

SENATE BILL REPORT

SB 5169

As of January 27, 2023

Title: An act relating to health care plans administered by the health care authority that are available to medicare eligible retirees.

Brief Description: Concerning health care plans administered by the health care authority that are available to medicare eligible retirees.

Sponsors: Senators Hunt and Wilson, C..

Brief History:

Committee Activity: Health & Long Term Care: 1/27/23.

Brief Summary of Bill

- Requires the Public Employee Benefits Board to allow Medicare eligible retirees access to the Uniform Medical Plan Classic-Medicare plan.
- Directs the Health Care Authority to report to the Legislature by December 1, 2023, with its findings related to stakeholder engagement related to affordable government self-insured plans with benefits that are equal to or richer than Uniform Medical Plan Classic-Medicare.

SENATE COMMITTEE ON HEALTH & LONG TERM CARE

Staff: Amanda Cecil (786-7460)

Background: The Health Care Authority (HCA), through the Public Employee Benefits Board (PEBB), provides medical benefits for eligible retired employees of the state, participating local governments, and school employees covered by the School Employees' Benefits Board (SEBB).

Retirees that are not Medicare eligible, generally below age 65, have access to the same

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plans available to active employees. Medicare eligible retirees, generally 65 or older, have access to plans designed for Medicare eligible retirees. This currently includes a mix of fully-insured plans provided by Kaiser Permanente and United Healthcare; Medicare Supplements provided by Premera Blue Cross; and the self-insured Uniform Medical Plan (UMP) Classic-Medicare. Medicare eligible plans have lower premiums relative to plans available to non-Medicare plans as they take into account Medicare Parts A and B coverage, federal subsidies, and a state subsidy.

Plan premiums are set by PEBB and vary in part based on the level of benefits but a more significant factor in premiums based on federal subsidies. Federal subsidies through the Centers for Medicare and Medicaid Services are available to plans offering Part C and D. Self-insured employer programs providing a cost of benefit plans are ineligible for Part C and D plans and are instead eligible for a retiree drug subsidy for employers that meet requirements related to subsidizing the cost of prescriptions for retired employees. This state subsidy is currently set at up to \$183 per retiree, per month.

Medicare retiree premiums adopted by PEBB for the 2023 benefit year are shown below.

Plan	2023 Single Subscriber Premium	2023 Subscriber+ Spouse Premium
Kaiser NW Senior Advantage	\$176.13	\$347.32
Kaiser WA Medicare Advantage & Original Medicare	\$174.59	\$344.24
UMP Classic Medicare	\$438.34	\$871.74
United Healthcare (MA-PD) PEBB Complete	\$145.63	\$286.32
United Healthcare (MA-PD) PEBB Balance	\$122.94	\$240.94
Premera Medicare Supplement Plan F Retired	\$115.16	\$225.38
Premera Medicare Supplement Place G Retired	\$98.53	\$192.12

At the June 9, 2022 PEBB meeting, in response to the rising cost of UMP Classic-Medicare, PEBB considered closing this plan after the 2023 plan year. Following feedback to PEBB expressing concerns with this, at the June 30, 2022 PEBB meeting, resolution 2022-16 was adopted, which resolved that PEBB would postpone action on closure of the UMP Classic Medicare plan until at least January 2024 to allow staff to interact in earnest with stakeholders.

Summary of Bill: PEBB must continue to allow Medicare eligible retirees access to UMP Classic-Medicare.

The Legislature recognizes that HCA, consistent with PEBB resolution 2022-16, will be consulting with stakeholders during 2023 related to affordable government self-insured plans with benefits that are equal to or richer than UMP Classic-Medicare . By December 1, 2023, HCA must report to the Legislature its findings of the stakeholder engagements.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: Retirees were not sufficiently consulted prior to PEBB considering the closure of the plan. HCA has been begging for additional federal subsidies but when retirees call they stale and don't tell them that. The news that this plan would be closed caused members a great deal of stress. Without UMP members in rural areas might have to travel as much as three hours for access to care. This bill provides members with a guarantee that they will have access to UMP. This bill should move forward with the fiscal note.

OTHER: HCA heard loud and clear that members value access to the UMP Classic plan and as such there is no future plan to consider closure of this plan. HCA will continue to work with stakeholders related to this issue.

Persons Testifying: PRO: Senator Sam Hunt, Prime Sponsor; Elyette Weinstein; Mary Lindsey, Washington Education Association Retired & PEBB Stakeholders' Medicare Coalition; David Loud, Healthcare Is A Human Right & PEBB Stakeholders' Medicare Coalition; Jim Howe, American Federation of Teachers Washington - Retired & PEBB Stakeholders' Medicare Coalition; Carol Dotlich, Retired Public Employees Council of Washington; Matt Groshong, Retired Public Employees Council of Washington; Mike Ragan, Washington Education Association Retired; James Barrett DeLong, Puget Sound Advocates for Retirement Action.

OTHER: David Iseminger, WA State Health Care Authority.

Persons Signed In To Testify But Not Testifying: No one.