Premiums

As Presented June 27, 2024 & Authorized July 11, 2024

	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.



2025 UMP Medicare Retiree Premium

Updated August 5, 2024

Rate as of July 11	Monthly Single Subscriber Premium	Medicare Explicit Subsidy	Composite Rate
UMP Classic Medicare with Part D	\$453.21	\$183.00	\$636.21

Updated rate as of August 5	Monthly Single Subscriber Premium	Medicare Explicit Subsidy	Composite Rate
UMP Classic Medicare with Part D	\$419.36	\$183.00	\$602.36

*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 Refreshed 2025 Rate Comparison

	Current Benefit	Future Benefit
	UMP Classic Medicare	UMP Classic Medicare with Part D
2025 Composite Bid Rate	\$886.97	(\$285) \$602.36
Medicare Explicit Subsidy	\$183.00	\$183.00
2024 Final Premium	\$532.94	N/A
2025 Proposed Premium	\$703.97	\$419.36
\$ Change	\$171.03	-\$113.58
% Change	32%	-21%

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

Resolution PEBB 2024-37

Amending Resolution PEBB 2024-36: Uniform Medical Plan (UMP) 2025 Medicare Premium

Resolved that, Resolution PEBB 2024-36 is amended to add “as presented at the August 5, 2024 Board meeting.”

So that PEBB 2024-36 now reads:

The PEB Board authorizes the Uniform Medical Plan (UMP) Classic Medicare with Part D (PDP) premium as presented at the August 5, 2024 Board meeting.

Questions?

Ellen Wolfhagen, Retiree Benefits Manager
Employees and Retirees Benefits (ERB) Division

Ellen.Wolfhagen@hca.wa.gov

Molly Christie, Fiscal Information & Data Analyst
Financial Services Division (FSD)

Molly.Christie@hca.wa.gov

Resolution PEBB 2024-36

UMP 2025 Medicare Premium

as adopted July 11, 2024

Resolved that, the PEB Board authorizes the Uniform Medical Plan (UMP) Classic Medicare with Part D (PDP) premium.