



**Washington State
Health Care Authority**

Public Employees Benefits Board

April 17, 2007 Meeting

PEBB Board Meeting

April 17, 2007

1:00 p.m.-3:00 p.m.

The Center Conference Room, HCA

676 Woodland Square Loop SE, Lacey

Conference call dial in: 360-923-2997, code 360-946-1464

Agenda

Item

Objective

Public Meeting

Call to Order

Steve Hill

Welcome and Introductions

Steve Hill

Approval of Minutes

Steve Hill

Action

Legislative Update

Richard Onizuka

Information

Procurement Update

Barney Speight
Elin Meyer

Information

Public Comment

Steve Hill

Adjournment

Steve Hill

PEBB Board Members

Name	Representing
Steve Hill, Administrator Health Care Authority 676 Woodland Square Loop SE PO Box 42700 Olympia WA 98504-2700 V 360-923-2828 steve.hill@hca.wa.gov	Chair
Greg Devereux, Executive Director Washington Federation of State Employees 1212 Jefferson Street, Suite 300 Olympia WA 98501 V 360-352-7603 greg@wfse.org	State Employees
Lee Ann Prielipp 29322 6 th Avenue Southwest Federal Way WA 98023 V 253-839-9753 leeannwa@comcast.net	K-12 Retirees
Robert Porterfield 10423 – 65 th Avenue South Seattle WA 98178 V 206-722-8194 robertporterfield@comcast.net	State Retirees
Dr. Penny Palmer 123 East Indiana Spokane WA 99207 V 509-389-4229 pennypalmer@msn.com	Benefits Management/Cost Containment
Eva Santos, Director Department of Personnel PO Box 47500 Olympia WA 98504-7500 V 360-664-6350 evas@dop.wa.gov	Benefits Management/Cost Containment

PEBB Board Members

Name	Representing
Christine Sargo* Sedro Woolley School District 23631 Lake Street PO Box 128 Clear Lake WA 98235 V 360-855-3530 csargo@swsd.k12.wa.us	K-12
Margaret T. Stanley Executive Director Puget Sound Health Alliance 2003 Western Ave, Suite 600 Seattle WA 98121 V 206-448-2570 mtstanley@pugetsoundhealthalliance.org	Benefits Management/Cost Containment
Yvonne Tate, Director* Human Resources City of Bellevue PO Box 90012 Bellevue WA 98009-9012 V 425-452-4066 ytate@ci.bellevue.wa.us	Benefits Management/Cost Containment
Legal Counsel Melissa Burke-Cain, Assistant Attorney General 2425 Bristol Court SW PO Box 40109 Olympia WA 98504-0109 V 360-586-6500 melissab@atg.wa.gov	

*non voting members

Public Employees Benefits Board
Meeting Minutes

February 13, 2007
Health Care Authority
676 Woodland Square Loop SE
Lacey, WA
1:00 p.m.

Members Present:

Steve Hill
Greg Devereux
Lee Ann Prielipp
Robert Porterfield
Eva Santos
Chris Sargo

Members Absent:

Margaret Stanley
Yvonne Tate

Via Telephone:

Penny Palmer

Call to Order

Steve Hill, Chair, called the meeting to order at 1:00 p.m. Sufficient members were present to allow a quorum.

Approval of January 16, 2007, PEBB Meeting Minutes

It was moved, seconded, and carried to approve the January 16, 2007, PEBB Board meeting minutes with the following changes to the roll call: 1) move Lee Ann Prielipp to "members present"; and, 2) move Penny Palmer to "via telephone".

Public Meeting Protocol

Dave Wasser, Public Affairs Director for the Health Care Authority (HCA), presented a revised statement of commitment and policies regarding communication. Input from board members received at the January meeting was incorporated so that the public meeting protocol reflects the approved by-laws. It was moved, seconded, and carried to approve the Public Meeting Protocol.

Procurement Update

Barney Speight, Deputy Administrator for HCA, gave a procurement update. Mr. Speight shared a long-term strategic vision of the PEBB benefits portfolio. He said that implementation of the Benefits Administration and Insurance Accounting System (BAIAS) will have a significant impact on procurement. HCA is planning to implement a high deductible Health Savings Account (HSA) in 2009 with a target of having it in place in 2010 subject to funding and approval of the PEBB Board. The HCA has a dental plan in place administered by the Washington Dental Service (WDS), and Mr. Speight is reviewing an additional dental model

that WDS has developed and will bring that to the board next year for consideration. He said that consideration of a Long-Term Disability (LTD) plan is also under review, but that a change to that benefit would require approval by both the Office of Financial Management and Governor's Office, and legislative authorization to increase the funding for LTD.

Elin Meyer, PEBB Procurement Director, presented an overview of the upcoming dental RFP. She said the plan is to ask the carriers to bid out their current benefit design and also a standard benefit design and to bring that to the board for consideration.

Domestic Partner Benefits

Jason Siems, Legal Services Director, and Melissa Burke-Cain, Assistant Attorney General, presented an overview of domestic partner discussions with the board to date. The Legislature passed HB 2661 in 2006 which bars discrimination on the basis of sexual orientation and gender identify. Mr. Siems said the Human Rights Commission and HCA have entered into a dialogue to try to determine legal impacts and whether HCA's current policy is in compliance with the law. It would cost an estimated \$15 million per year to extend PEBB benefits to opposite sex domestic partners and would be difficult for HCA to implement those benefits until the BAIAS project comes on-line. Further, the 2007 contracts with health plans are based on current eligibility requirements and changing those requirements has the potential of the plans asking that their contracts be reopened. The HCA is asking the board to commit to re-examine extended benefits to all domestic partners after the completion of the BAIAS project. This re-examination would include revisiting the practices of other states and large employers, staff recruitment and retention issues, cost and rating issues, and also protecting the PEBB Fund from adverse selection fraud.

Mr. Hill said that there are several pieces of proposed legislation dealing explicitly with same sex domestic partners and that it his interpretation that the Legislature is signaling to the PEBB that it is fine to have a same sex domestic partnership benefit. Ms. Palmer noted that it is unclear at present how a domestic partner is defined in law. Ms. Prielipp asked how long it would take the HCA to put a program into place that allows eligibility for opposite sex domestic partnership coverage. Renee' Bourbeau, PEBB Operations Manager, estimated it would take one to two years to put the new eligibility criteria in place and enroll people in that system. Mr. Speight advised that part of the preparation would be for PEBB to develop the fiscal impact on both the funding rate for actives, and also the retiree subsidy rate based on actuarial estimates. Mr. Devereux asked if the WAC would need to be re-written if opposite sex domestic partners were included. Ms. Burke-Cain said it would. Mr. Hill asked for public comment specifically related to domestic partner benefits. None was received. It was moved, seconded and carried that the board approve the attached resolution.

Legislative Update

Richard Onizuka, Health Care Policy Director, presented an overview of bills the HCA is tracking during this legislative session.



The meeting was adjourned.

Respectfully submitted,

Steve Hill, Chair

Resolution

Deleted: HCA Proposal to the PEBB Board

1. Change the eligibility language within the WACs to remove any mention of “same-sex”. The eligibility standards would continue to require that the “partners are barred from a lawful marriage”. Further, the declaration that domestic partners complete would be updated to reflect this language and to eliminate requirements in the current declaration that go beyond the requirements of married participants. The eligibility requirements in the declaration would be included in WAC.
2. Commit to re-examine extending benefits to all domestic partners in 2008, to be effective in the beginning of 2009. This reexamination would include:
 1. Revisiting the practices of other States and large employers;
 2. Staff recruitment and retention issues;
 3. Cost and rating issues; and,
 4. Protecting the PEBB fund from adverse selection and fraud.

Deleted: after the completion of the BAIAS project, likely in 2009.

Further, the HCA will complete the preparation to be able to implement this in 2009.

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Washington State
Health Care Authority

Public Employees Benefits Board

2007 Procurement Brief

April 17, 2007



PEBB Purchasing Goals

- Benefits that benchmark well with comparable public & private employers
- Premiums consistent with collective bargaining and budget assumptions
- Improved cost predictability and transparency



PEBB 2007 Procurements

Washington State
Health Care Authority

	Actives/Early Retirees	Medicare Retirees	Renewal	RFP
Uniform Medical Plan	√	√	√	
PEBB Copay	√	√		√
Group Health	√	√	√	
Kaiser Permanente	√	√	√	
PacifiCare		√	√	
Premera		√	√	
Uniform Dental Plan	√	√	√	
Managed Dental	√	√		√
LTD	√		√	
Life	√	√	√	

PEBB Copay Plan RFP



Washington State
Health Care Authority

- Goals include plan consolidation, self-insurance and comprehensive provider network
- 6 bidders: Aetna, Cigna, Premera, Regence, UnitedHealthcare, Zenith
- Responses received 4-12-07
- ASB selected ~ 5-25-07

Medical Bid Alternatives



Washington State
Health Care Authority

In addition to current benefit, carriers will bid the following adjustments:

Service	Current Active Classic Benefit	Alternative
Mental Health Outpatient	20 visits	Option A: 30 visits Option B: 50 visits
Inpatient	10 days	Option A: 20 days Option B: Full parity
Hearing Aids	UMP: \$400 for hardware & exam every 36 months MCO: \$300 every 36 mo.	80% up to \$600 every 36 months
Lifetime Maximum	\$2 Million	No Lifetime Maximum

Medical/Dental Procurement Schedule



Washington State
Health Care Authority

- May 23: Eligibility Policy Recommendations

- Week of June 25: Procurement Briefs

- June 27: Eligibility Policy Board Action
(possible telephone conference call)

- July 10: Procurement Results and Recommendations

- July 17: Board Action
 - Enrollee Contribution
 - Benefit Designs
 - Explicit Subsidy

PEBB Meeting Schedule 2007

Working Lunch or Executive Session: 11:15 a.m. - 12:45 p.m.
Public Meeting: 1:00 p.m. - 3:00 p.m.

Proposed Dates:

January 16, 2007

February 13, 2007

March 13, 2007

April 17, 2007

May 23, 2007

June 27, 2007

July 10, 2007

**July 17, 2007*

**July 24, 2007*

October 16, 2007 – Board Retreat

**tentative meeting dates during procurement*

Working Lunch Discussion Topics

Health Information Technology and Electronic Medical Record Initiative

State Health Technology Assessment Program

Care/Disease Management/Wellness Initiatives

Public/Private Health Care Collaboration

Chronic Disease Management

Predictive Modeling

Evidence-Based Dentistry

Patient Safety

Health Savings Accounts/High Deductible Health Plans