

# EVERETT SCHOOL EMPLOYEE BENEFIT TRUST

## SEBB UPDATE AND 2019 PLANNING

MAY 15, 2019

SEAN WHITE

SEATTLE



MAKE TOMORROW, TODAY



# SEBB UPDATE

- Effective 1/1/2020, all School Districts will be required to purchase benefits through SEBB
- SEB Board meets regularly to study statewide insurance matters and discuss best practices for designing a set of cost-efficient, value-based insurance offerings for SEBB Program enrollees and their dependents
  - SEB Board met initially on 10/23/2017 and approximately monthly thereafter
  - Many decisions have been made regarding eligibility, plans available, funding status (e.g. self-funding vs. fully-insured), tier ratios, etc. with details available on the SEBB website
    - Many PEBB program components are being included in the SEBB program (e.g., ACOs, COEs, tobacco and spousal surcharge, dependent eligibility documentation requirements, wellbeing incentives, etc.)
- Eligibility criteria is standard at anticipated to work 630 hours
  - Medical, dental, and vision coverage is limited to a single enrollment per individual (no dual enrollments)

# SEBB UPDATE

- The premium tier ratios are 1.0, 2.0, 1.75, and 3.0 and will also be applied to the Employer Medical Contribution (EMC)
  - The EMC is equal to 85% of the monthly premium for the UMP Achieve 2 plan (estimated 88% AV)
- Employee contributions standard for all districts
  - HCA will share cost information and monthly premiums after contracts are in place and the SEB Board votes on premium costs in mid-2019
  - The employee will pay the difference between the EMC and the monthly premium for their selected medical plan (by tier), but no less than 2% of the EMC
  - Monthly premium cost to add spouse/ state-registered domestic partner and children will be equal to three times the monthly premium cost for an individual subscriber
  - The employee will pay zero towards monthly premiums for dental and vision at all coverage tiers
  - The employer will pay 100% of monthly premiums for basic life and basic long-term disability

If subscriber monthly premium is...	Cost including spouse/SRDP* & kids is ...
\$25	\$75
\$50	\$150
\$100	\$300
\$165	\$495

# SEBB UPDATE

- The Washington State legislature wrapped up their session on Sunday evening 4/28/2019
  - A two-year operating budget was approved at nearly the last minute – allowing them to finish on schedule for the first time in almost a decade
  - Included in that budget was full funding for the negotiated health care agreement – along with some other education priorities
  - As noted on the WEA Blog’s “Health Benefits” page “Because the agreement has been collectively bargained, the Legislature cannot change it, and must provide an up or down vote to fund the agreement in the budget...If the Legislature funds the SEBB, it will go into effect on January 1, 2020. If it doesn’t, we will need to renegotiate a new agreement.”
- What does this mean for school districts?
  - Full steam ahead on SEBB implementation for 1/1/2020
  - Self-funded accrual rates and fully insured premium rates will be finalized by the SEBB over the next couple of months
  - Employee contributions are scheduled to be approved by the Board and published in July

# SEBB UPDATE

- The table below illustrates how the EMC will operate and how the resulting employee contributions will be determined
  - Note that rates below are illustrative, though premiums are reasonable in comparison to current PEBB rates
  - 2019 COBRA rates for PEBB UMP Classic is \$675 for employee only coverage and \$1,845 for family coverage

Plan	Actuarial Value (AV)		Employee Only	Employee & Spouse/SRDP*	Employee & Child(ren)	Employee, Spouse/SRDP & Child(ren)	Employee Contribution as Percent of Total Premium
		X = Cost at First Tier	Tier 1: 1:00x	Tier 2: 2:00x	Tier 3: 1:75x	Tier 4: 3:00x	
Plan A	90%	Total Premium	\$775	\$1,550	\$1,356	\$2,325	21%
		Employer Contribution (EMC)	\$616	\$1,232	\$1,078	\$1,848	
		Employee Contribution	\$159	\$318	\$278	\$477	
SEBB UMP Achieve 2	88%	Total Premium	\$725	\$1,450	\$1,269	\$2,175	15%
		Employer Contribution (EMC)	\$616	\$1,232	\$1,078	\$1,848	
		Employee Contribution	\$109	\$218	\$191	\$327	
Plan B	85%	Total Premium	\$688	\$1,376	\$1,204	\$2,064	10%
		Employer Contribution (EMC)	\$616	\$1,232	\$1,078	\$1,848	
		Employee Contribution	\$72	\$144	\$126	\$216	
Plan C	82%	Total Premium	\$652	\$1,304	\$1,141	\$1,956	6%
		Employer Contribution (EMC)	\$616	\$1,232	\$1,078	\$1,848	
		Employee Contribution	\$36	\$72	\$63	\$108	

## Notes:

The 2020 EMC of \$616 is 85% of the Total Premium (estimated Bid Rate) of the SEBB UMP Achieve 2 (88% AV plan).

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

\*SRDP - State Registered Domestic Partner

# SEBB UPDATE

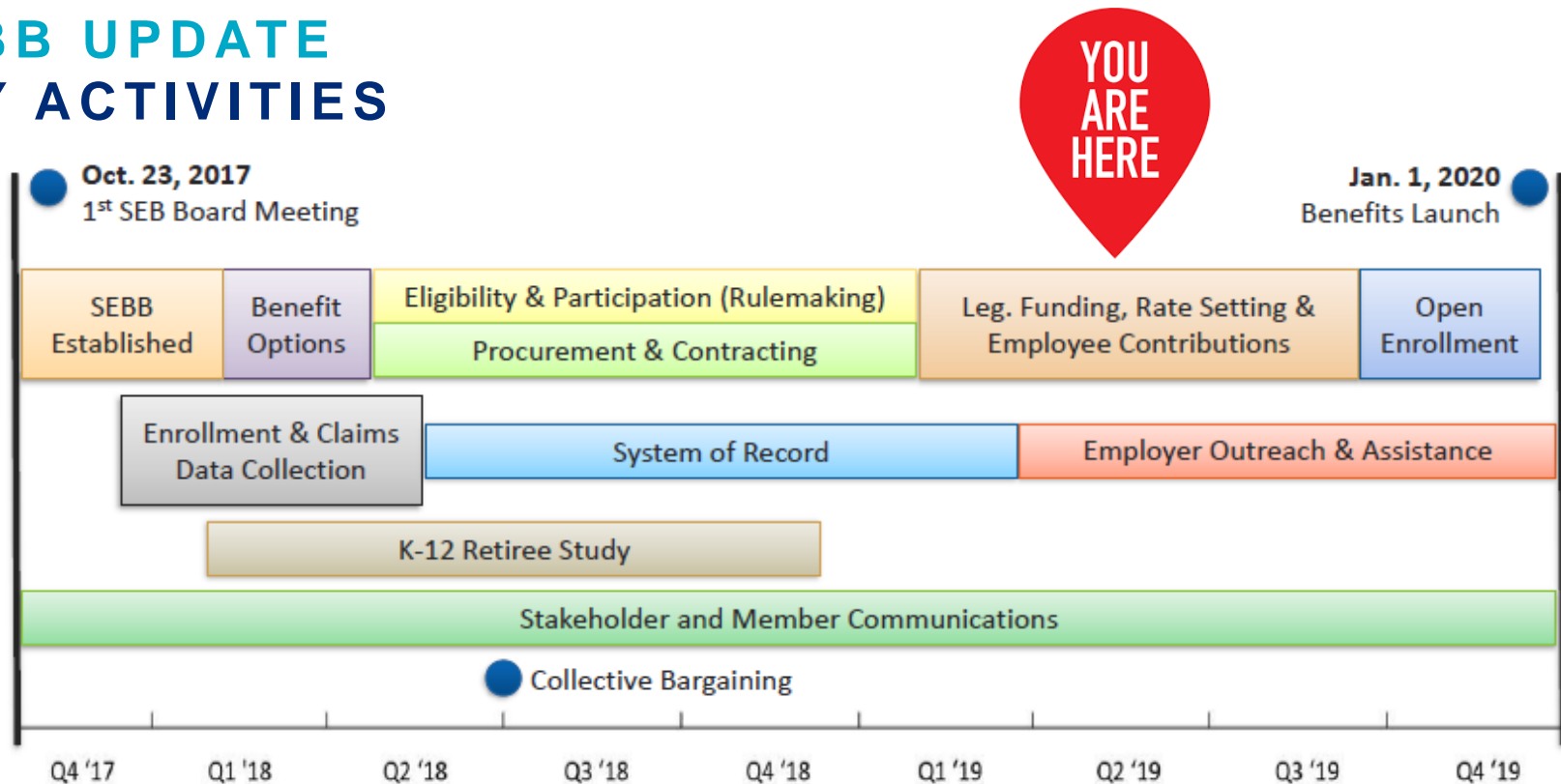
## SEBB Program Medical Benefits Comparison Chart

Note: Subject to legislative funding and final decisions by the SEB Board

	Aetna		Kaiser NW			Kaiser WA				Kaiser WA Options			Premera		Providence		UMP			
Annual Costs/ Benefits†	Plan 1	Plan 2	Plan 1	Plan 2	Plan 3	Plan 1	Plan 2	Plan 3	Plan 4	Plan 1	Plan 2	Plan 3	Plan 1	Plan 2	HSA	Plan 2	UMP Achieve 1 (82% AV)	UMP Achieve 2 (88% AV)	UMP High Deductible	UMP Plus
Deductible (single/family)	\$1,250/ \$2,500	\$750/ \$1,500	\$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	\$1,250/ \$3,125	\$750/ \$1,875	\$1,750/ \$3,500	\$750/ \$1,500	\$750/ \$2,250	\$250/ \$750	\$1,400/ \$2,800	\$125/ \$375
Max out-of- pocket limit	\$5,000/ \$10,000	\$3,000/ \$6,000	\$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	\$5,000/ \$10,000	\$3,500/ \$7,000	\$5,000/ \$10,000	\$2,500/ \$5,000	\$3,500/ \$7,000	\$2,000/ \$4,000	\$4,200/ \$8,400	\$2,000/ \$4,000
Coinsurance	20%	20%	20%	20%	20%	20%	20%	20%	15%	20%	20%	20%	20%	25%	20%	20%	20%	15%	15%	15%
Medical																				
Ambulance (air/ground, per trip)	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	25%	20%	20%	20%	20%	20%	20%
Diagnostic tests, lab, and x-rays	20%	20%	\$30	\$25	\$20	20% over \$500	20% over \$500	20%	15%	20%	20% over \$500	20%	20% over \$1,000	25%	20%	20%	20%	15%	15%	15%
Emergency room	\$150	\$150 + 20%	20%	20%	20%	\$150 + 20%	\$150 + 20%	\$150 + 20%	\$150 + 15%	\$150 + 20%	\$150 + 20%	\$150 + 20%	\$150 + 20%	\$150 + 25%	20%	\$75	\$75 + 20%	\$75 + 15%	15%	\$75 + 15%
Inpatient services	20%	\$300 + 20%	20%	20%	20%	20%	20%	20%	15%	20%	20%	20%	20%	25%	20%	20%	\$200/day up to \$600 + 20%	\$200/day up to \$600 + 15%	15%	\$200/day up to \$600 + 15%
Outpatient services	20%	20%	20%	20%	20%	20%	20%	20%	15%	20%	20%	20%	20%	25%	20%	20%	20%	15%	15%	15%
Preventive care	Covered 100%	Covered 100%	Covered 100%	Covered 100%	Covered 100%	Covered 100%	Covered 100%	Covered 100%	Covered 100%	Covered 100%	Covered 100%	Covered 100%	Covered 100%	Covered 100%	Covered 100%	Covered 100%	Covered 100%	Covered 100%	Covered 100%	Covered 100%
Spinal manipulations	\$30	\$15	\$40	\$35	\$30	\$30	\$25	\$20	\$0	\$30	\$25	\$20	20%	25%	20%	20%	20%	15%	15%	15%
Office Visits																				
Primary care	\$30	\$15	\$30	\$25	\$20	\$30	\$25	\$20	\$0	\$30	\$25	\$20	\$20	\$20	20%	20%	20%	15%	15%	\$0
Specialist	\$40	\$20	\$40	\$35	\$30	\$40	\$35	\$30	\$30	\$40	\$35	\$30	\$40	\$40	20%	20%	20%	15%	15%	15%
Urgent care	\$30	\$15	\$50	\$45	\$40	\$30	\$25	\$20	\$0	\$30	\$25	\$20	20%	25%	20%	20%	20%	15%	15%	15%
Mental health (outpatient)	\$30	\$20	\$30	\$25	\$20	\$30	\$25	\$20	\$0	\$30	\$25	\$20	\$20	\$20	20%	20%	20%	15%	15%	15%
Physical, occupational, and speech therapy*	\$40	\$20	\$40	\$35	\$30	\$40	\$35	\$30	\$30	\$40	\$35	\$30	\$40	\$40	20%	20%	20%	15%	15%	15%

† In-network

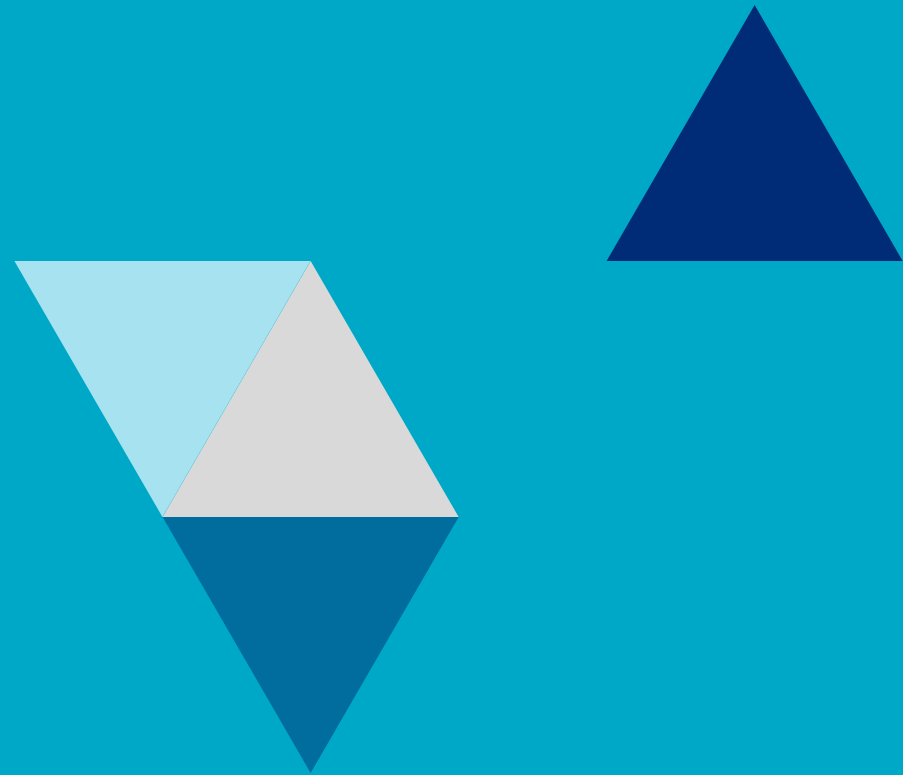
# SEBB UPDATE KEY ACTIVITIES



## SEBB Milestones

- December 2018 Governor's proposed 2019-21 budget
- January – March 2019 NTE (Not to Exceed) bid rates for fully insured medical plans
- January – April 2019 Legislative session and final 2019-21 budget
- July 2019 SEB Board approval of 2020 employee premiums
- September 2019 Employee enrollment information and materials
- October 1 – November 15, 2019 Open enrollment
- January 1, 2020 SEBB Program launch

# 2019 PLANNING





## 2019 PLANNING

- With no renewal or marketing activity taking place in 2019, we will have excess commissions available to fund other potential projects and services
- Potential projects include:
  - Communications assistance
  - Other?

# 2019 CALENDAR

January 2019	February 2019	March 2019	April 2019
		<ul style="list-style-type: none"> <li>2019 Planning meeting</li> </ul>	
May 2019	June 2019	July 2019	August 2019
<ul style="list-style-type: none"> <li>Meet with Trustees to determine 2019 strategy</li> </ul>			
September 2019	October 2019	November 2019	December 2019
	<ul style="list-style-type: none"> <li>SEBB open enrollment 10/1 through 11/15</li> </ul>		

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TODAY**

