

School Employees Benefits Board Meeting

January 23, 2025

School Employees Benefits Board

January 23, 2025

9:00 a.m. – 4:00 p.m.

Attendance In-person or by Zoom

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

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TAB 1

School Employees Benefits Board
January 23, 2025
9:00 a.m. – 4:00 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	
9:05 a.m.	Meeting Overview		David Iseminger, Director Employees & Retirees Benefits (ERB) Division	Information/ Discussion
9:10 a.m.	Provider Networks Discussion		Facilitator: John Partin, Section Manager Employees & Retirees Benefits (ERB) Division Panel Members: <ul style="list-style-type: none"> • Denise Corcoran, Vice President, Contracting, Regence Blue Shield of WA • Alacia Broussard, Vice President, Contracting, Network Operations, Strategy, Kaiser Foundation Health Plan of WA • Jennifer Sanders, Vice President, Provider Network, Premera 	Information/ Discussion
10:25 a.m.	Break			
10:35 a.m.	Office of Financial Management (OFM) State Budget Update	TAB 3	Robyn Williams, Budget Director Office of Financial Management (OFM)	Information/ Discussion
11:35 a.m.	Plan Year 2025 Open Enrollment Summary	TAB 4	Alisa Richards, Section Manager Employees & Retirees Benefits (ERB) Division	Information/ Discussion
12:00 p.m.	Break			
12:15 p.m.	<u>Working Lunch</u> Benefits 24/7 Update	TAB 5	Clinton Brooks, ERB Solution Architect Enterprise Technology Services (ETS)	Information/ Discussion

12:35 p.m.	Legislative Session Update and Governor Inslee's Proposed Budget Update	TAB 6	Cade Walker, Section Manager Employees & Retirees Benefits (ERB) Division Tanya Deuel, ERB Finance Manager Finance Services & Health Care Purchasing Administration	Information/ Discussion
1:50 p.m.	Flexible Spending Arrangement (FSA) Collective Bargaining Update	TAB 7	Kelsie Pele, Senior Account Manager Employees & Retirees Benefits (ERB) Division	Information/ Discussion
2:10 p.m.	Contracts and Benefit Planning Cycles	TAB 8	John Partin, Section Manager Employees & Retirees Benefits (ERB) Division	Information/ Discussion
2:30 p.m.	Break			
2:40 p.m.	Employee Engagement Survey Results	TAB 9	Missy Yates, Stakeholder Engagement Coordinator Employees & Retirees Benefits (ERB) Division	Information/ Discussion
2:55 p.m.	Medicare Update	TAB 10	Laura Ryan, Senior Account Manager Employees & Retirees Benefits (ERB) Division	Information/ Discussion
3:15 p.m.	2025 SEB Board Season Preview		David Iseminger, Director Employees & Retirees Benefits (ERB) Division	Information/ Discussion
3:25 p.m. 30 mins	General Public Comment			
3:55 p.m.	Closing			
4:00 p.m.	Adjourn		Lou McDermott, Chair	

*All Times Approximate

The School Employees Benefits Board will meet Thursday, January 23, 2025 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.

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

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

Materials are posted at <https://www.hca.wa.gov/about-hca/school-employees-benefits-board-sebb-program/meetings-and-materials> by close of business on Tuesday, January 21, 2025 due to the holiday.

Join Zoom Meeting

<https://us02web.zoom.us/j/84637068671?pwd=i9Uk3ST2WMI9GwHb2D87Qogj8YWaFC.1>

Meeting ID: 846 3706 8671

Passcode: 558006

One tap mobile

+12532158782,,84637068671#,,,,*558006# US (Tacoma)

+12532050468,,84637068671#,,,,*558006# US

Dial by your location

- +1 253 215 8782 US (Tacoma)
- +1 253 205 0468 US
- +1 669 444 9171 US
- +1 669 900 6833 US (San Jose)
- +1 719 359 4580 US
- +1 346 248 7799 US (Houston)
- +1 929 205 6099 US (New York)
- +1 301 715 8592 US (Washington DC)
- +1 305 224 1968 US
- +1 309 205 3325 US
- +1 312 626 6799 US (Chicago)
- +1 360 209 5623 US
- +1 386 347 5053 US
- +1 507 473 4847 US
- +1 564 217 2000 US
- +1 646 931 3860 US
- +1 689 278 1000 US

Meeting ID: 846 3706 8671

Passcode: 558006

Find your local number: <https://us02web.zoom.us/u/kA89InbJ4>

SEB Board Members

Name	Representing
Lou McDermott, Deputy Director Health Care Authority 626 8 th Ave SE PO Box 42720 Olympia, WA 98504-2720 V 360-725-0891 lou.mcdermott@hca.wa.gov	Chair
Kerry Schaefer 1405 N 10 th St Tacoma, WA 98403 C 253-227-3439 SEBBoard@hca.wa.gov	Employee Health Benefits Policy and Administration
Omeid Heidari Box 357262 1959 NE Pacific St. Seattle, WA 98195 SEBBoard@hca.wa.gov	Employee Health Benefits Policy and Administration
Dawna Hansen-Murray 15535 104 th Place SE Yelm, WA 98597 C 360-790-4961 SEBBoard@hca.wa.gov	Classified Employees
Myra Johnson Park Lodge Elementary School 6300 100 th St SW Lakewood, WA 98499 V 253-583-5353 SEBBoard@hca.wa.gov	Certificated Employees

SEB Board Members

Name

Representing

Pamela Kruse
6440 Lake Saint Clair Dr SE
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Certificated Employees

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Employee Health Benefits Policy
and Administration

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1/17/2025



STATE OF WASHINGTON
HEALTH CARE AUTHORITY

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

SEB BOARD MEETING SCHEDULE

2025 School Employees Benefits (SEB) Board Meeting Schedule

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

January 23, 2025 (Board Retreat) - starting at 9:00 a.m.*

March 6, 2025 - starting at 9:00 a.m.

April 3, 2025 - starting at 9:00 a.m.

May 8, 2025 - starting at 9:00 a.m.

June 5, 2025 - starting at 9:00 a.m.

June 18, 2025 - starting at 9:00 a.m.

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

July 16, 2025 - starting at 9:00 a.m.

July 23, 2025 - starting at 9:00 a.m.

July 30, 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

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: July 01, 2024

TIME: 11:12 AM

WSR 24-14-100

TAB 2

SCHOOL EMPLOYEES BENEFITS BOARD BY-LAWS

ARTICLE I

The Board and Its Members

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

ARTICLE II

Board Officers and Duties

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

ARTICLE III

Board Committees **(RESERVED)**

ARTICLE IV
Board Meetings

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

ARTICLE V
Meeting Procedures

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

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

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

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

TAB 3

January 2025

2025-27 Operating Budget Overview

Robyn Williams
Office of Financial Management
Interim Budget Director



Overview & Purpose

- 2025-27 biennial budget context
- Revenue forecast and updates
- Budget requirements
- Governor Inslee's Proposed Budget
- Timeline



Revenue

Economic and Revenue Forecast Council

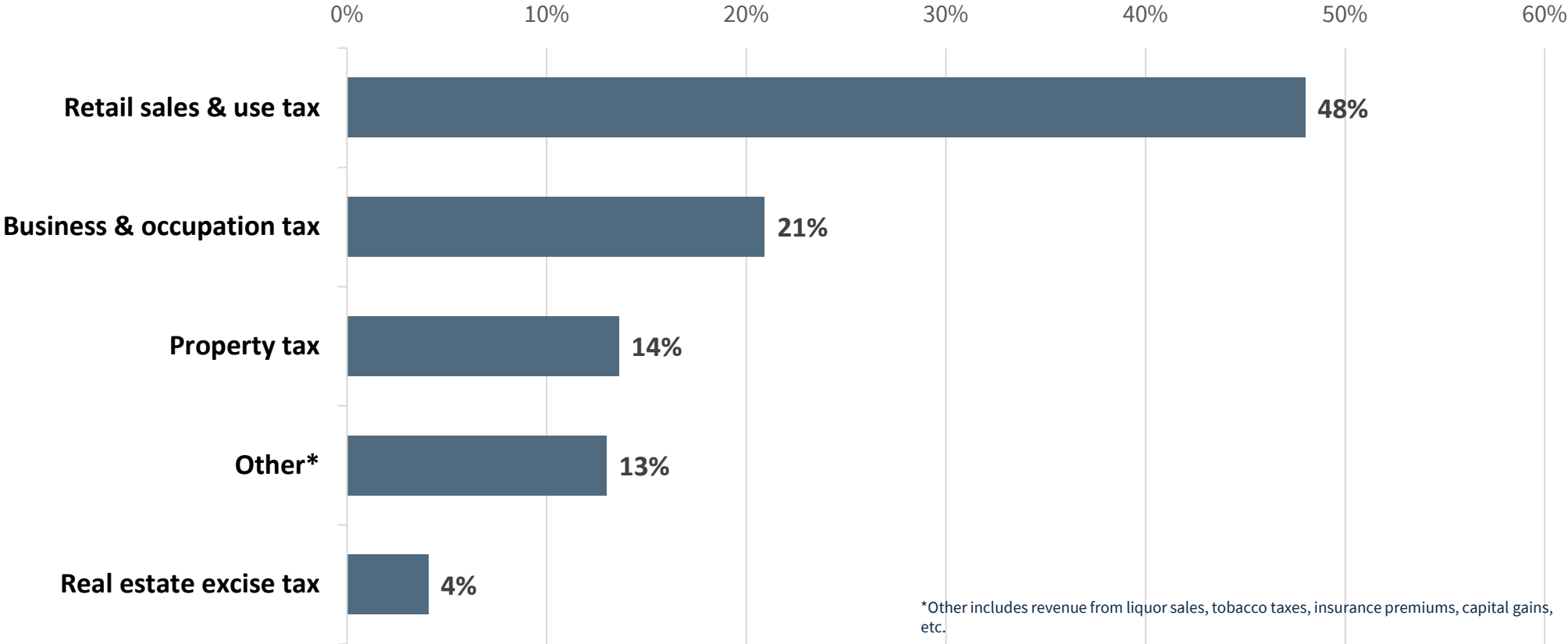
- Official state revenue forecaster
- Adopts quarterly forecasts of Near General Fund revenues for the current and the ensuing biennia
- Together with reserves from previous biennia, the forecasts determine available resources to support base budgets and new or adjusted policies

November Revenue Forecast

- Economic and Revenue Forecast Council
 - Unemployment rate, employment growth, oil prices, consumer price index, GDP, exports, etc.
 - Revenue collections are forecasted to decrease (February 2024 compared to November 2024)
 - For the 2023-25 biennium, revenue decreased by \$615 million (-0.9%)
 - For the 2025-27 biennium, revenue decreased by \$291 million (-0.4%)
 - For the 2027-29 biennium, revenue increased by \$103 million (-0.1%)
 - Factors related to revenue forecast
 - International conflicts
 - Economy (employment and wage growth, inflation, consumer spending)
 - Monetary policy (interest rates)
 - Potential tariff impacts

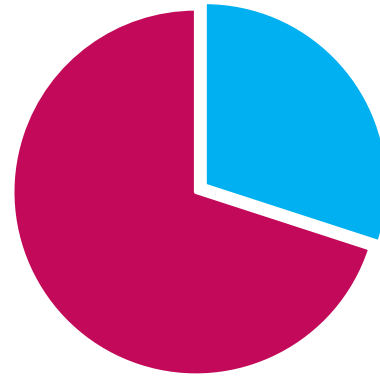
Major Revenue Sources – Near General Fund

2025-27 revenue estimates, November 2024 forecast



Majority of Near General Fund Spending is Required

About **65%** of the budget is protected by law.



The other **35%** for other purposes

Examples of required spending:

- Debt service
- Pension contributions
- Entitlements, *i.e.*, TANF, financial aid, Medicaid, K-12 basic education
- Correctional institutions
- Working families tax credits
- Courts
- Transfers to Budget Stabilization Account

Examples of **not required** spending:

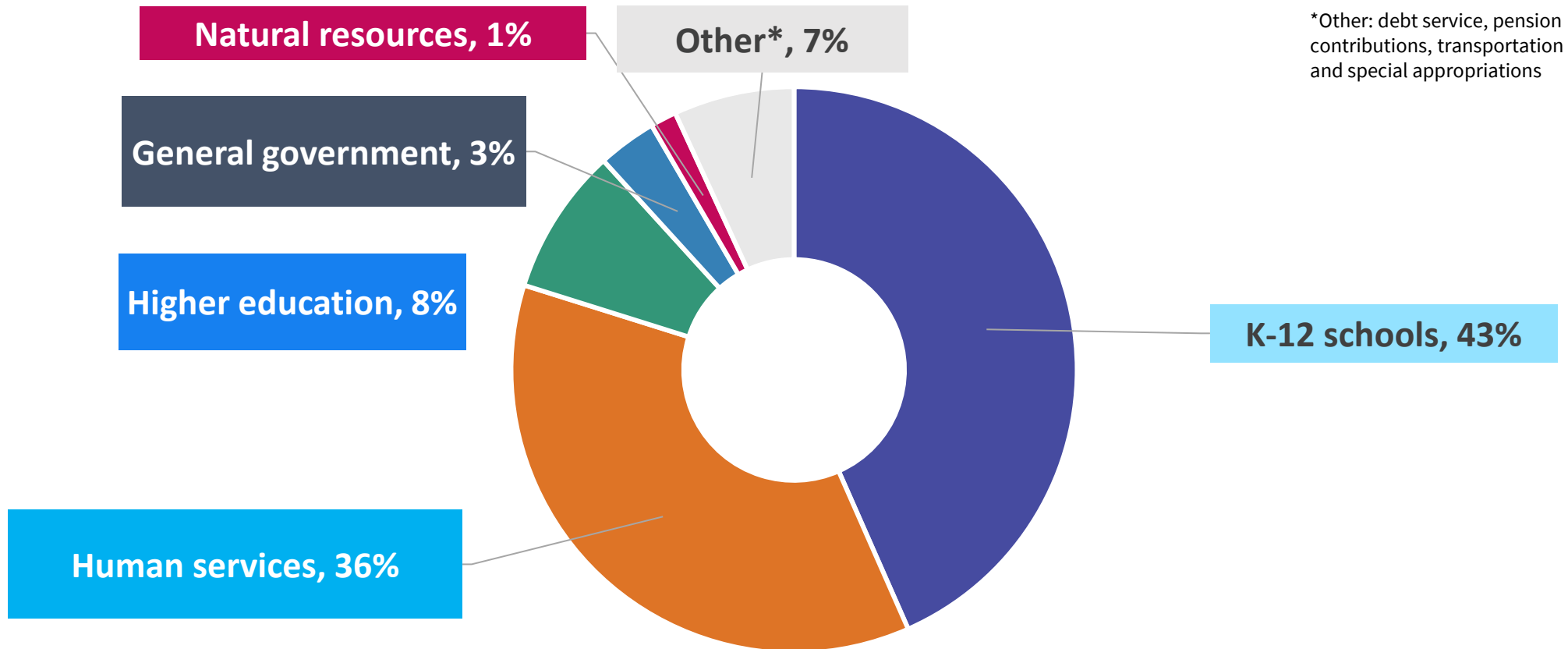
- Higher education
- Human services, *i.e.*, state-only funded health care programs, public health
- K-12 other programs
- Natural resources
- State basic operating costs
- Reserves



Base Budget

- **Carryforward Level**
 - Cost of ongoing programs, including workload and service changes directed by law and removal of costs considered non-recurring
- **Maintenance Level**
 - Cost of providing current services in the ensuing biennium
 - Based on current appropriations adjusted for projected changes in caseloads
- **Caseload Forecast Council**
 - Forecasts utilization of state entitlement programs; i.e., public schools, long-term care, medical assistance, foster care, adoption support, adult and juvenile offender institutions and others

Near General Fund-State Spending



Distribution of 2023-25 state operating appropriations (Near General Fund)

Source: Office of Financial Management, June 2024

Operating Budget Framework

Near General Fund (NGF)

Dollars in billions

	2023-25	2025-27	2027-29
Beginning NGF balance	5.3	1.4	0.5
Forecasted revenue, other resources	68.1	70.8	77.2
Total Revenue	73.4	72.2	77.7
Appropriations			
Enacted + carryforward + maintenance	72.5	77.3	80.7
New – Gov Inslee Proposed	0.3	2.1	2.0
Reductions – Gov Inslee Proposed	-0.1	-0.8	-1.0
Total Revised Appropriations	72.7	78.6	81.7
Revenue - Appropriations	0.7	-6.4	-4.0

Compensation

<i>Dollars in thousands</i>	Near General Fund 2025-27	Total Funds 2025-27
Collective Bargaining Agreements	\$ 543,025	\$ 976,248
Collective Bargaining Non-rep	195,180	477,912
I-732 COLA	50,115	54,892
Child Care Center Parity	678,492	678,492
Consumer Direct Employer	149,083	336,910
DDA/ALTSA Alignment with CDE labor rate (required)	31,351	70,850
DDA/ALTSA Alignment with CDE administrative rate	6,202	14,017
Public Employee Benefits (PEBB)	(21,210)	(42,325)
K-12 Salary Inflation	646,212	646,212
SEBB	(5,296)	(5,296)
Total	\$ 2,273,154	\$ 3,207,912

Gov. Proposed and Priorities

Governor Inslee's Proposal

- Reductions: \$2 billion
- New appropriations: 40% of past budgets
- New revenue: \$13 billion in new revenue
- Freezes ongoing: Hiring, contracts, purchases and travel

Governor Ferguson's Priorities

- Reductions: \$4.4 billion (6% - most agencies, 3% - 4-yr higher ed) *in addition to Inslee proposed*
 - Administrative strategies include management consolidation
 - Reduction in travel and equipment
 - Suspend legislative reports Re-evaluate all programs
- New appropriations: Increase local law enforcement, process toxicology backlog, housing, ferries, universal free school lunches, child care for small business employees
- New revenue: only as a last resort

Timeline

- November 2024: caseload and revenue forecasts
- December 17: governor's proposal (based on November forecasts)
- January 13: legislative session convenes
- February 14: caseload forecast
- March TBD: revenue forecasts
- April 27: legislative session ends
- May 20: governor must sign/veto bills including the budget

For more information

Contact:

Robyn Williams | Interim Budget Director

Budget Division

robyn.williams@ofm.wa.gov



Scan the QR code to visit ofm.wa.gov or find us on social media.



TAB 4

Plan Year 2025 Open Enrollment Summary

Alisa Richards
Benefits Accounts Section Manager
Employees and Retirees Benefits Division
January 23, 2025

Benefits Accounts

- ▶ The two primary units involved in open enrollment activities within the Benefits Accounts section are customer service and Outreach and Training (O&T)
- ▶ Customer service is the first line of contact for retirees and continuation coverage enrollees
- ▶ Staff perform three primary functions:
 - ▶ Answer calls via a toll-free line (and respond to HCA Support inquiries)
 - ▶ Provide in-person lobby services for walk-in members
 - ▶ Review members' retiree or continuation coverage eligibility as they process enrollment forms

Benefits Accounts (*cont.*)

- ▶ Outreach and Training (O&T) provides training and support to agencies and organizations who act as the first line of customer service for their employees
 - ▶ When these agencies or organizations need additional assistance, they reach out to O&T through a dedicated toll-free line and/or a secure message through HCA Support
 - ▶ O&T supports in-person benefits fairs

Open Enrollment Readiness

- ▶ The customer service unit and O&T work with other HCA divisions on open enrollment activities year-round
- ▶ Some examples are:
 - ▶ Preparing Benefits 24/7
 - ▶ Securing vendors' locations and schedules for the in-person Benefits Fairs
 - ▶ Conducting pre-open enrollment training for Benefits Administrators (BAs)
 - ▶ Continuing work on the virtual benefits fairs

Open Enrollment Highlights

October 28 – November 25

- ▶ Open enrollment was scheduled for October 28, through November 25, 2024
- ▶ Allowed submission of paper forms through November 27, 2024
 - ▶ Electronic FSA/DCAP
- ▶ 65,000 SEBB Program member logins to Benefits 24/7
- ▶ No downtime in Benefits 24/7
- ▶ Paper forms available online
- ▶ 1,574 HCA Support requests received from SEBB Program Benefits Administrators

Benefits Fairs

▶ Overview

- ▶ 15 HCA-hosted fairs across Washington State
- ▶ Supported four fairs hosted by University of Washington (UW)
- ▶ Increased staffing at benefits fairs

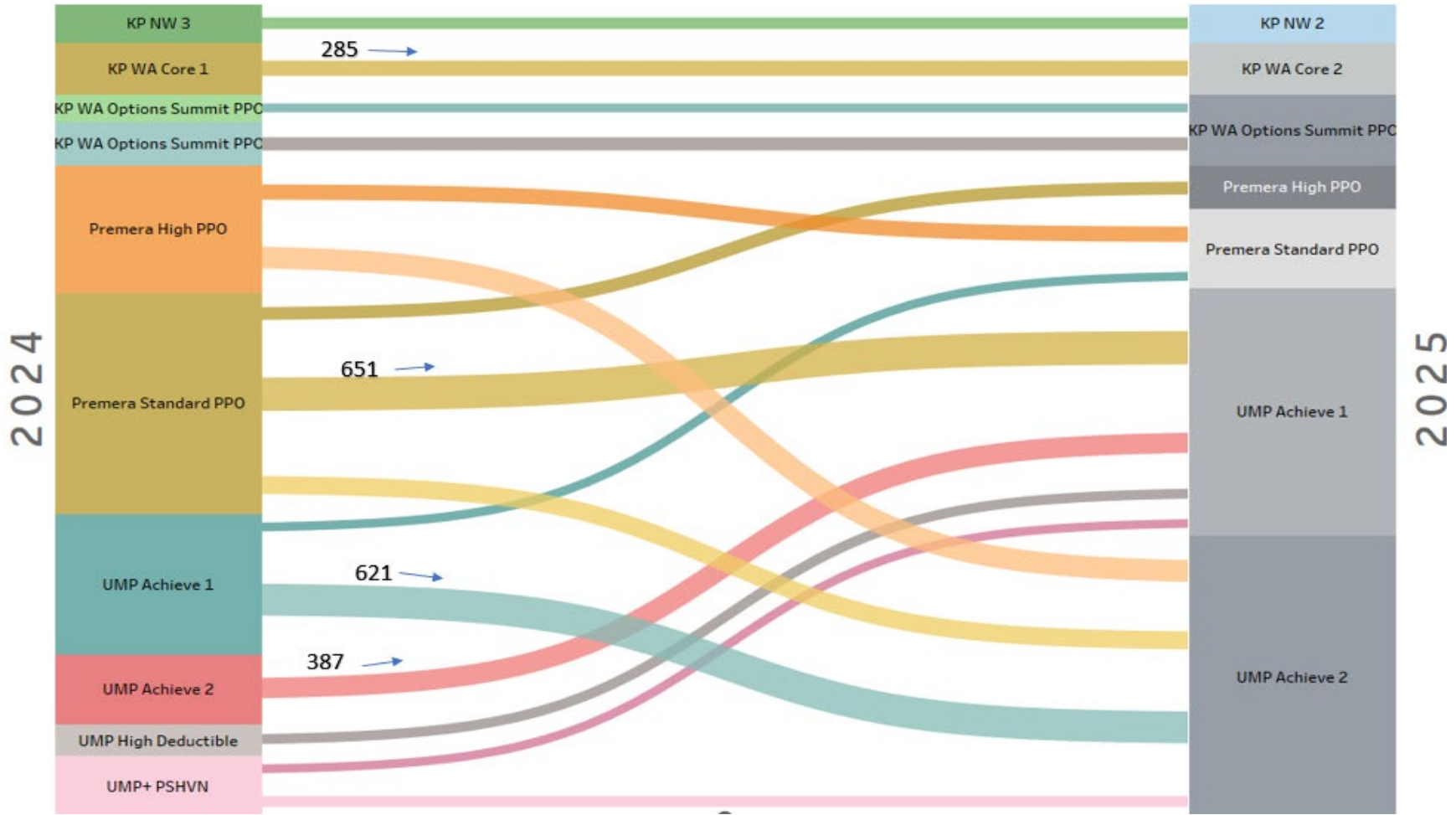
▶ Virtual benefits fairs (VBF)

- ▶ 34,791 visits (SEBB Program)
- ▶ Available 24/7
- ▶ Virtual booths with information from all plans

SEBB Enrollment Net Changes 2024 to 2025

Carrier	2024	2025	Change	% Change
Kaiser Permanente NW 1	2,453	2,586	133	5.4%
Kaiser Permanente NW 2	3,631	4,140	509	14.0%
Kaiser Permanente NW 3	2,958	2,262	(696)	-23.5%
Kaiser Permanente WA Core 1	7,950	6,845	(1,105)	-13.9%
Kaiser Permanente WA Core 2	11,172	11,452	280	2.5%
Kaiser Permanente WA Core 3	3,166	2,487	(679)	-21.4%
Kaiser Permanente WA Opt 1	5,355	5,183	(172)	-3.2%
Kaiser Permanente WA Opt 2	9,986	10,384	398	4.0%
Kaiser Permanente WA Opt 3	6,282	5,468	(814)	-13.0%
Kaiser Permanente WA SoundChoice	22,805	21,575	(1,230)	-5.4%
Premera High PPO	27,893	26,856	(1,037)	-3.7%
Premera HMO	4,465	5,239	774	17.3%
Premera Standard PPO	38,219	37,033	(1,186)	-3.1%
UMP Achieve 1	43,723	46,912	3,189	7.3%
UMP Achieve 2	56,612	60,592	3,980	7.0%
UMP ACP - PSHVN	7,530	7,408	(122)	-1.6%
UMP ACP - UW Medicine	6,717	6,994	277	4.1%
UMP High Deductible	15,351	15,982	631	4.1%
Total Members	276,268	279,398	3,130	1.1%

SEBB Open Enrollment Switching Flow



SEBB Program Open Enrollment Deductible Switching

Total Employees in Each Deductible Grouping



8,036 (6.30%)
Employees Switching Deductibles

New Plan Deductible	Old Plan Deductible			Total
	125/250	750	1250/1650	
125/250	824	1,846	835	3,505
750	1,672	899	2,066	4,637
1250/1650	452	1,158	468	2,078
Total	2,948	3,903	3,369	10,220

- Deductible Groupings**
- \$125/250**
 - KP NW 3
 - KP WA Core 3
 - KP WA Opt Summit 3
 - KP WA SoundChoice
 - UMP Achieve 2
 - UMP ACP - PSHVN
 - UMP ACP - UW Med
 - \$750**
 - KP NW 2
 - KP WA Core 2
 - KP WA Opt Summit 2
 - Premiera High PPO
 - Premiera HMO
 - UMP Achieve 1
 - \$1250/1650**
 - KP NW 1
 - KP WA Core 1
 - KP WA Opt Summit 1
 - Premiera Standard PPO
 - UMP High Deductible



Questions?

Alisa Richards, Benefits Accounts Section Manager
Employees and Retirees Benefits Division

Alisa.Richards@hca.wa.gov

TAB 5

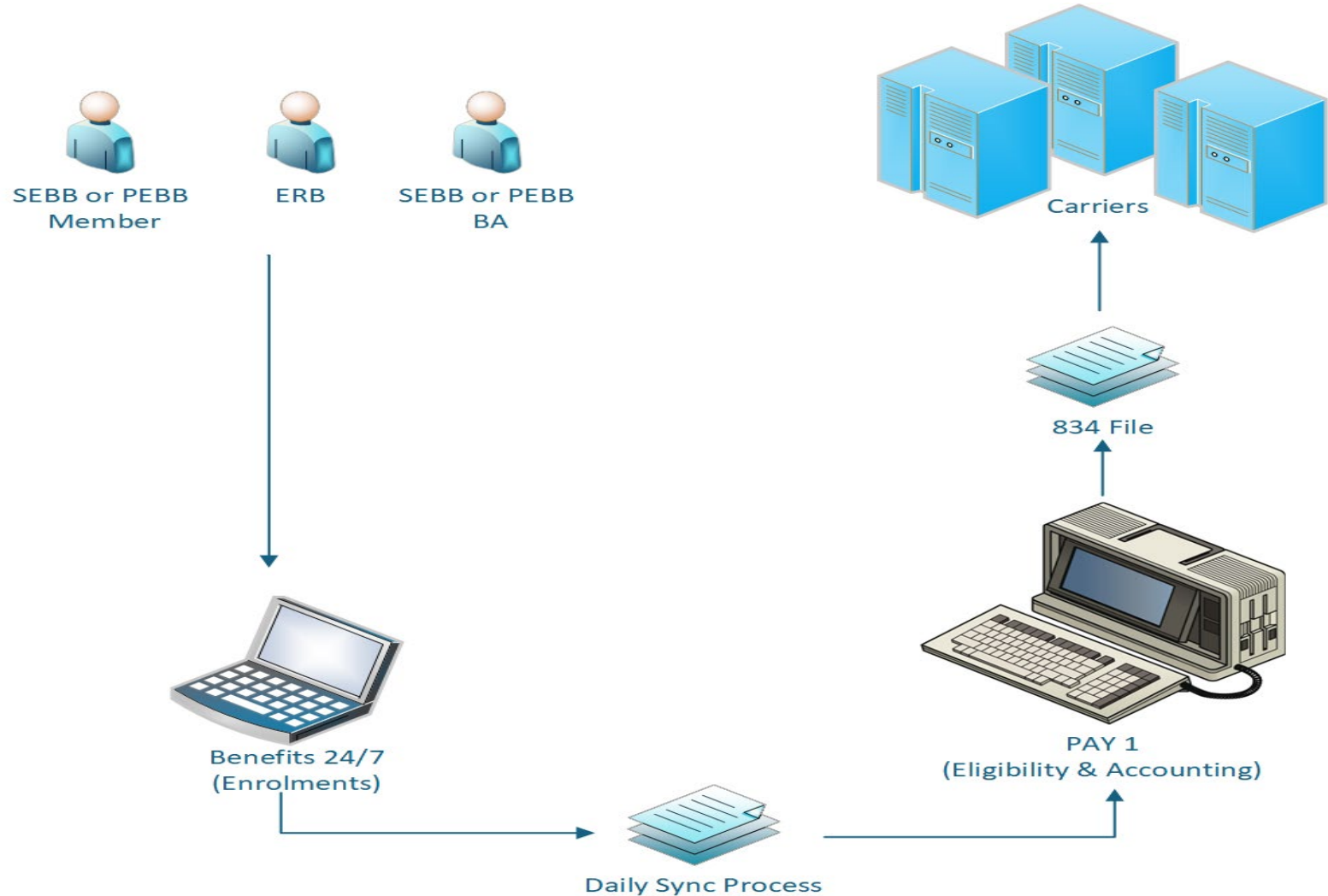
Benefits 24/7 Update

Clinton Brooks
ERB Solution Architect
Enterprise Technology Services
January 23, 2025

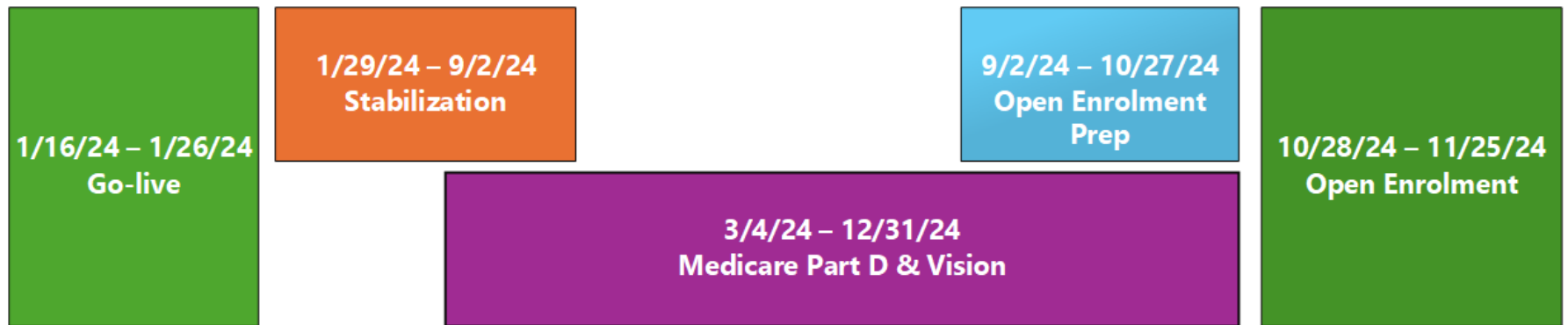
Washington State
Health Care Authority

SCHOOL EMPLOYEES BENEFITS BOARD

What is Benefits 24/7?



Benefits 24/7: The First Year



Open Enrollment Overview

- ▶ Open enrollment in Benefits 24/7 opened and closed on time
- ▶ No downtime
- ▶ Total of 127,000 unique subscribers accessed the system across the PEBB Program (62,000) & the SEBB Program (65,000 - 11% decrease from previous year)
- ▶ Open enrollment wizard completion rate
 - ▶ PEBB Program: 96.5%
 - ▶ SEBB Program: 78.2%

Open Enrollment Overview (*cont.*)

- ▶ Partial outage of Secure Access Washington (SAW) the first two days of open enrollment
 - ▶ Impacted a projected 5% of users
- ▶ Benefits 24/7 team delivered a total of 10 hotfix releases over the course of open enrollment, averaging 3.5 bugs per hotfix
- ▶ Successfully completed open enrollment and transmitted data to carriers

Pain Points

Functional

- ▶ Dependent and spousal portion of open enrollment wizard
- ▶ Long-term disability (LTD) as part of the open enrollment wizard
- ▶ Daily sync process is still problematic
- ▶ Access issues

Pain Points (*cont.*)

Operational

- ▶ Didn't include subscribers and benefits administrators (BAs) in evaluating the system usability before open enrollment
- ▶ Lack of capacity to fully complete stabilization due to Part D and vision implementation
- ▶ Team resources were stretched

2025 Roadmap

- ▶ Finish resolving outstanding defects
- ▶ Integrating with SAW replacement or identifying options for addressing user access challenges
- ▶ Implement automation for routine and high impact processes
- ▶ Recruitment of roles funded by decision package, if approved

Questions?

Clinton Brooks, ERB Solution Architect

ETS

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TAB 6

Legislative Session Update

Cade Walker
Policy, Rules, and Compliance Section Manager
Employees and Retirees Benefits Division
January 23, 2025

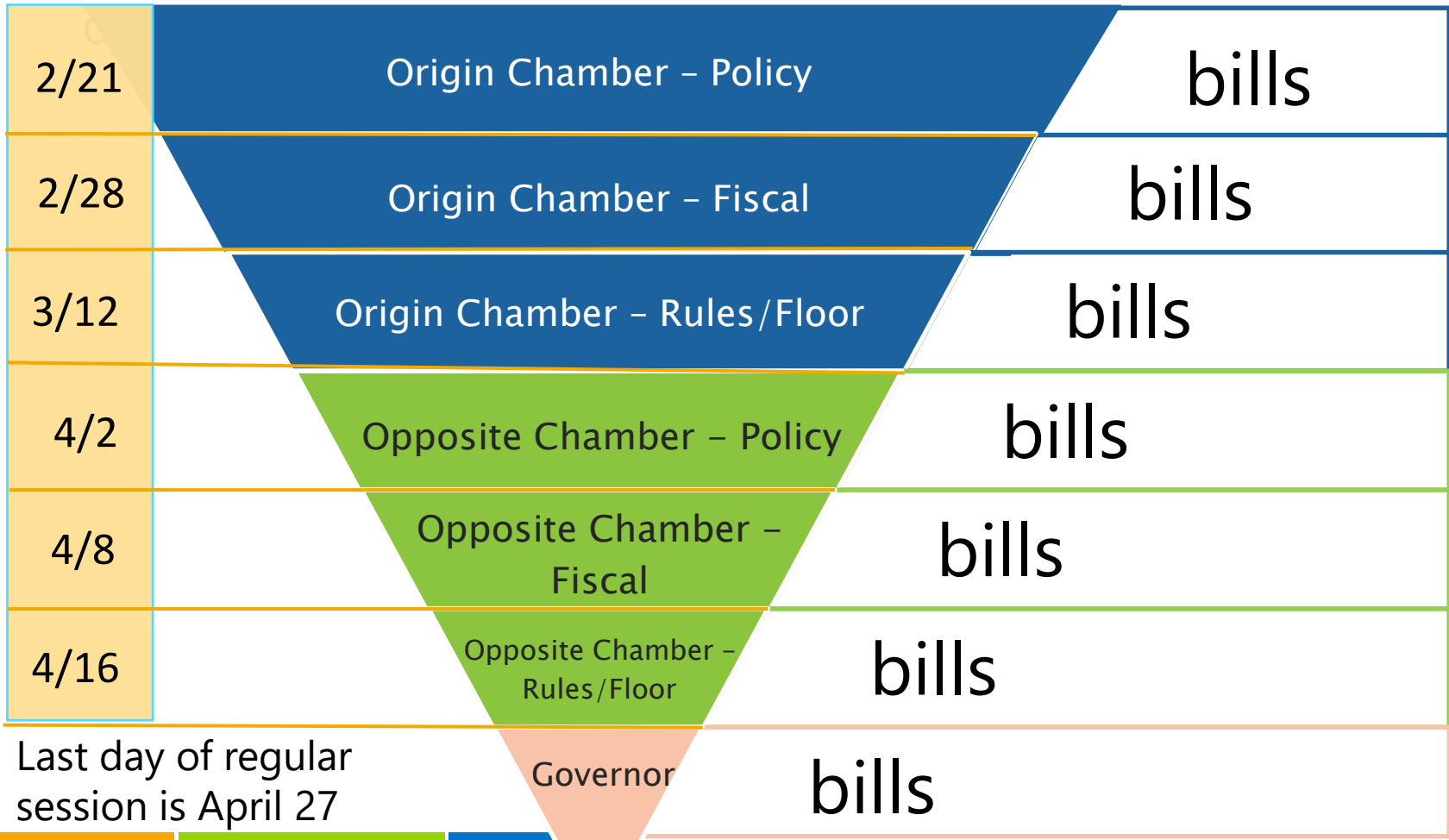
Bill Analyses by ERB Division

	ERB Lead	ERB Support	
High Priority	6	10	16
Low Priority	5	12	17
	11	22	33

Fiscal Notes			
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As of 1/16/25

Bill Analyses by ERB Division (*cont.*)



Recent Legislative Reports

Anti-obesity medications (AOMs) in Uniform Medical Plan

- ▶ <https://www.hca.wa.gov/assets/program/anti-obesity-medications-ump-leg-report-2024.pdf>
- ▶ Recommendation of using prior authorization cadence to assure medical necessity and coverage as long as effective and well-tolerated
- ▶ Estimated increase in employer medical contribution (EMC) expenditures (state costs) for AOMs: \$129M - \$260M for PEBB & SEBB Programs

Recent Legislative Reports (*cont.*)

Study on consolidating the PEBB & SEBB Programs

- ▶ <https://www.hca.wa.gov/assets/program/pebb-sebb-consolidation-leg-report-2024.pdf>
- ▶ Consolidation of board, non-Medicare risk pools, and benefits portfolio
- ▶ Eligibility remains unchanged for all populations
- ▶ Statutory changes provided

Agency Requested Legislation

- ▶ House Bill (HB) 1123/Senate Bill (SB) 5083 – Ensuring access to primary care, behavioral health, and affordable hospital services
- ▶ PEB Board authority (not introduced as of 1/16)

Current Legislation

Administrative

- ▶ SB 5086 – PEBB & SEBB consolidation
- ▶ HB 1069/SB 5044 – Allowing collective bargaining over contributions for certain supplemental retirement benefits.

Providers

- ▶ HB 1124/SB 5112 – Prescribing psychologists
- ▶ HB 1114 – Respiratory care compact

Current Legislation (*cont.*)

Health Plan Coverage

- ▶ HB 1062 – Biomarker testing
- ▶ HB 1090 – Contraceptive coverage
- ▶ HB 1129/SB 5121 – Fertility-related services
- ▶ SB 5075 – Cost sharing for prenatal and postnatal care

Pharmaceutical

- ▶ HB 1186 – Medication dispensing
- ▶ SB 5019 – Prepackaged medication distribution

Questions?

Cade Walker, Policy, Rules, and Compliance Section
Manager

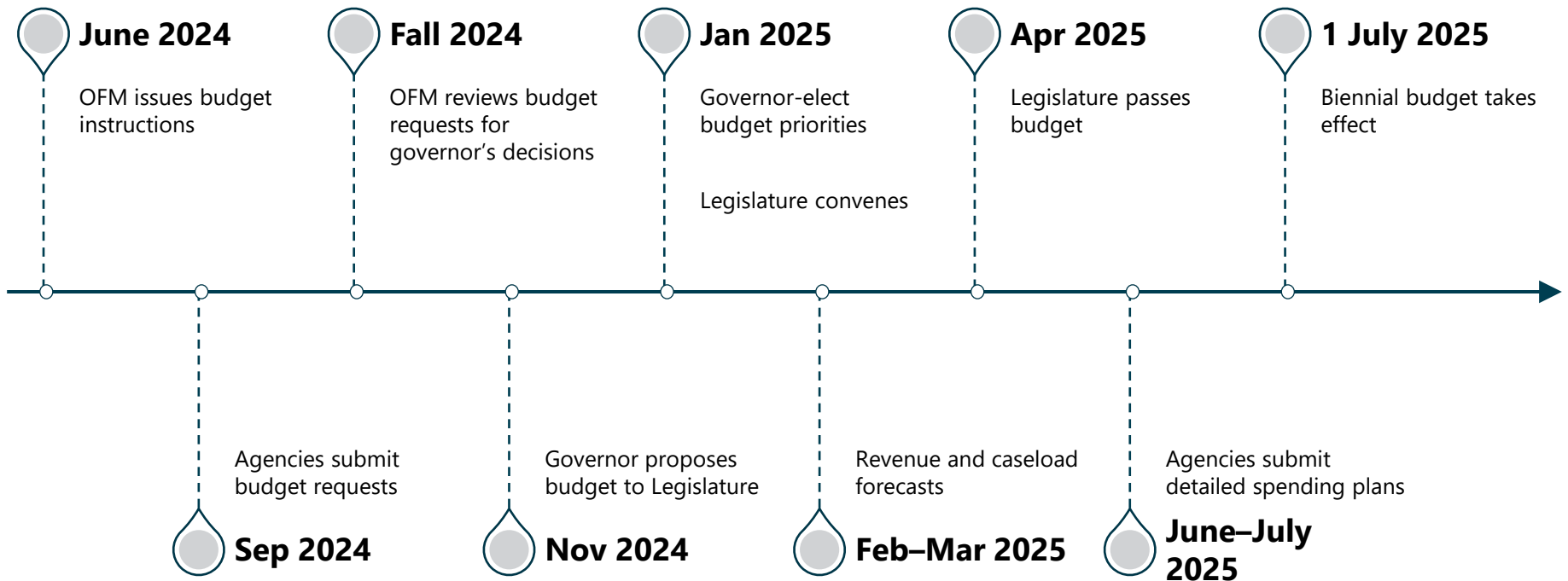
Employees and Retirees Benefits Division

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Governor Inslee's Proposed Budget Update

Tanya Deuel
ERB Finance Section Manager
Finance Services and Health Care Purchasing Administration
January 23, 2025

Timeline



2025 Supplemental Budget

Fiscal Year 2025 Supplemental Budget

Governor Inslee Funded Decision Packages

Decision Package	FTE	Dollars
TPA Spending Authority Increased spending authority to align with the increased self-insured medical enrollment.	NA	\$468K
Contract Increases Funding to support increases to the actuarial services contract for SEBB Program.	NA	\$242,000

2025-27 Biennial Budget

2025-27 Collective Bargaining Agreement Article 1 School Employees Health Care Funding

2025-27 Tentative Agreement

- ▶ Maintains the Employer Medical Contribution (EMC) at 85 percent of the monthly premium benchmarked off UMP Achieve 2
- ▶ **New** – Employer will contribute \$200 in a Flexible Spending Arrangement (FSA) for employees who meet certain eligibility criteria
- ▶ Agreement will become final once funded by the legislature during the 2025-27 conference budget

2025-27 Biennial Budget

Governor Inslee Funded Decision Packages

Decision Package	FTE	Dollars
TPA Spending Authority Increased spending authority to align with the increased self-insured enrollment.	NA	\$7.8M
Contract Increases Funding to support increases to the actuarial services contract for SEBB Program.	NA	\$480K
IT Resources FTEs to support and stabilize the member enrollment system (Benefits 24/7).	3.5	\$1.6M

2025-27 Biennial Budget (*cont.*)

Governor Inslee Funded Decision Packages

Decision Package	FTE	Dollars
Doulas Funding to provide coverage for doula services in UMP.	NA	\$225K
Agency Request Legislation Administrative funding for support related to Senate Bill 5083.	NA	\$187K

Additional Governor Inslee's Proposed Budget Items

- ▶ Combined PEBB and SEBB Program sections, for accounting purposes in state systems
- ▶ Enhance employer paid long term disability (LTD) benefit within existing resources from \$400 to \$450 per month
 - ▶ Likely to be a rate reduction for employee paid benefits

Governor Inslee's Budget Proposals to Address the Budget Deficit

- ▶ Long term disability (LTD) reserves
 - ▶ Withdrawing employer paid reserves that are above required amounts
- ▶ Closing the UMP Plus plans on December 31, 2025
 - ▶ Current contract expires December 31, 2026
 - ▶ Providers who are in the Plus network are all participating in other UMP plan offerings and there are additional providers available in those plans
 - ▶ Members can maintain their provider relationships by enrolling in another UMP plan offering

2025-27 SEBB Funding Rate

- ▶ \$1,324 SY26 State funding rate
- ▶ \$1,374 SY27 State funding rate
 - ▶ Per eligible employee per month
 - ▶ Includes funding for:
 - Decision packages
 - Collective bargaining changes
 - Agency request legislation
 - Governor's budget deficit proposals

Questions?

Tanya Deuel, ERB Finance Section Manager
Finance Services and Health Care Purchasing
Administration

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TAB 7

Flexible Spending Arrangement (FSA) Collective Bargaining Update

Kelsie Pele
Senior Account Manager
Employees and Retirees Benefits Division
January 23, 2025

Flexible Spending Arrangement (FSA) Benefit

Core FSA Benefit Structure

- ▶ **Tax savings:** FSA funds can be deducted from an employee's paycheck before taxes to reduce their taxable income
- ▶ **Eligible expenses:** FSA funds can be used to pay for out-of-pocket health care costs like deductibles, copays, coinsurance, prescriptions, first-aid supplies, sunscreen, vision hardware, and more
- ▶ **Maximum election:** Up to \$3,200 per year for 2025
 - ▶ Subject to annual Internal Revenue Service (IRS) cost of living adjustments
 - ▶ Funds contributed by an employer do not count toward the maximum election amount

FSA Carryover Design

- ▶ Carryover began January 1, 2023 for unspent funds from 2022
- ▶ Allows unspent FSA funds to be carried over for use in the next plan year
 - ▶ 2022 → 2023 carryover limit: \$540
 - ▶ 2023 → 2024 carryover limit: \$610
 - ▶ 2024 → 2025 carryover limit: \$640
 - ▶ 2025 → 2026 carryover limit: **\$660**
- ▶ Per IRS rules, any amount over the carryover limit will be returned to the Health Care Authority (HCA)
 - ▶ Each fall, the IRS sets the new carryover limit for the next plan year
- ▶ HCA requires a minimum of \$120 remaining to carry over unless enrolling in an FSA for the next plan year
 - ▶ On December 31 each year, funds below \$120 will be returned to HCA if not enrolled in an FSA for the next plan year

SEBB CBA FSA Benefit 2025-27 Collective Bargaining Cycle

SEBB Collective Bargaining FSA Benefit

2025-27 Collective Bargaining Cycle

- ▶ Bargained for eligible school employees to receive a \$200 FSA
- ▶ This benefit is not under the Board's authority; instead it is under the agency's authority
- ▶ HCA designs this benefit to ensure compliance with the collective bargaining agreement and contracts with Navia Benefit Solutions to administer benefits
- ▶ Navia Benefit Solutions creates and manages members' accounts
- ▶ SEBB Organizations play a key role in communicating this benefit
- ▶ This agreement will only become final if it is determined to be financially feasible by the Office of Financial Management (OFM) and funded by the Legislature in the 2025-2027 budget

SEBB CBA FSA Eligibility Criteria

- ▶ Eligible employees must meet all the following requirements:
 - ▶ Must have earned \$40,000 or less for the state fiscal year prior to the plan year as reported to Department of Retirement Systems (DRS)
 - ▶ Meets SEBB Program eligibility requirements on January 1 of the plan year
 - ▶ Cannot waive medical coverage (except to be a dependent on another SEBB non-high deductible medical plan)
 - ▶ Cannot be enrolled in UMP High Deductible

Determining Eligibility

- ▶ In late 2025, the Department of Retirement Systems will send school employee salary data to HCA
- ▶ HCA will apply the \$40,000 limit to the salary data and compare it with January 2026 enrollment information to determine which school employees meet the eligibility criteria
- ▶ HCA will send the final eligibility file to Navia Benefit Solutions in mid-January to make the \$200 contribution for eligible school employees

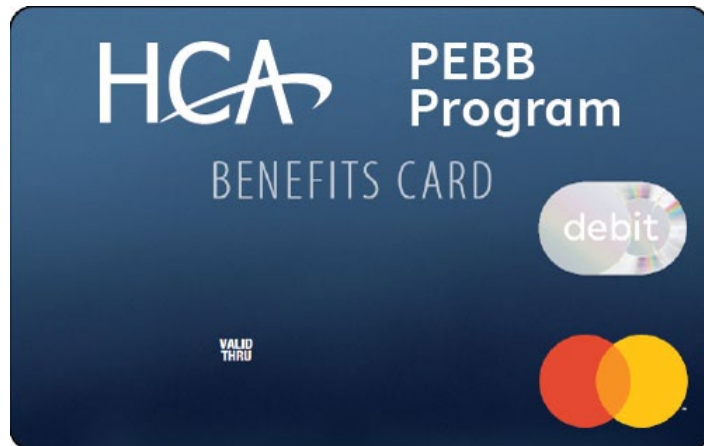
How The CBA FSA Benefit Works

- ▶ In late January to early February 2026, Navia Benefit Solutions will send a welcome letter to the CBA FSA recipients that explains how to use the funds and manage their account
 - ▶ New recipients will also get a debit card that they can use to spend their FSA funds on eligible expenses
 - ▶ Participants will be able to use Navia's portal to manage their FSA benefits and can submit claims for reimbursement
- ▶ If the recipient is already enrolled in an FSA for 2026, the \$200 contribution will be added to their existing account

Navia Benefits Solutions

Debit Card Design

- ▶ New FSA and/or Dependent Care Assistance Program (DCAP) participants and existing participants with an expired debit card are issued a debit card



CBA benefit carryover example

Assume no personal FSA elections.

This example also assumes neither the current \$660 carryover limit nor the \$200 contribution changes.

	Year 1	Year 2	Year 3	Year 4	Year 5*	Year 6*
Beginning Balance	\$0	\$200	\$400	\$600	\$660	\$660
CBA FSA Deposit	\$200	\$200	\$200	\$200	\$200	\$200
Amount Used	\$0	\$0	\$0	\$0	\$0	\$0
Forfeit Amount	-	-	-	(\$140)	(\$200)	(\$200)
Ending Balance	\$200	\$400	\$600	\$660	\$660	\$660

*Any funds forfeited to the HCA are due to IRS rules

Operational Insights

Estimated Number of Recipients

- ▶ Approximately 29,000 (23%) school employees would have been eligible for the CBA FSA benefit in 2024
 - ▶ Based on school employee salary and SEBB Program enrollment data from fiscal year 2023

CBA FSA Key Messages

- ▶ When communicating about the \$200 FSA contribution to employees, we will include the following messages:
 - ▶ What an FSA is and how to use the funds
 - ▶ Eligibility criteria for the CBA benefit
 - ▶ How the benefit was established (union-negotiated benefit during collective bargaining)
 - ▶ How carryover works and what happens to unused funds at the end of the plan year
 - ▶ Recipients will be automatically enrolled in the CBA FSA if eligible; no action is required to receive the contribution
 - ▶ The benefit does not come out of the employee's paycheck
 - ▶ New recipients will receive a debit card and instructions in an unmarked envelope
 - ▶ Who to contact with questions (Navia Benefit Solutions for FSA questions or their employer for eligibility questions)

SEBB CBA FSA Communication Timeline

Date	Task
January 2025	Present about SEBB CBA FSA at SEBB benefit administrator and SEBB labor union meetings
March	Introduce SEBB CBA FSA to all BAs by email and on the SEBB BA FSA/DCAP webpage Create CBA FSA toolkits for unions and BAs
May	Introduce SEBB CBA FSA benefit in May SEBB newsletter Add SEBB CBA FSA pages on HCA and Navia websites Post toolkits on SEBB BA webpage and email the link to unions and BAs
October - November	Open enrollment messaging for BAs and employees
January 2026	Navia sends welcome letter to SEBB CBA FSA recipients SEBB CBA GovDelivery reminder

Questions?

Kelsie Pele, Senior Account Manager
Employees and Retirees Division

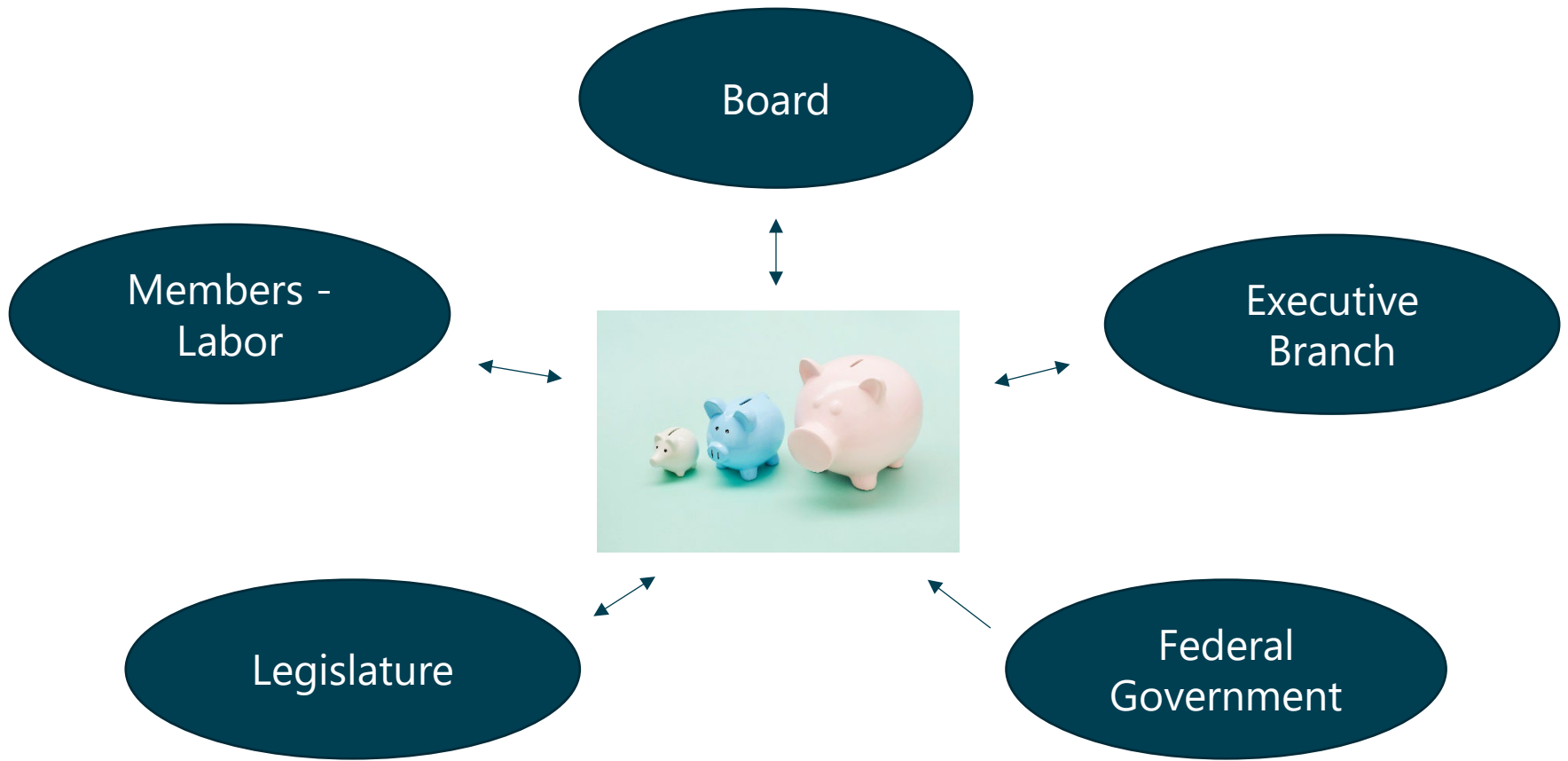
Kelsie.Pele@hca.wa.gov

TAB 8

Contracts and Benefit Planning Cycles

John Partin
Benefit Strategy and Design Section Manager
Employees & Retirees Benefits Division
January 23, 2025

Development of Benefit Designs



Contracts Renewal Cycle

- ▶ Existing relationships
- ▶ Will run process as normal
 - ▶ Communicate financial forecast
 - ▶ Manage expectations
 - ▶ Gain awareness, assess opportunities

Benefit Planning Cycle

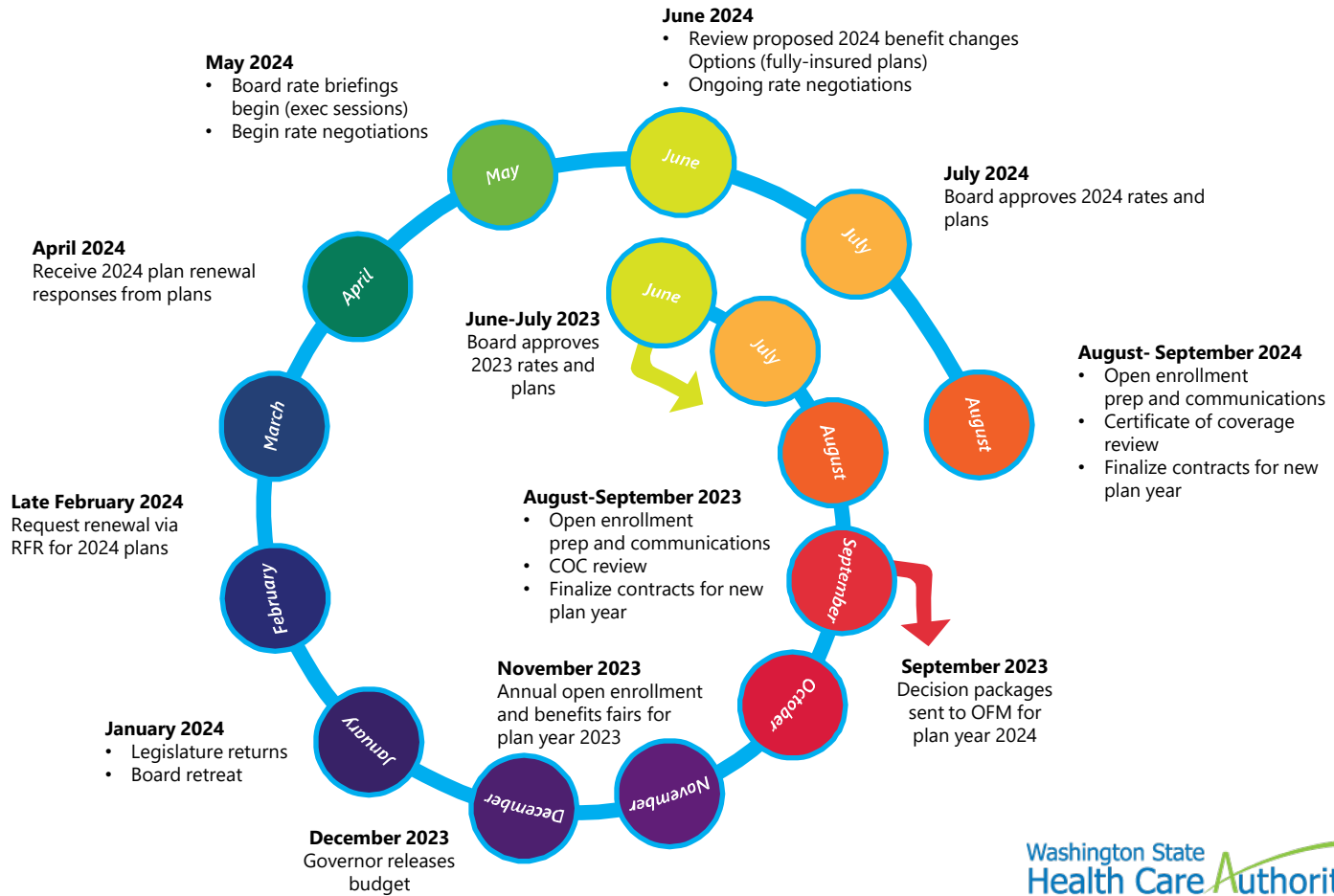
- ▶ Streamlined process given financial environment
- ▶ Revisiting positively reviewed, cost-effective proposals from recent years
- ▶ Continuing industry scans
- ▶ Reviewing benefit additions with lower-than-expected utilization
 - ▶ Perceived versus actual value
 - ▶ Refine, replace
 - ▶ Educate, build awareness

Questions?

John Partin, Section Manager
Benefit Strategy and Design
Employees and Retirees Benefit Division
John.Partin@hca.wa.gov

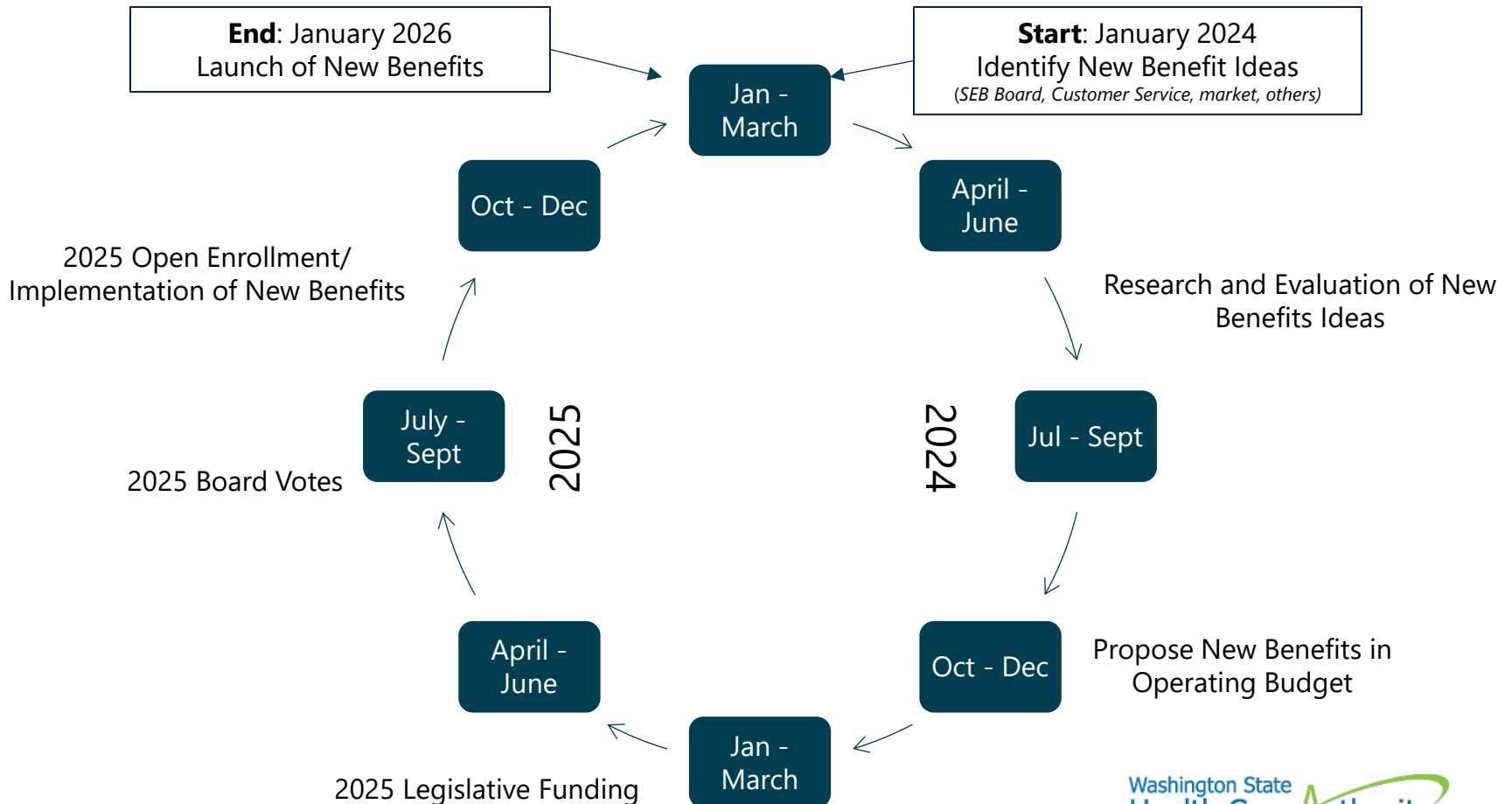
Appendix

PEBB Program Contracts Renewal Cycle For Benefit Year 2025



SEBB Benefit Planning Cycle

For Benefit Year 2026



TAB 9

Employee Engagement Survey Results

Missy Yates
Stakeholder Engagement Coordinator
Employee & Retiree Benefits Division
January 23, 2025

Overview

- ▶ Survey background
- ▶ Key takeaways
- ▶ Demographics voluntary response
- ▶ Questions and discussion

Survey Background

- ▶ 26 survey questions
 - ▶ Two question about subscriber status
 - ▶ 18 questions about benefits satisfaction
 - ▶ Six optional demographic questions
- ▶ Survey open the entire month of June 2024
- ▶ 5,005 individual responses
 - ▶ 3,143 responses from SEBB Program employees

Key Takeaways



Subscriber Priorities

Benefits

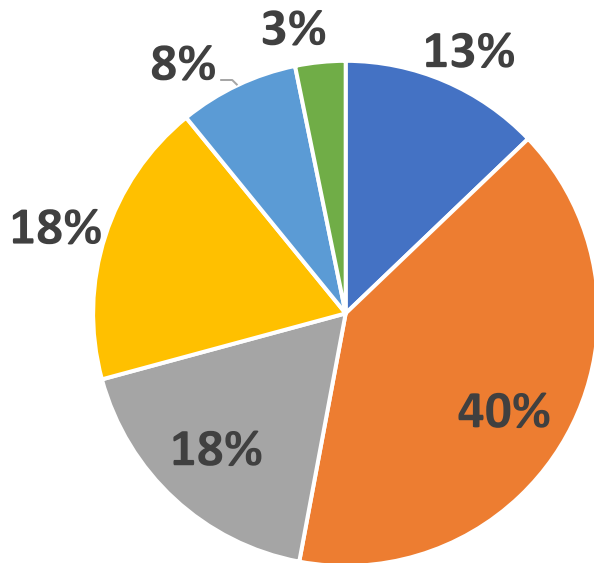
- ▶ Medical
- ▶ Dental
- ▶ Vision

Reasons for Choosing Current Plans

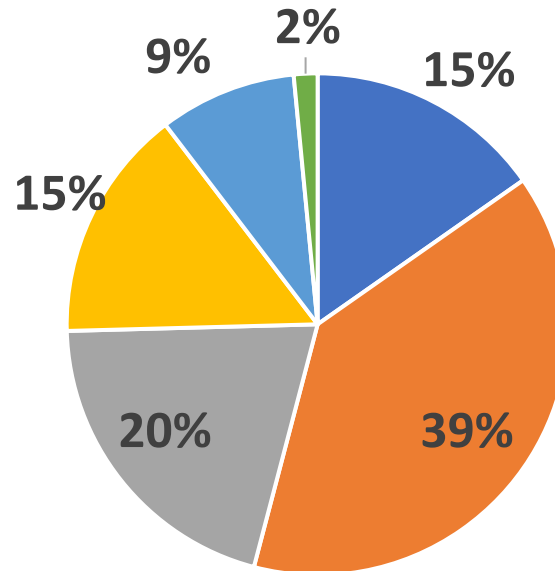
- ▶ Cost
- ▶ Benefits/coverage
- ▶ Provider network (provider choice/continuity)

SEBB Program Satisfaction Ratings

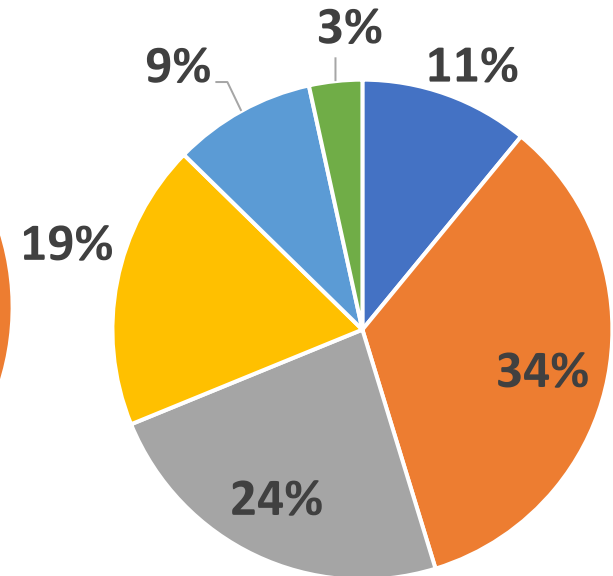
Medical



Dental



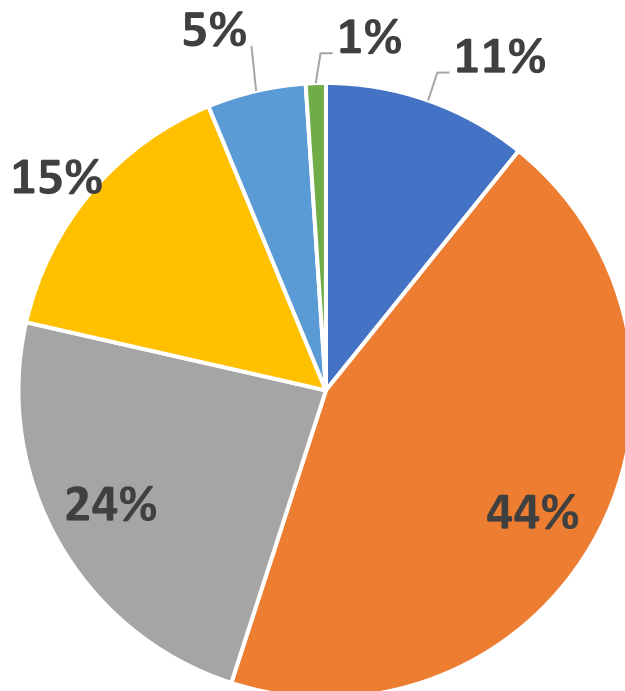
Vision



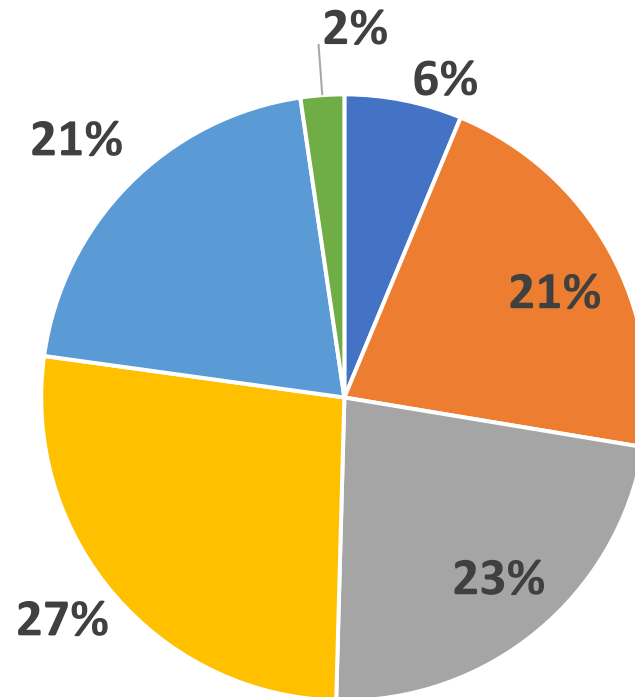
■ Very Satisfied ■ Satisfied ■ Neutral ■ Dissatisfied ■ Very dissatisfied ■ N/A

SEBB Program Satisfaction Ratings (*cont.*)

Overall Benefits



Comparing Out-of-Pocket Cost to Benefits Received



■ Very Satisfied
 ■ Satisfied
 ■ Neutral
 ■ Dissatisfied
 ■ Very dissatisfied
 ■ N/A

Subscriber Pain Points

Increasing costs / cost transparency

Accessible information

Rx coverage

Timeliness

Customer service

Provider network limitations

Vision hardware bi-annual benefit

Dental provider network & benefits limitations

Technology

Dual coverage rules



Health Care Literacy



72% of SEBB Program responders agree they have access to information to help them make enrollment decisions



68% of SEBB Program responders feel they understand their benefits

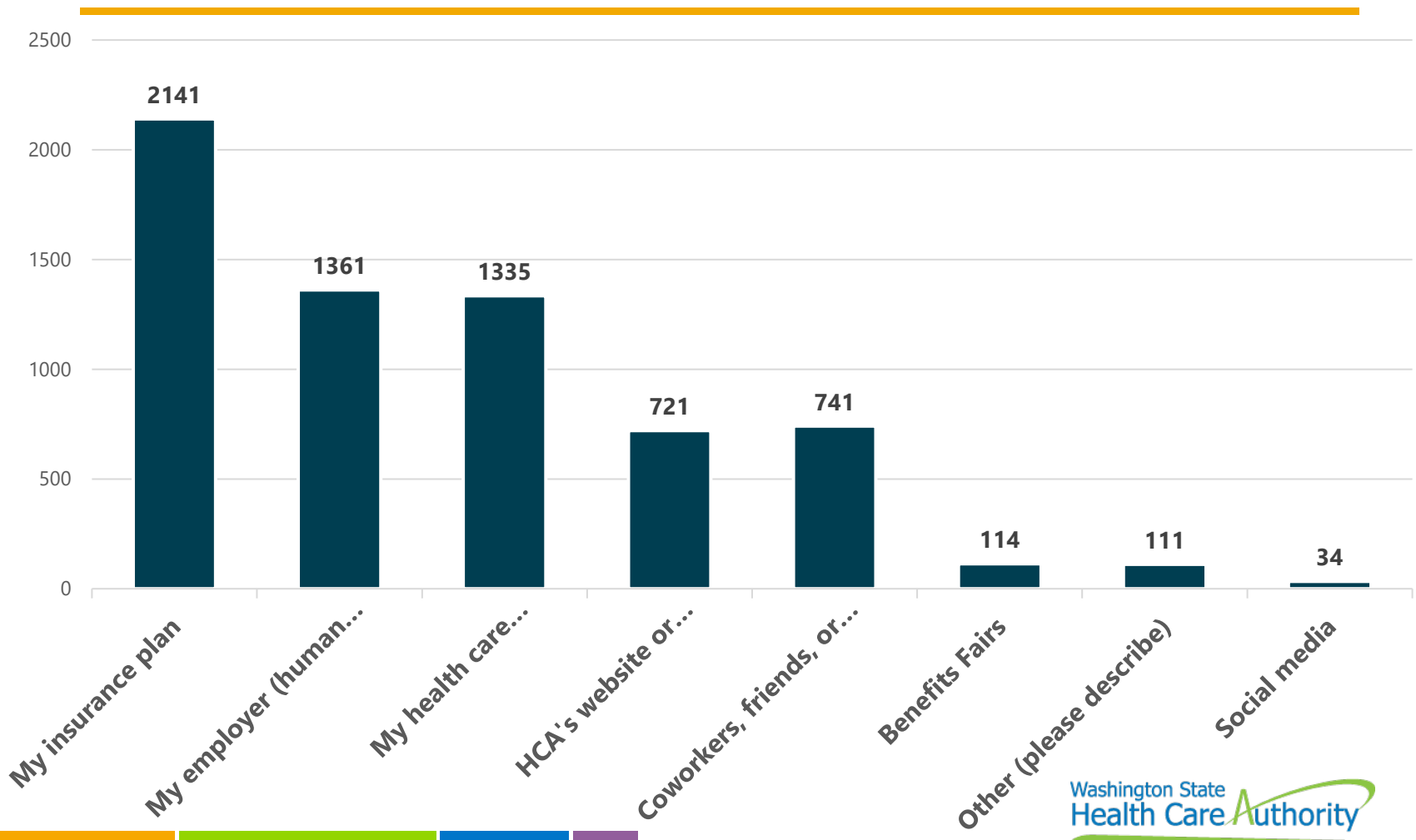


55% of SEBB Program responders agree they have access to plan choices that meet their needs



55% of SEBB Program responders agree with the statement "Using my benefits is easy"

Where SEBB Program Subscribers Seek Help*



*See Appendix for "other" sources.

Subscribers Want...

Lower costs/fees

- Premiums, deductibles, copays, co-insurance
- Annual limits

More benefits, more coverage

- Weight loss treatment
- Infertility treatment
- Mental/behavioral health
- Healthy lifestyle (gym memberships, massage, naturopathy, etc.)
- Annual vision benefit

Accessible information

- Easy to find, easy to understand
- Member education opportunities
- Better onboarding and support from benefits administrators
- Intuitive website navigation

Process simplification

- Claims processing
- Preauthorization
- Referrals
- Appeals
- FSA reimbursement

Demographics Voluntary Response



Demographics Participation



*percentages combine "N/A" and "prefer not to answer" responses

Questions?

Missy Yates, Stakeholder Engagement Coordinator
Employees and Retirees Benefits Division

Missy.Yates@hca.wa.gov

Appendix

“Other” Information Sources Used

- ▶ Google
- ▶ SEBB Program website/call customer service
- ▶ “I don’t know”
- ▶ “There is no place to go”
- ▶ Relatives/friends
- ▶ Insurance advocates
- ▶ Political party news
- ▶ Union representative

TAB 10

Medicare Update

Laura Ryan
Retiree Benefits Manager
Employees and Retirees Benefits Division
January 23, 2025

Washington State
Health Care Authority

SCHOOL EMPLOYEES BENEFITS BOARD

Overview

- ▶ Introduction
- ▶ Open enrollment Medicare plan changes
- ▶ Recap of benefits fairs
- ▶ Planned communication improvements for 2025
- ▶ Review of SEBB Program retirees returning to work

Introduction

- ▶ Have been in position since mid-September
- ▶ Previously worked in the Statewide Health Insurance Benefits Advisor (SHIBA) program at the Office of the Insurance Commissioner (OIC)
- ▶ Prior experience in PEBB Program customer service
- ▶ Extensive Medicare background including eight years working in kidney care
- ▶ Three months' crossover working with Ellen Wolfhagen
 - ▶ Responded to HCA PEBB Medicare inbox, UMP Questions inbox, and attended benefits fairs

Open Enrollment Non-Medicare Retirees

Plan Name	Pre-Open Enrollment	Post Open Enrollment	Change
Kaiser NW CDHP	10	9	(1)
Kaiser NW Classic	81	76	(5)
Kaiser WA CDHP	45	42	(3)
Kaiser WA Classic	556	512	(44)
Kaiser WA Sound Choice	584	548	(36)
Kaiser WA Value	247	204	(43)
UMP Plus - Puget Sound High Value Network	102	66	(36)
UMP Plus - UW Medicine Accountable Care Network	137	113	(24)
Uniform Medical Plan CDHP	280	266	(14)
Uniform Medical Plan Classic	5,250	3,969	(1,281)
Uniform Medical Plan Select	547	489	(58)

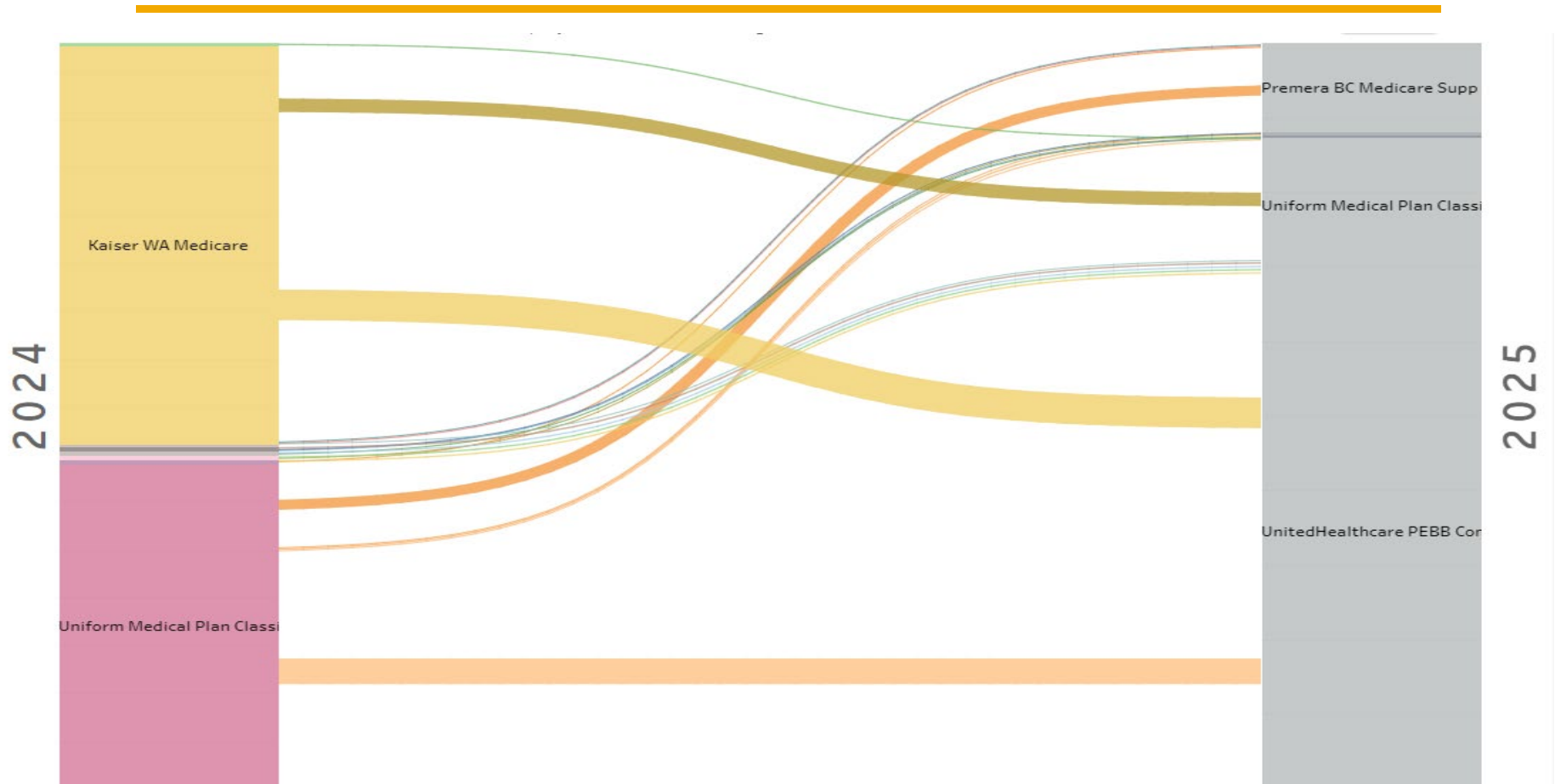
Open Enrollment Medicare Retirees

Plan Name	Pre-Open Enrollment	Post Open Enrollment	Change
Kaiser NW Senior Advantage with Part D	2,254	2,243	(11)
Kaiser WA Medicare Advantage with Part D	22,970	20,299	(2,671)
Premera Blue Cross Medicare Supplement F	13,301	13,125	(176)
Premera Blue Cross Medicare Supplement G	11,321	11,939	618
Uniform Medical Plan Classic Medicare with Part D	35,767	35,069	(698)
UnitedHealthcare PEBB Balance	594	637	43
UnitedHealthcare PEBB Complete	23,197	26,053	2,856

Open Enrollment all Retirees

Plan Name	Pre-Open Enrollment	Post Open Enrollment	Change
Kaiser NW CDHP	10	9	(1)
Kaiser NW Classic	81	76	(5)
Kaiser NW Senior Advantage with Part D	2,254	2,243	(11)
Kaiser WA CDHP	45	42	(3)
Kaiser WA Classic	556	512	(44)
Kaiser WA Medicare Advantage with Part D	22,970	20,299	(2,671)
Kaiser WA Sound Choice	584	548	(36)
Kaiser WA Value	247	204	(43)
Premera Blue Cross Medicare Supplement F	13,301	13,125	(176)
Premera Blue Cross Medicare Supplement G	11,321	11,939	618
UMP Plus - Puget Sound High Value Network	102	66	(36)
UMP Plus - UW Medicine Accountable Care Network	137	113	(24)
Uniform Medical Plan CDHP	280	266	(14)
Uniform Medical Plan Classic	5,250	3,969	(1,281)
Uniform Medical Plan Classic Medicare with Part D	35,767	35,069	(698)
Uniform Medical Plan Select	547	489	(58)
UnitedHealthcare PEBB Balance	594	637	43
UnitedHealthcare PEBB Complete	23,197	26,053	2,856

Open Enrollment Changes



Kaiser Foundation Health Plan of Washington (KPWA)

- ▶ Service area change for KPWA Classic Medicare mostly affected eastern Washington counties
- ▶ 2,600 members needed to change plans
- ▶ These members were already seeing providers who are included in at least one other plan's network

Premera Medicare Supplement Plan G

- ▶ Continues to be a popular option with growing enrollment
- ▶ Plan F closed to new enrollees and re-enrollees
- ▶ Premera's presentations at benefits fairs were very popular this year
- ▶ SHIBA support at benefits fairs was very helpful for Medicare information and helping with enrollment in commercial Part D plans

UMP Classic Medicare with Part D

- ▶ Lots of positive feedback regarding the reduction in premium
- ▶ General acceptance of change to Part D
- ▶ Extensive communications in advance of the Part D implementation
- ▶ Some technical challenges to be expected with new plan implementation, these were quickly addressed

UnitedHealthcare Medicare Advantage Plan

- ▶ Continues to be a popular option
- ▶ Saw the greatest enrollment increase of PEBB retiree plans

Recap of Benefits Fairs

- ▶ Retirees continue to be main population of attendees
- ▶ First half of fairs are busiest with retiree interest and questions
- ▶ SHIBA presence was widely appreciated, and we received lots of positive feedback
- ▶ Received requests to have more comprehensive retiree materials available for hand out at future benefit fairs
 - ▶ Preparing changes for 2025

Communication Improvements

- ▶ Based on previous feedback received regarding too much information and need for simplification
 - ▶ Implemented retiree-specific newsletters with a redesigned format for 2024
 - ▶ Implemented retiree-specific open enrollment web page
 - ▶ Convened internal workgroup to identify and provide simple communication resources tailored to specific retiree groups
- ▶ Communications goal: right information, right format, right time
- ▶ Hired a new communication consultant to focus on retiree communications

SEBB Program Retirees Returning to Work

- ▶ Must defer PEBB retiree benefits if eligible for SEBB employee benefits
- ▶ Can return to PEBB Program as a retiree when no longer eligible for SEBB employee benefits
- ▶ Members in Plan F can return to Plan G which has the same coverage with the exception that members must pay the Part B deductible, but there are proportionate premium savings

Questions?

Laura Ryan, Retiree Benefits Manager
Employees and Retirees Benefits Division

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