

SCHOOL EMPLOYEES BENEFIT BOARD

SEBB Implementation – January 2020



Updated: June 12, 2019

All districts and charter schools are in **one statewide pool**

Eligibility for benefits set for anyone who would work **630 hours** or more in a school year (equivalent to an average of 3.5 hours per day in 180 day school year)

Full family benefits will be **no more than 3 times** the premium paid by individuals

Statewide collective bargaining between a coalition of K-12 labor organizations and representatives of the Governor

FEATURES OF THE SEBB PROGRAM



WHAT BENEFITS ARE AVAILABLE IN SEBB?

- Medical
- Basic Life & AD&D
- Basic Long Term Disability
- Vision
- Dental

- Additional employee paid options
 - Additional Life or LTD
 - Medical Flexible Spending Arrangements (FSAs)
 - Dependent Care Assistance Program (DCAP)

COLLECTIVE BARGAINING AGREEMENT (CBA) FOR 2019-21 BIENNIUM

- Employer will pay **85% of a good medical plan** (88% actuarial value)
- Employer will pay **100%** of:
 - Basic Life and AD&D
 - Basic Long Term Disability
 - Vision
 - Dental
 - Retiree subsidy (carve out)
- **Wellness Benefit** – \$125 in reduced medical deductible or HSA deposit when wellness activities completed.
- **Surcharges will cease if not required by law.** Current budget language includes a smoking and a spouse surcharge if that spouse has coverage available through another employer.

CBA - FUNDING FOR DISTRICTS

- Funding to the districts will adjust state funded FTEs to reflect the number of individuals who would be eligible based on the 630 hour eligibility threshold.
- These **Benefit Allocation Factors (BAF)** are based on statewide averages.
- Factors are **1.43** for classified staffing allocations and **1.02** for certificated staffing allocations.

K-12 Monthly Benefit Allocations

2018-19 SY	\$844
Sept – Dec 2019 (pre-SEBB)	\$973
January – June 2020	\$994
July 2020-Aug 2021	\$1,056

CAN DISTRICTS CONTINUE TO OFFER BENEFITS WE HAVE TODAY?

- Generally, **NO**.
- Every school district is required to be part of SEBB and cannot offer their own benefit plans.
- Districts can offer eligibility for SEBB benefits for those who work less than 630 hours as local cost and enrichment to basic education.
- Districts can offer **optional benefits** that are separate from and beyond the benefits under SEBB's statutory authority. Examples include VEBA, employees assistance programs, supplemental cancer care insurance, travel insurance, and loan forgiveness or tuition assistance.

WHAT CAN MY DISTRICT DO WITH TRUST RESOURCES?

- **Local trust plans** should include procedures for what to do upon termination of assets.
- Per WAC 200-110-080 – Termination of a Program:
 - *All individual and joint health and welfare self-insurance programs shall maintain a written plan that provides for the partial or complete termination of the program and for liquidation of its assets upon termination of the program. The termination procedure shall include, but not be limited to, a provision for the settling of all its liabilities for unpaid claims and claim adjustment expenses.*
- School districts file plans with the WA Dept of Enterprise Services.
- State laws and rules governing trusts are found in **Chapter 48.62 RCW** and **WAC Chapter 200-110**.

WHO CAN I COVER UNDER SEBB PLANS?

- **Eligible dependents are:**

- Legal spouse or state registered domestic partner

- Child up to age 26

- (biological and adopted children, children of the employee's spouse or state-registered domestic partner, children for which a court order of divorce decree created a legal obligation to provide support or health care coverage, and children of any age with a developmental or physical handicap who are not capable of self-support)*

- **If dependents have been covered under existing district plans, can they continue in SEBB?**

- If individuals do not meet the eligibility standards above, they are not eligible as dependents for employer paid coverage.

- But, in an effort to address transition issues, the Board has approved a policy that will allow school employees to continue **coverage for these ineligible dependents at the employee's expense** (if those dependents are covered on December 31, 2019) for up to 36 months.

CAN I KEEP MY DOCTOR?

- **Plan offerings (and costs) will be finalized in July 2019. There will be more certainty once those details are finalized.**
- Current carriers under contract negotiations to offer SEBB Plans:
 - Kaiser Permanente NW
 - Kaiser Permanente of WA
 - Premera
 - Regence (to administer self-insured, Uniform Medical Plan)

If you currently have coverage through one of these carriers, the odds are good that your doctors will still be part of the plans offered by SEBB.

Even if you currently have coverage from another carrier, there is still expected to be a high percentage of crossover among the provider networks of current carriers and SEBB carriers.

HOW WILL OPTIONS VARY BY COUNTY?

- **Final coverage areas will be known in July 2019.**
- **Available plan options will be based on where you live.**
- **Based on current negotiations, HCA estimates that:**
 - There will be statewide coverage through the self-insured SEBB plans administered by Regence.
 - About 98% of school employees will have access to at least 2 carriers (likely Regence and Premera) and 4 - 5 plans from those carriers
 - About 79% of school employees will have access to 3 or more carriers (likely Regence, Premera, and Kaiser Permanente) and 8-13 plans from those carriers

WHAT WILL I PAY?

- Final amounts for all plans will be determined after rate setting in July. Here is an example given to the board at their March 2019 meeting based on 'not-to-exceed' rates that were negotiated with **Regence for the UMP plans.**

Based on Final Not-to-Exceed Rates

Plan	Actuarial Value (AV)	X = Cost at First Tier	Employee Only	Employee & Spouse/SRD ¹	Employee & Child(ren)	Employee, Spouse/SRD ¹ & Child(ren)	Employee Contribution as Percent of Total Premium
			Tier 1: 1:00x	Tier 2: 2:00x	Tier 3: 1:75x	Tier 4: 3:00x	
SEBB UMP Plus	89%	Total Premium	\$649	\$1,298	\$1,136	\$1,947	11%
		Employer Contribution (EMC)	\$578	\$1,156	\$1,012	\$1,734	
		Employee Contribution	\$71	\$142	\$124	\$213	
SEBB UMP Achieve 2	88%	Total Premium	\$679	\$1,358	\$1,188	\$2,037	15%
		Employer Contribution (EMC)	\$578	\$1,156	\$1,012	\$1,734	
		Employee Contribution	\$101	\$202	\$177	\$303	
SEBB UMP Achieve 1	82%	Total Premium	\$612	\$1,224	\$1,071	\$1,836	6%
		Employer Contribution (EMC)	\$578	\$1,156	\$1,012	\$1,734	
		Employee Contribution	\$34	\$68	\$60	\$102	
SEBB UMP High Deductible	83%	Total Premium ²	\$603	\$1,206	\$1,055	\$1,809	4%
		Employer Contribution (EMC)	\$578	\$1,156	\$1,012	\$1,734	
		Employee Contribution	\$25	\$50	\$44	\$75	

Notes:

The 2020 EMC of \$578 is 85% of the Total Premium (Final NTE Bid Rate) of the SEBB UMP Achieve 2 (88% AV plan).

All values in the table above are on a PAUPM basis.

1. SRDP - State Registered Domestic Partner

2. Total Premium for the SEBB UMP High Deductible Health Plan includes an employer HSA contribution of \$375 per year for Tier 1 and \$750 per year for all other tiers

HOW IS COVERAGE SIMILAR OR DIFFERENT?

- HCA has a table that compares major elements of the plans under negotiation for SEBB, showing deductibles, copays, and other plan details such as orthodontia coverage within the dental plans.



School Employees Benefits Board (SEBB) Program benefits: A high-level overview

This is a summary, and is not inclusive of all covered services. Figures, plans, and carriers shown are subject to legislative funding and final decisions by the SEB Board.

Medical benefits

Annual Costs/Benefits	Kaiser NW			Kaiser WA				Kaiser WA Options		
	Plan 1	Plan 2	Plan 3	Plan 1	Plan 2	Plan 3	Plan 4	Plan 1	Plan 2	Plan 3
Deductible (single / family)	\$1,250 / \$2,500	\$750 / \$1,500	\$125 / \$250	\$1,250 / \$3,750	\$750 / \$2,250	\$250 / \$750	\$125 / \$375	\$1,250 / \$3,750	\$750 / \$2,250	\$250 / \$750
Out-of-pocket max	\$4,000 / \$8,000	\$3,500 / \$7,000	\$2,000 / \$4,000	\$4,000 / \$8,000	\$3,000 / \$6,000	\$2,000 / \$4,000	\$2,000 / \$4,000	\$4,500 / \$9,000	\$3,500 / \$7,000	\$2,500 / \$5,000
Coinurance	20%	20%	20%	20%	20%	20%	15%	20%	20%	20%
Rx deductible	None	None	None	None	None	None	None	None	None	None
Rx out-of-pocket limit	Applies to max	Applies to max	Applies to max	Applies to max	Applies to max	Applies to max	Applies to max	Applies to max	Applies to max	Applies to max

Annual Costs/Benefits	Premera			Providence		UMP			
	Plan 1	Plan 2	Plan 3	HSA	Plan 2	UMP Achieve 1	UMP Achieve 2	UMP High Deductible	UMP Plus
Deductible (single / family)	\$1,250 / \$3,125	\$750 / \$1,875	\$1,250 / \$3,125	\$1,750 / \$3,500	\$750 / \$1,500	\$750 / \$2,250	\$250 / \$750	\$1,400 / \$2,800	\$125 / \$375
Out-of-pocket max	\$5,000 / \$10,000	\$3,500 / \$7,000	\$5,000 / \$10,000	\$5,000 / \$10,000	\$2,500 / \$5,000	\$3,500 / \$7,000	\$2,000 / \$4,000	\$4,200 / \$8,400**	\$2,000 / \$4,000
Coinurance	20%	25%	20%	20%	20%	20%	15%	15%	15%
Rx deductible	\$500 / \$1,250*	\$250 / \$625*†	\$250 / \$750*	Applied to medical deductible	Applied to medical deductible	\$250 / \$750	Tiers 2-4: \$100 / \$300	Applied to medical deductible	None
Rx out-of-pocket limit	Applies to max	Applies to max	Applies to max	Applies to max	Applies to max	\$2,000 per person	\$2,000 per person	\$2,000 per person	\$2,000 per person

*Waived for preferred generic prescription drugs.

†Rx deductible for Premera Plan 2 shows the SEB Board-approved deductible; Premera has proposed changing this figure to \$125 / \$312.

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

- These details will not be finalized until July, but many of these elements are likely to be in place in final versions.

- For the most up to date information, use the following HCA link:

<https://www.hca.wa.gov/assets/pebb/sebb-program-benefits-comparison.pdf>

WHAT ABOUT CHIROPRACTIC AND MASSAGE?

This table is based on information presented at the November 2018 SEBB meeting and adopted SEBB policies for UMP plans.

These limits could change before contracts are finalized, but the table gives a sense of the variety of plan options and the general range of visits that will likely be allowed.

Treatment Limits (Not Final)

Carrier	Chiropractic	Acupuncture	Massage Therapy
KPNW	No Limit	20	20
KPWA	20	20	20
KPWAO	20	20	20
Premera	12	12	12
UMP/ Regence	16	16	16

HOW WILL I CHOOSE AMONG PLANS?

- Open enrollment will be held **Oct 1 through Nov 15th** for plans that will begin on January 1, 2020.
- **SEBB My Account** will be an online tool where you can:
 - Compare plans
 - Review premiums and coverage
 - Choose benefits
 - Add or remove dependents
 - Attest to the tobacco use and spousal coverage premium surcharges
 - Upload and submit documents for dependent verification
- Here is a [demonstration video](https://www.youtube.com/watch?v=EcR9KrHBdNM&feature=youtu.be) that previews some of the major SEBB My Account functions that have already been developed (<https://www.youtube.com/watch?v=EcR9KrHBdNM&feature=youtu.be>)
- 20 in-person **benefit fairs** coordinated by HCA will be held across the state this Fall, districts can choose to offer benefit fairs, and **online virtual benefit fair** will be available through HCA.

STAY UP TO DATE ON UPCOMING CHANGES...

- **WEA Our Voice** has a page dedicated to this transition where you can find background information as well as links to HCAs most up to date fact sheets
- <https://www.washingtonea.org/ourvoice/health-benefits/>