

Rate Setting Board

May 17, 2024

9:00 a.m. – 3:00 p.m.

In Person/Zoom Attendance

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Transforming lives

TAB 1

Consumer Directed Employer Rate Setting Board

Meeting #4

May 17, 2024

Blake Office Park West 4450 10th Avenue SE, Lacey

Roosevelt / Chelan Rooms

9:00 am – 2:30 pm

Agenda

Time	Topic	Presenter(s)
9:00-9:20	<ul style="list-style-type: none"> ➤ Welcome ➤ Approval of Minutes 05.06.2024 ➤ Opening Remarks/Old Business 	Facilitator Chair
Benefits Group Overview		
9:20-9:40	➤ BG Overview	Benefits Group
9:40-9:55	➤ Board Discussion	All
Economic Security		
9:55-10:25	➤ PHI	PHI
10:25-10:40	Break	
10:40-10:55	➤ Board Discussion	All
10:55-11:25	➤ Benefits Group	Benefits Group
11:25-11:55	➤ Board Discussion	All
11:55-12:55	Lunch	
Health Care		
12:55-1:55	➤ Benefits Group	Benefits Group
1:55-2:10	➤ Board Discussion	All
2:10-2:25	➤ Public Comment	Chair/Facilitator
2:30	Adjourn	

Please note the agenda times may vary due to the flow of the meeting conversation.

Rate Setting Board Members

Charles Reed	Chair
Adam Glickman*	Exclusive Bargaining Unit Designee
Bea Rector*	DSHS Representative
Ben Bledsoe*	CDE Representative
Cynthia Hollimon*	Governor's Office Representative
Rep. Kelly Chambers^	House of Representatives (R)
Rep. Steve Tharinger^	House of Representatives (D)
Senator Ron Muzzall^	Senate (R)
Senator Annette Cleveland^	Senate (D)
Georgiann Dustin^	State Council on Aging Representative
Tammy Bowen^	People with Intellectual or Developmental Disabilities Organization
Open Position^	People with Disabilities Organization
Eric Erickson^	Licensed Home Care Agency
Nellie Prieto^	Home Care Worker

*Voting member, ^Advisory member

Rate Setting Board Meeting Schedule

April 22, 2024 9:00am – 3:00pm	In Person/Zoom
April 24, 2024 9:00am – 3:00pm	In Person/Zoom
May 6, 2024 9:00am – 3:00pm	In Person/Zoom
May 17, 2024 9:00am – 3:00pm	In Person/Zoom
May 29, 2024 9:00am – 3:00pm	In Person/Zoom
June 5, 2024 9:00am – 3:00pm	In Person/Zoom
June 13, 2024 9:00am – 3:00pm	In Person/Zoom
July 8, 2024 9:00am – 3:00pm	In Person/Zoom
July 25, 2024 9:00am – 3:00pm	In Person/Zoom
August 5, 2024 9:00am – 3:00pm	In Person/Zoom

TAB 2

Rate Setting Board

[Approved By-Laws](#)

[Approved Charter](#)

[Approved Policy Selecting Chairperson](#)

[Approved Policy Establishing and Submitting Rates](#)

TAB 3

SEIU 775 Benefits Group


Merissa Clyde, CEO

May 16, 2024



Dora P.
Caregiver, Tacoma

We partner with workers, employers and industry stakeholders to collectively solve workforce problems through innovation, creativity and an evidence-based approach.

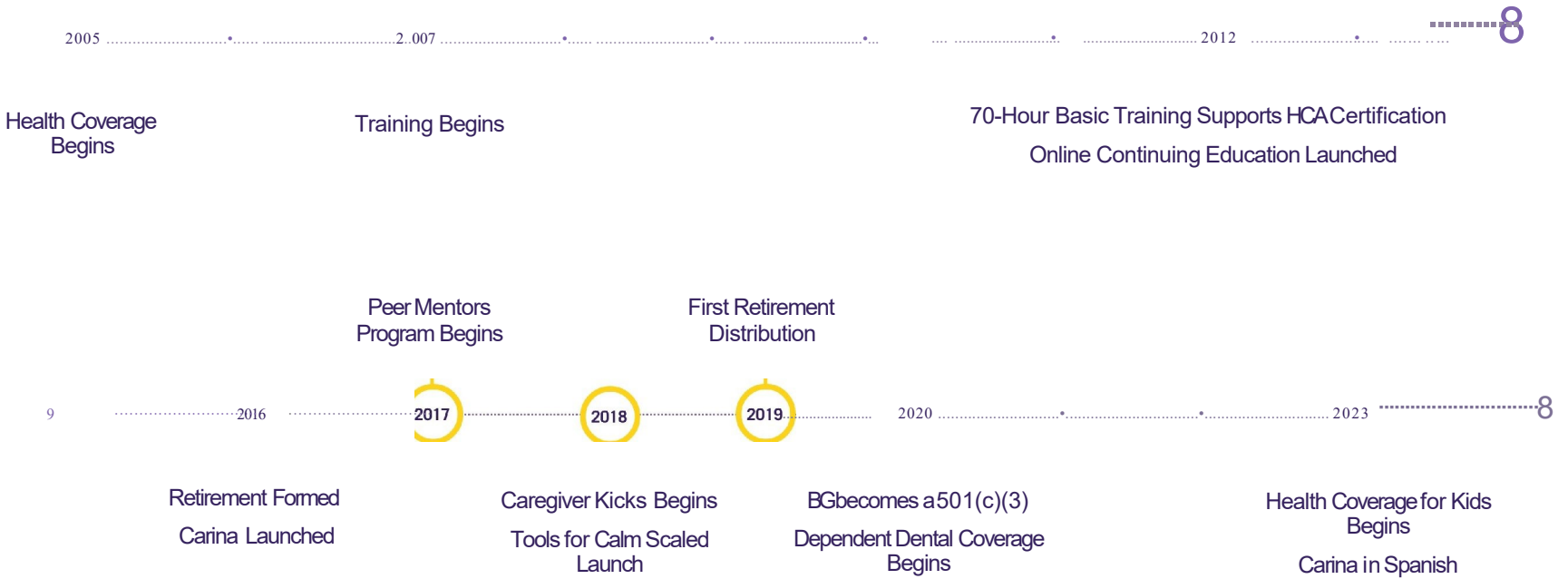


Together, we deliver high-quality benefits and services to support a growing home caregiving workforce.

Organization Overview



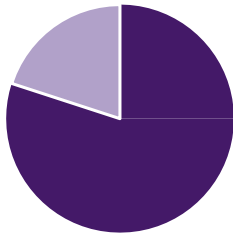
Timeline



Caregiver Profile

Demographic Data

80%
are Women¹



¹SEIU 775 Benefits Group. Caregiver Survey. 2023.

²U.S. Department of Commerce Bureau of Census. Statistical Abstract of the United States. 2020.

³Milliman. SEIU 775 Benefits Group Caregiver Data. January 27, 2023.

⁴Milliman. SEIU 775 Benefits Group Caregiver Data. June 30, 2023.

Older Than Average U.S. Worker

51³ vs **42**²
Caregivers U.S. Worker

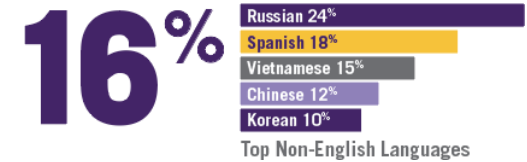
More Racially Diverse Than Washington Workforce⁴



Income is About Half That of Average WA Worker



Prefer a Non-English Primary Language



The Impact of Systemic Inequities

- Limited access to and/or distrust of health care systems.
- Less preventative health care.
- Fewer educational opportunities.
- Difficulty saving for retirement.
- Limited preparedness for financial emergencies.

- Higher levels of financial instability.
- Higher rates of pre-existing conditions.
- Higher rates of depression and anxiety.
- Greater on-the-job injury risk.

Equity

Caregiving has historically been considered women's work, often underpaid and undervalued, and predominantly performed by Black women, women of color and immigrants.

SEIU 775 Benefits Group is changing that. By improving the skills, health and stability of the caregiving workforce, we are helping to address these historic disparities. Delivering accessible, inclusively designed high-quality benefits increases equitable outcomes and positions caregivers as healthcare professionals.



Benefits

Our Caregiver Benefits and Services



Training
Partnership



Health
Benefits Trust



Secure
Retirement
Trust



Carina
Partnership

Training



~50,000
learners served
annually.

- Orientation and safety.
- Basic training.
- Continuing education.
- Advanced training.
- Nurse delegation.

2nd largest
educational institution in WA by
enrollment.

Training materials provided in
16 languages.

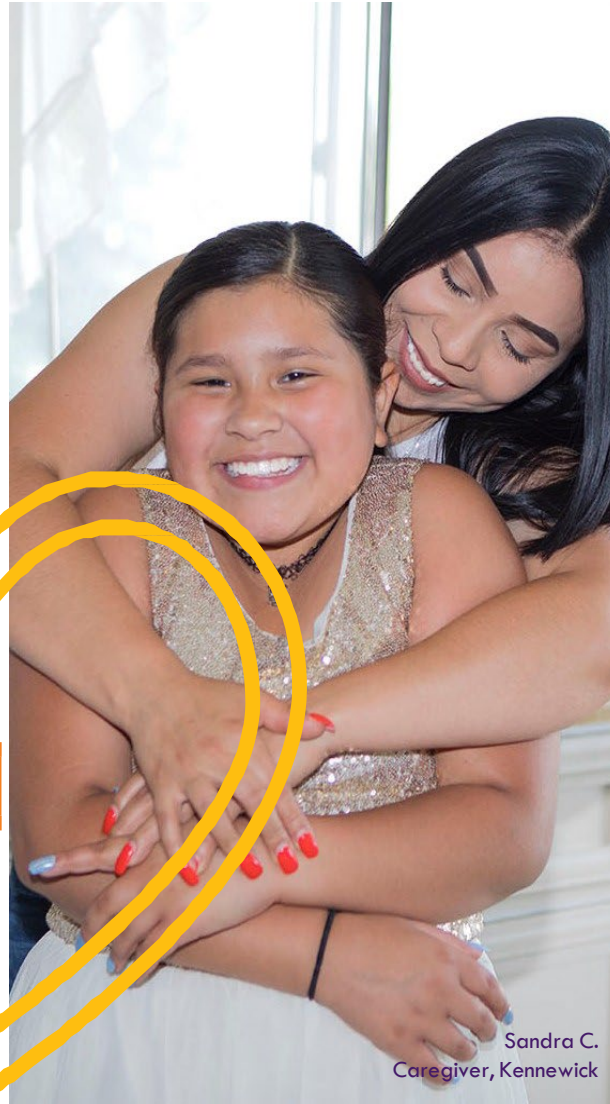


“

The different courses offered have been really helpful for me to be a better caregiver for my mom.

– Cathy H., Puyallup

Health



Sandra C.
Caregiver, Kennewick

26,000

caregivers and their kids
enrolled in health coverage.

60,000

caregivers have access to free
and low-cost self-care tools.

22,000+

pairs of Caregiver Kicks,
delivered to caregivers
annually.



“

Having coverage for my kids is so important. Knowing that I can get them the resources they need without having to be worried about the costs... It's just a big burden off my shoulders.

– Alyssa E., Sedro-Woolley

Retirement



Kandle L.
Caregiver, Bellevue

1st
retirement plan of its kind in the
nation for caregivers.

80,000
plan participants.

Up to \$1.00
per eligible hour, contributed by
employers.



“

I got notice about my retirement benefits, and I felt so excited. I feel secure about my future.

– Amy L., Seattle

Job-Matching



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Patrick M.
Caregiver, Puyallup



Carina provides a safe, easy-to-use, care-matching service to connect caregivers and clients.

27,000
registered users.

11,000
care matches.

5 million
hours worked.



“

Carina is easy to use. It's really convenient because it shows the clients' schedules and what their needs are.

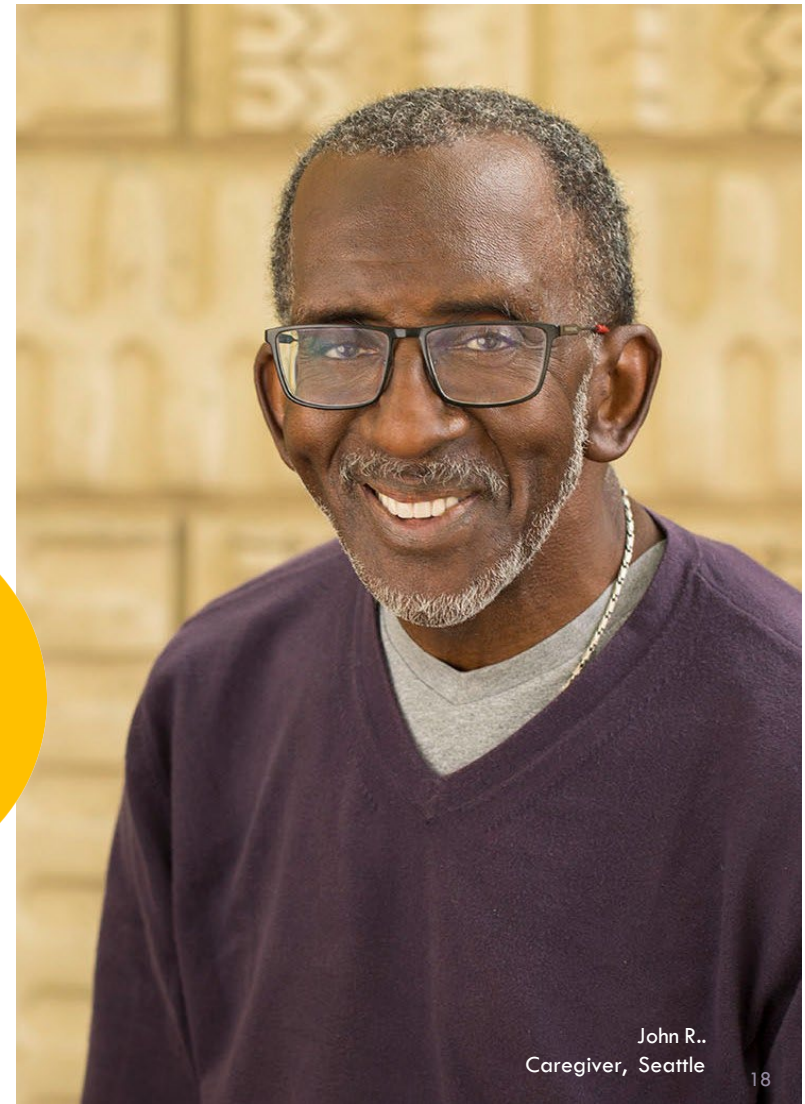
– Lesly R., Mount Vernon

Holistic Benefits



Belinda A.
Caregiver, Renton

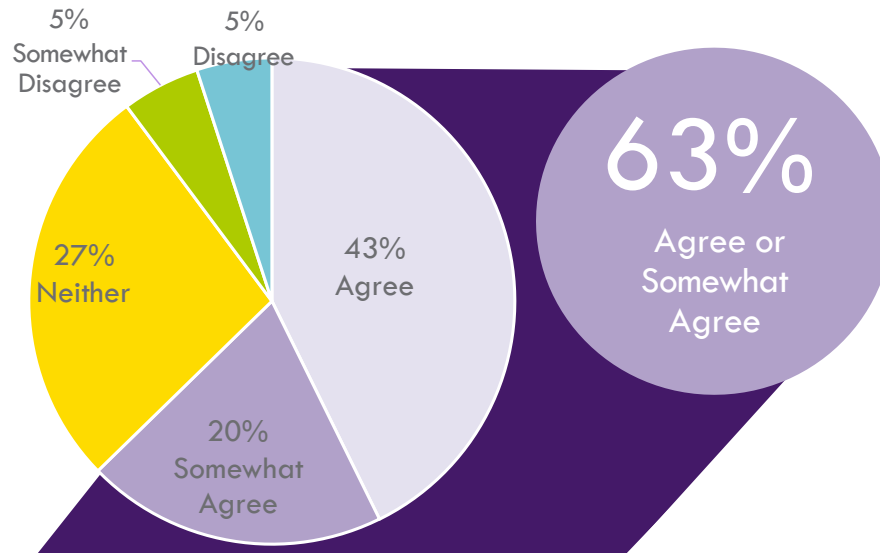
Leveraging Learning and Efficiency



John R..
Caregiver, Seattle

Caregiver Benefits Support Retention

“My Learning, Health, Retirement and Job-Matching Benefits Are a Reason I Continue Working as a Caregiver.”



Those Who Agree or Somewhat Agree Are:



1.5x more likely to continue working as a caregiver even if they did not have their current client.



This is true for all types of providers, including family providers.



Thank You

Merissa Clyde

CEO

Merissa.Clyde@myseiubenefits.org



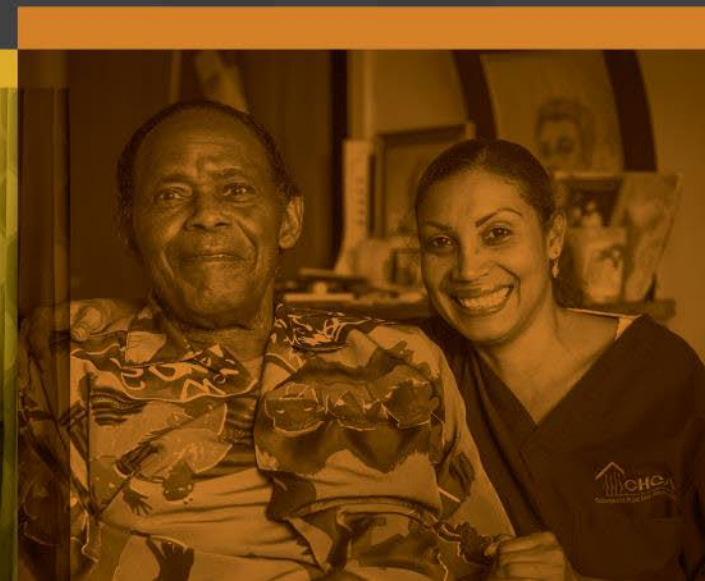
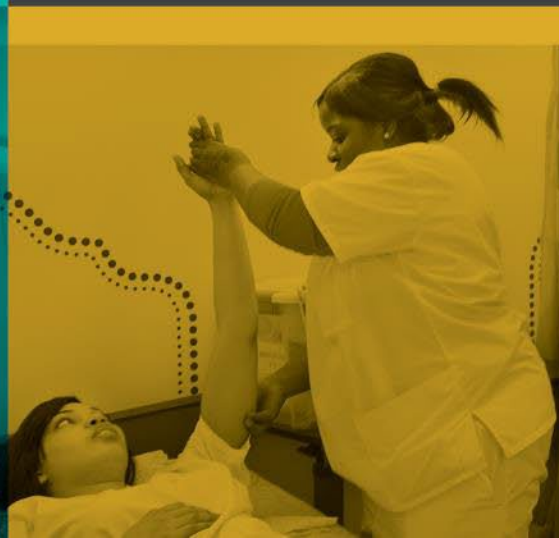
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TAB 4

Washington Home Care Workers & Economic Stability

Washington Rate Setting Board
May 17, 2024

Lina Stepick, PhD
Director of Research, PHI



PHI is a national, non-profit organization committed to strengthening the direct care workforce from a 360-degree perspective.

We believe that caring, committed relationships between direct care workers and their clients are at the heart of quality care. Those relationships work best when direct care workers receive high-quality training, living wages, and respect for the central role they play.



Outline

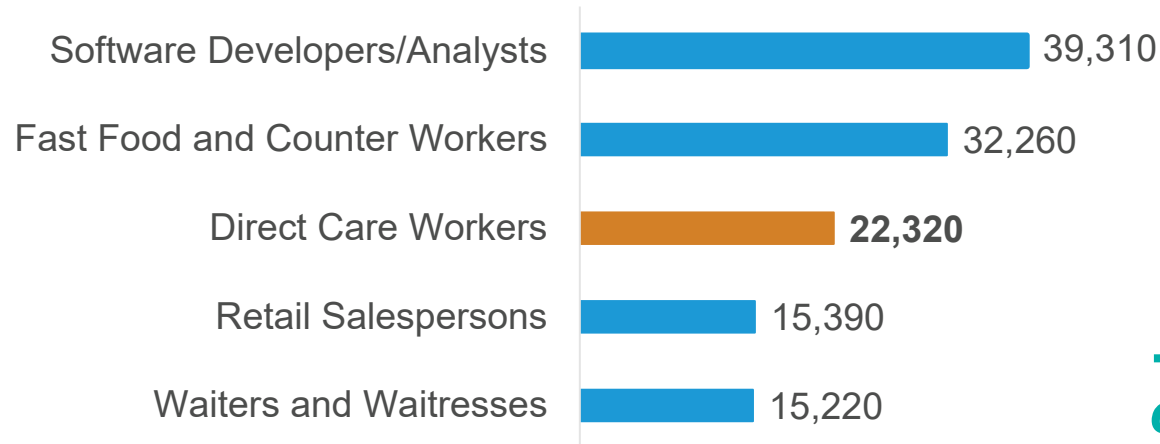
- WA Home Care Workforce: Current Realities
 - Projected Growth
 - Demographics
- Economic (In)Stability for Low-Wage Workers
- The Value of Economic Security
 - Solutions: Opportunities & Promising Practices to Stabilize Washington's Home Care Workforce



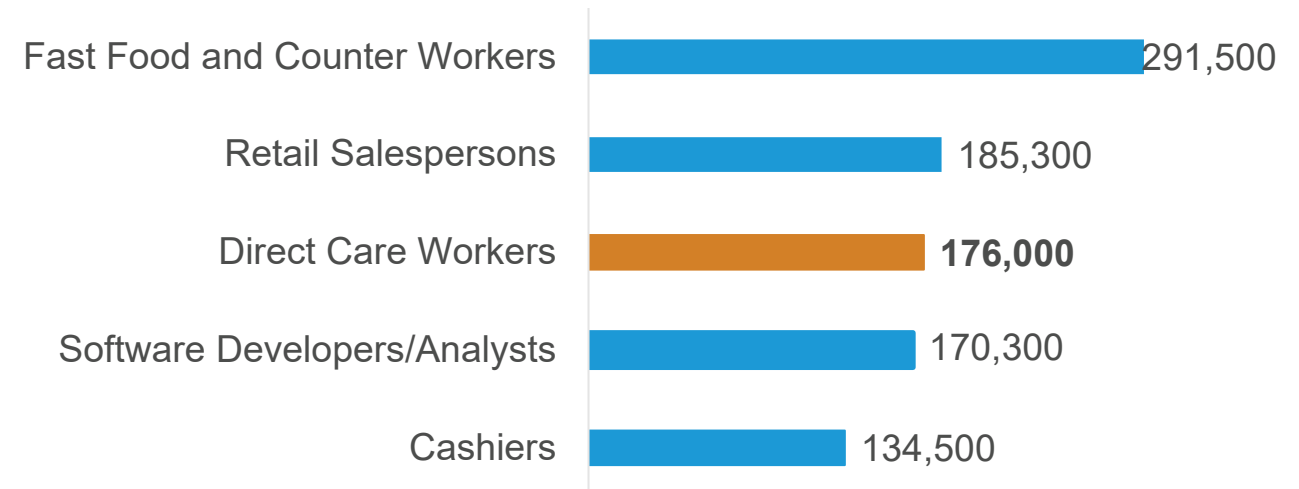
Teresita Sattar
Caregiver, Courage LLC
Photo credit: Rachel Porter

Washington's Home Care Workforce: Current Realities

Washington's direct care workforce will need to add over 22,000 *new jobs* within this decade (2020-2030)...



... **AND** will need to fill **176,000 total direct care job openings** in the same time period.



A **diverse** home care workforce in Washington.



85%

WOMEN

32%

IMMIGRANT

44%

PEOPLE OF
COLOR

49

MEDIAN AGE

Economic (In)stability for Low-Wage Workers



Causes of Economic Instability



- ❖ **Low Wages**
- ❖ **Insufficient, Unpredictable, Variable Work Hours**



- ❖ **Inadequate Access to Benefits**
- ❖ **Hazardous Workplaces**



- ❖ **Contingent Employment**
- ❖ **Labor Violations & Lack of Worker Voice**

Causes of Economic Instability for Washington Home Care Workers



Insufficient, Unpredictable, Variable Work Hours

- ❖ 45% of WA Home Care Workers Work Part-Time Hours
- ❖ Inherent unpredictability with client hospitalizations and deaths



Inadequate Access to Benefits

- ❖ Unstable work hours → Unreliable health coverage
- ❖ Impeded ability to save and plan for the future

Challenges of Economic Instability



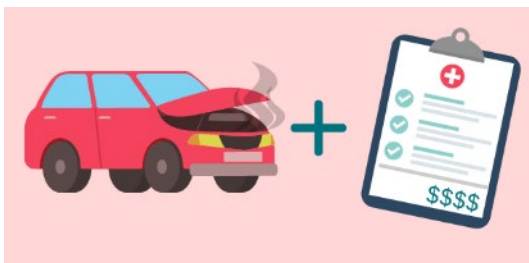
- **High Costs of Dependent Care**



- **Transportation Costs**



- **Housing Cost-Burden**



- **Emergency Expenses**

Consequences of Economic Instability

➤ For Washington Home Care Workers & Their Families:



- Worse & more costly health outcomes
- Inability to cover unexpected expenses



➤ For Washington Home Care Workforce Stabilization & Client Outcomes:



- Turnover
 - Competitive disadvantage
- Longer wait times, worse client outcomes



**Solutions:
What are Promising Practices to Stabilize the
Home Care Workforce and How Can Washington
Continue to Lead the Way?**

Opportunities to support economic stability

- ❑ Wage & Hours Increases
- ❑ Expanded eligibility for benefits
- ❑ Emergency savings, Hardship funds, and Bridging funds
- ❑ Examples:
 - ❑ Studies show wage increases and health insurance improvements are significantly associated with improved home care worker retention.
 - ❑ OurChanceTN: 3-year pilot to help 900 families navigate access to benefits through coaching and community resources, including expanded eligibility & financial bridging.
 - ❑ District of Columbia's Career Mobility Action Plan: Utilization of a "Hold Harmless Fund" to bridge benefits access through instability.



Value of Economic Security



- ✓ Improved health outcomes:
 - ✓ Improved health coverage reliability through expanded eligibility and bridging funds



- ✓ Improved Retention
- ✓ Boost Local Economy



Lina Stepick, PhD

Director of Research

Lstepick@PHInational.org

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TAB 5

Caregiver Financial & Health Coverage Instability

Sahar Banijamali, JD, MPH

Director of Research Insights & Innovation



05/17/24

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Katherine M.
Caregiver, Spokane

Research Overview

Timeline

2019 Financial Profile Research

- Partnered with Build Commonwealth to adapt and field their national low wage worker questionnaire.
- Measured material hardships based on US Census SIPP.

2023 Financial Profile and Coverage Reliability Research

- Refresh 2019 data.
- Added 3 additional languages.
- Researched coverage reliability and impacts of health insurance loss.



Sandra C.
Caregiver, Kennewick

Research Overview

Design Highlights

- Representative samples.
- Response rate: 18.3 to 23.4%
- Response count: 384 to 548.
- Incentive: \$15-20.

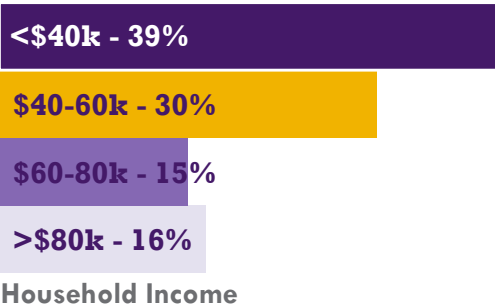


Evelyn K.
Caregiver, Des Moines

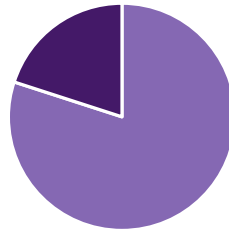
Caregiver Household Income

2023 Data Findings

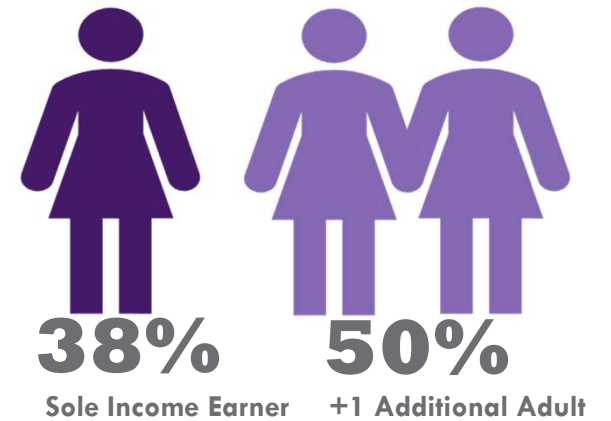
Caregiver Households Are Primarily Lower Income.



1 in 4
Utilize Public Benefits.



Many are Sole Earner in Household.



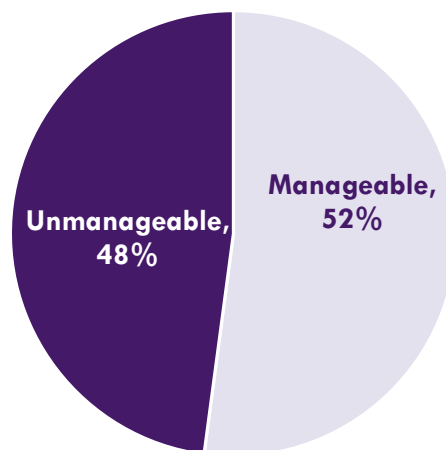
62% Reported Caregiving is Their Only Job.

Caregivers' Debts Feel Unmanageable

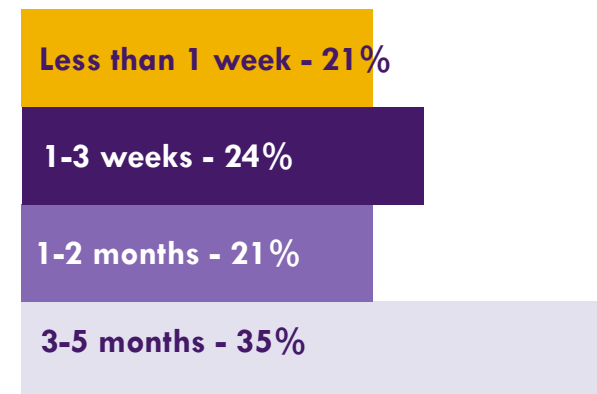
Many Caregiving Households Have Significant Debt

Short-term debt, household	
<\$2,500	33%
\$2,501-10,000	27%
\$10,001-40,000	25%
>\$40,000	10%
Don't know	5%
Long-term debt, household	
<\$5,000	33%
\$5,001-40,000	23%
\$40,001-100,000	10%
>\$100,000	25%
Don't know	10%

For Nearly Half, Debt Feels Unmanageable

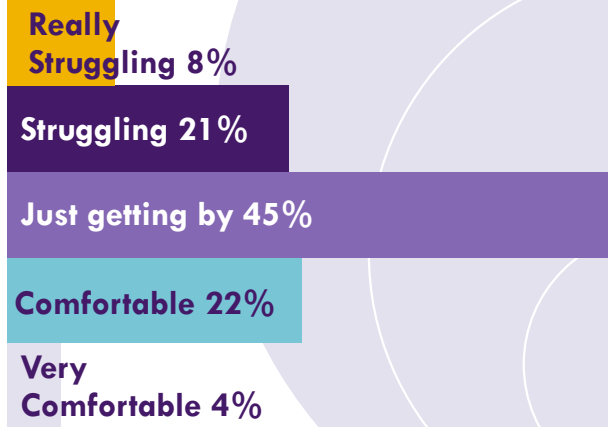


Nearly Half Can Only Cover Expenses with Available Funds for <1 Month



Impacts of Financial Instability

Nearly 30% Report They are Struggling or Really Struggling Financially



Causes Stress

- 62% experience severe/moderate stress.

Impacts Sleep

- 53% experience severe/moderate sleep disruption.

Impacts Ability to Pay Bills on Time

- 16% only some bills.
- 5% very few bills.

Material Hardships Caregivers Experience

In the Past 12 Months

56% Didn't Meet Essential Expenses.

45% Skipped a Needed Dentist Visit.

43% Couldn't Pay Full Utilities Costs.

35% Skipped a Needed Doctor/Hospital Visit.

3% Faced Eviction Due to Finances.

Food Hardships Are Pervasive

Caregiver Experiences Due to Lack of Money In the Past 4 Months

40%

Ate Less Than They
Felt They Should.

1 in 5

Did Not Eat For A
Whole Day.

59%

Ran Out of Food And
Couldn't Get More.

Top Reasons for Saving*

- Emergencies/unexpected needs – 69%.
- Pay off debt – 49%.
- Be financially secure – 42%.
- Travel – 41%.
- Retirement – 36%.

**not mutually exclusive*



Amy L and Ao Tong T.
Caregivers, Seattle

Levels of Monthly Household Savings

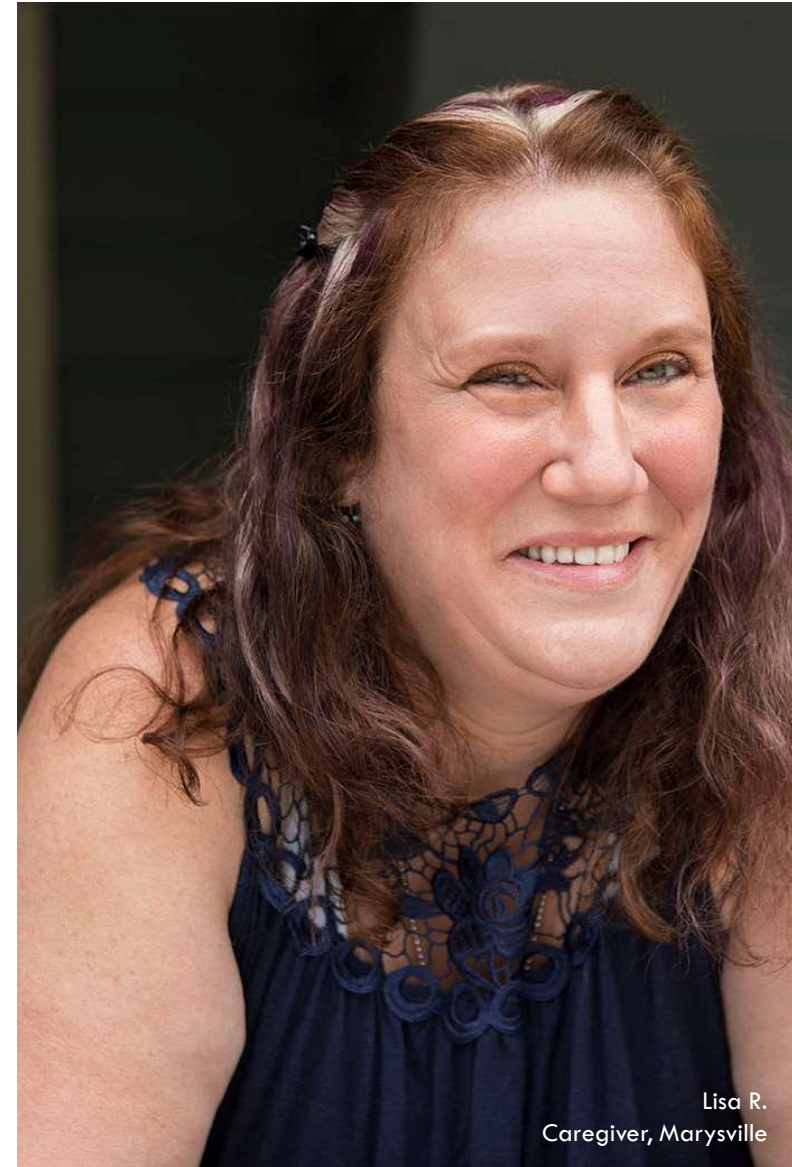
- Not regularly saving – 53%.
- Whatever is leftover at end of the month – 24%.
- Fixed monthly amount – 16%.
- Don't know – 7%.



Katherine M.
Caregiver, Spokane

Reasons for Not Saving More

- Can't afford to – 79%.
- Already saving as much as would like to – 17%.
- Not sure why should save or not a priority – 8%.
- No savings account access – 1%.

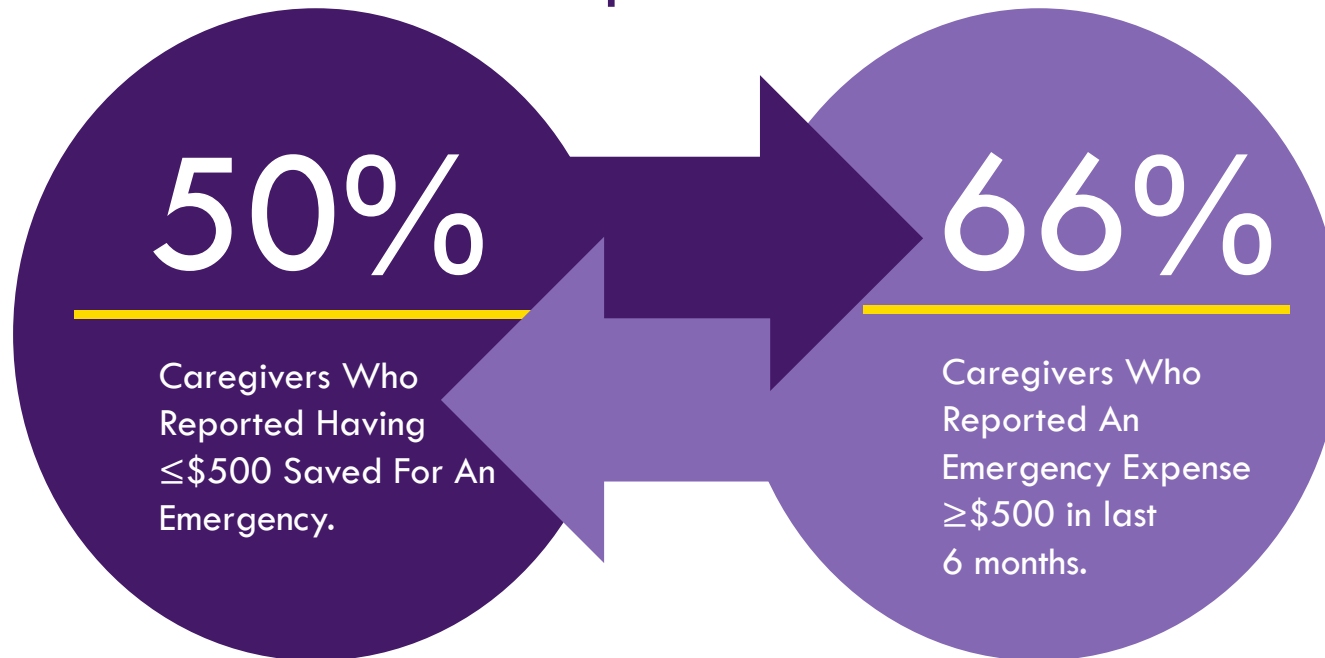


Lisa R.
Caregiver, Marysville

Preparedness For Emergency Expenses

While Financial Emergencies Are Common, Most Caregivers Not Prepared To Cover Them

Preparedness For vs. Likelihood of Emergency Expenses



Financial Concerns Caregivers Worry About

Very/Extremely Worried

42%

Saving for
Retirement

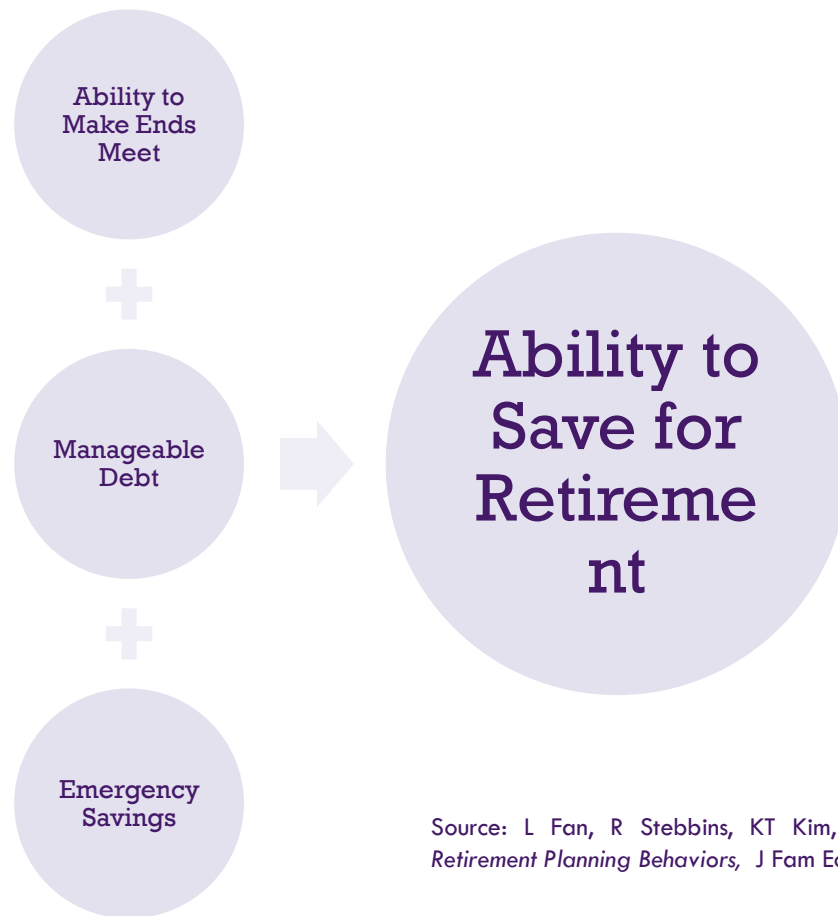
40%

Saving for
Emergencies

37%

Paying Off
Debt

Financial Capability Is a Prerequisite to Long-Term Saving



Source: L Fan, R Stebbins, KT Kim, *Skint: Retirement? Financial Hardship and Retirement Planning Behaviors*, J Fam Econ Issues 43(2): 354-367 (2022).

Healthcare Coverage Instability Research



Betty F.
Caregiver, Spokane Valley

More Than 1 in 4

Caregivers Experienced a Temporary Loss in Their
Benefits Group Health Coverage.

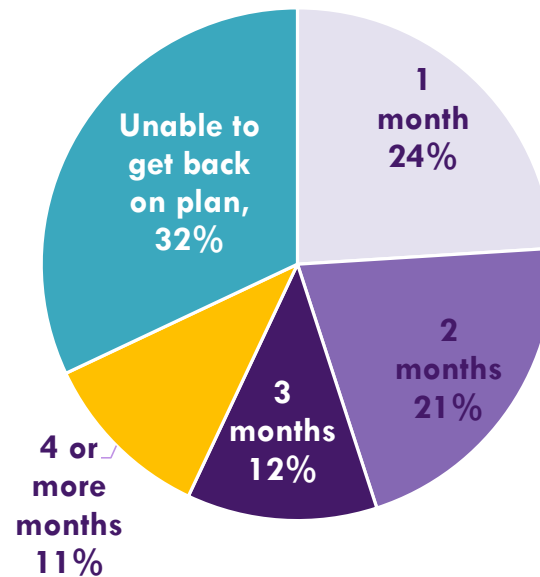
(November 2022 – November 2023).

Caregivers' Experience of Coverage Loss

Top Reasons For Change in Hours

- Lost a client – 34%.
- Schedule change at caregiving job – 26%.
- Change in client's health condition – 21%.
- Personal health circumstances – 20%.

Amount of Time Without Coverage



Impacts on Stress & Health

- For 72% of caregivers, loss of health insurance was very stressful.
- 41% of caregivers who recalled losing coverage said a health condition worsened during that time.

Coverage Loss Impacts Health and Stress

Consequences of Caregivers Losing Coverage*:

- Skipped or delayed preventative care – 48%.
- Skipped needed care – 42%.
- Paid out-of-pocket costs – 31%.
- Didn't fill **some** prescriptions – 27% .
- Did not fill **any/all** Rx – 21%.
- Skipped or delayed urgent care – 19%.
- Skipped or delayed ER care – 9%.

**not mutually exclusive*



59% Are Somewhat/Very Concerned They May Lose Coverage Again in the Next Year.

Caregiver Profile – Coverage Loss Impact

Client Health Changes Impact Caregiver's Health and Wellbeing

Caregiver Profile:

- Providing care for 2 years to grandmother (client).
- Caregiver identifies as male, Black/African American & Native Hawaiian/Pacific Islander.
- Age: 36-45.

Coverage Loss Scenario:

- Grandmother had a fall and had to go to inpatient rehab facility to recover.
- Without health care coverage and paid caregiving work for ~3-4 months.
 - 1 mo. wait for intake after client's release to re-establish care plan.

Impact on Caregiver:

- Experience was destabilizing and stressful.
- Went without coverage and paid for care out-of-pocket.
- Has bipolar disorder/manic depression for which he takes Rx – without coverage he had to go off Rx.
- Also had severe migraines and dental pain during this time but didn't go to urgent care or dentist due to costs.



“

To have a lapse and to start all over is a headache. If you are going through a temporary lull [in work]..., you don't want one extra thing to worry about.



“

Most of us are doing this because we are helping our family... We need to have health insurance while we help them. To have to worry about [it cutting] off because we are short a few hours... it just doesn't make sense.

Summary

1. Financial and coverage instability are common problems for caregivers that cause stress in their daily lives.
2. Losing pay and health care coverage is destabilizing and often causes worsening health outcomes, more expenses and the decision to forego/delay needed services.
3. Supporting caregivers with emergency funds and reliable coverage would likely improve their financial stability and overall health and wellbeing.



Jules D.
Caregiver, Seattle

Thank You

Sahar Banijamali JD, MPH
Director of Research Insights & Innovation
Sahar.Banijamali@myseiubenefits.org

TAB 6

Economic Stability Solutions

Potential Interventions to Support
Caregivers



May 17, 2024

Confidential and proprietary
information. For SEIU 775 Benefits
Group Trustees and Employees only



Rico R.
Caregiver,
Yakima

Agenda

- Guiding Principles.
- Benefit Structure Options.
- Summary.



Malia C.
Caregiver,
Seattle

Guiding Principles for Economic Stability Solutions



Material



Equitable



Accessible



Efficient

Benefit Structure Options

Emergency
Grant

Savings
Fund

Emergency Grant

An As-Needed Benefit

Concept:

- The Benefits Group would administer a grant style benefit.
- Caregivers could apply for grants up to **\$500** when they experience an unexpected expense.

Goal: Caregivers have a resource to apply for funds in the event of an unexpected expense.



Lois S.
Caregiver, Everett

Emergency Grant

An As-Needed Benefit

- This style of benefit would be operated as a tax-exempt charity.
- Administered through the Benefits Group, a 501(c)(3).
- Impact:
 - Assume a 10% application rate and 95% approval rate.
 - It is estimated more than 5,200 grants would be issued.
- **Projected costs: \$3.1M or \$0.04 per year.***

*Benefit details/cost determined by bargaining parties



Sarah J.
Caregiver, Burlington,

Savings Fund

A Benefit That Accrues Over Time

Concept:

- A benefit that provides all caregivers a fixed amount of money when eligibility criteria are met.
- The money would be deposited into an individual account at a financial institution for the participant.
- This benefit structure would allow caregivers to accrue funds over time and use the money as needed in the event of an unexpected expense.

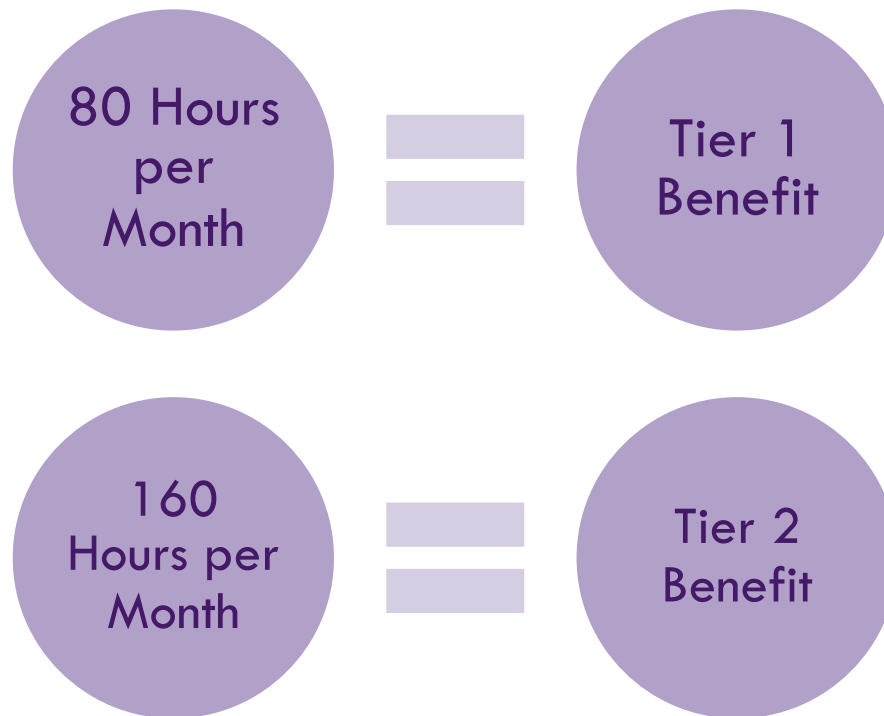
Goal: Over time, caregivers can build savings to use in the event of an unexpected expense.



Amy L.
Caregiver, Seattle,

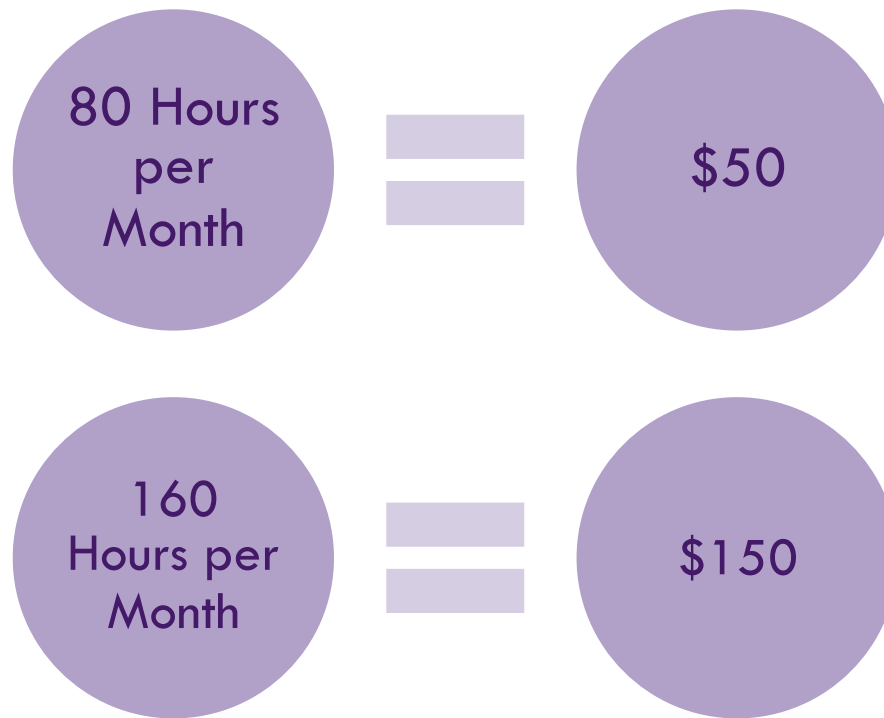
Savings Fund

A Benefit That Accrues Over Time



Savings Fund

A Benefit That Accrues Over Time



Savings Fund

A Benefit That Accrues Over Time

- This style of benefit qualifies as an ERISA covered benefit.
- Administered through the Health Benefits Trust.
- Estimated Annual Impact:
 - Tier 1 beneficiaries ~ 28,000.
 - Tier 2 beneficiaries ~ 13,000.
- **Projected costs: \$3.9M or \$0.045 per year ***

*Funding would be included in the Health rate



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Lesly R.
Caregiver, Mount
Vernon

Summary

Emergency Grant

- An as-needed benefit.
- Up to \$500.
- Estimated Annual Impact:
 - ~ 5,200 grants
- Projected costs = \$3.1M or \$0.04/year.

Savings Fund

- Provides fixed amount when eligibility criteria are met.
- Accrues over time.
- Estimated Annual Impact:
 - Tier 1 beneficiaries ~ 28,000.
 - Tier 2 beneficiaries ~ 13,000.
- Projected costs = \$3.9M or 0.045/year.

Thank You

Laura Reding
Chief Operating Officer
laura.reding@myseiubenefits.org

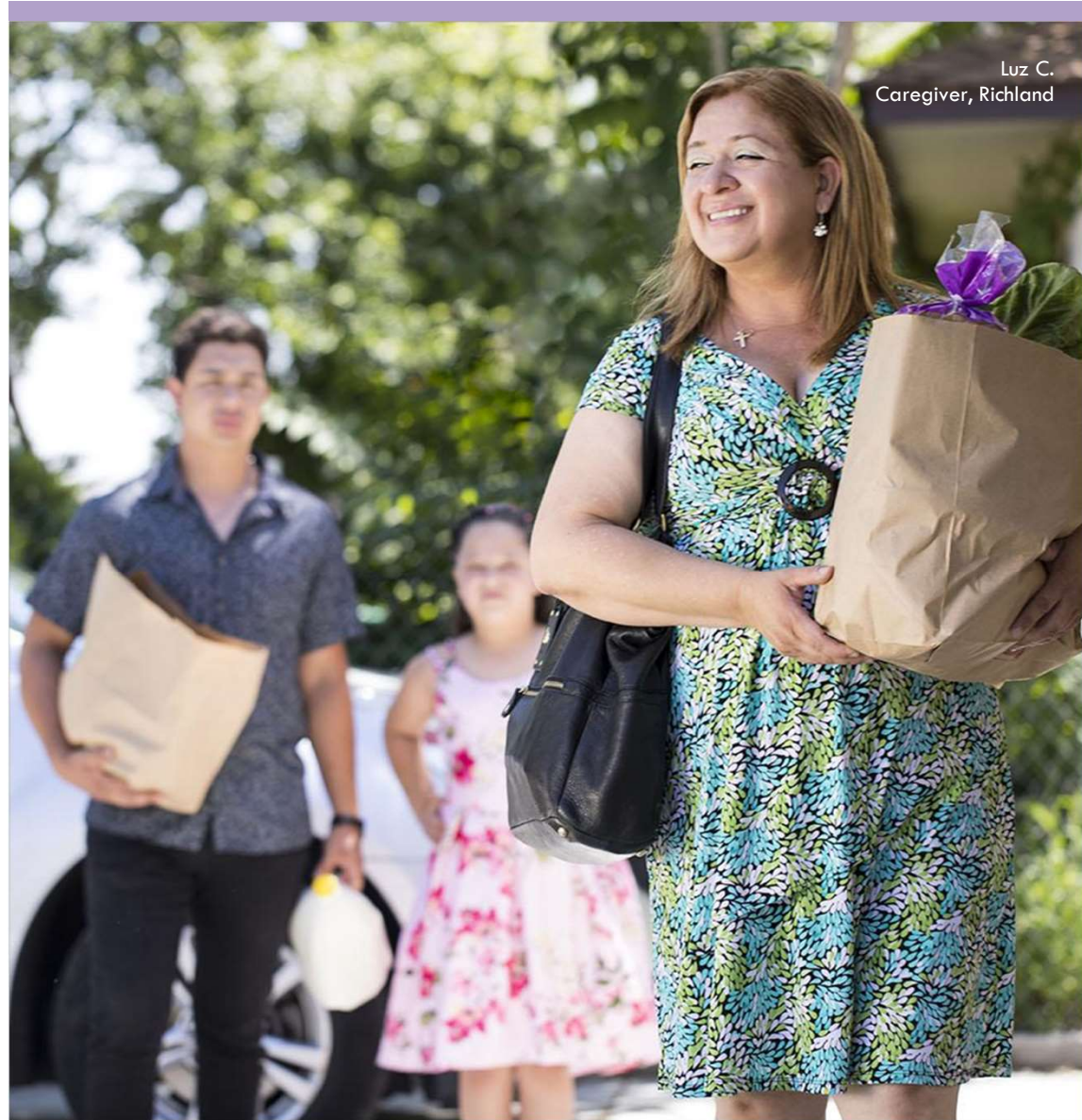
TAB 7

SEIU 775 Benefits Group – Health Benefits

Rate Setting Board Presentation



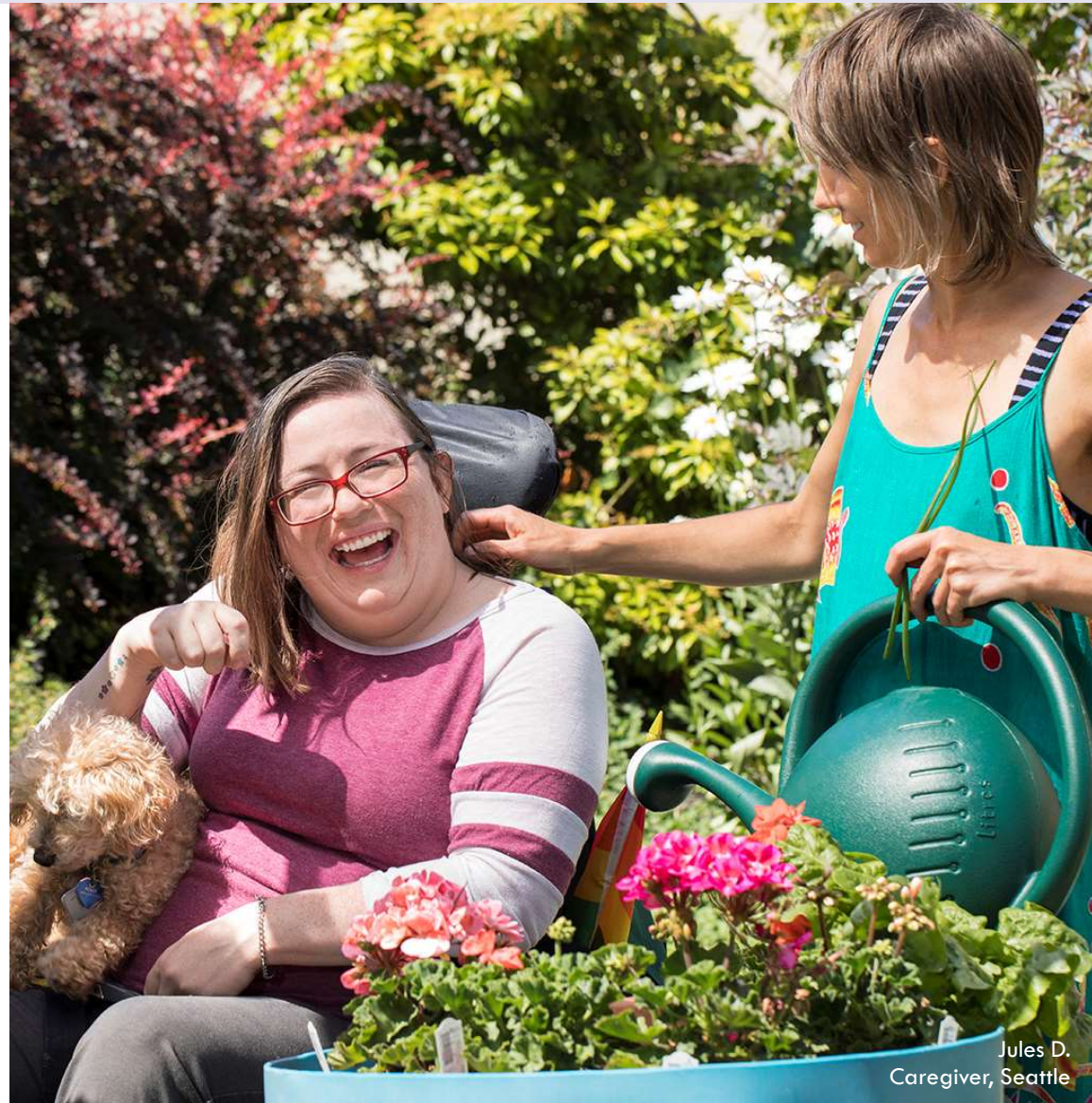
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Luz C.
Caregiver, Richland

Agenda

- Health Benefits Trust Overview.
- Coverage for Kids Engagement.
- Healthcare Baseline Elements.
- Coverage Reliability Model.
- Advancing Access to Spouse Coverage Model.



Jules D.
Caregiver, Seattle

Health Benefits Trust (HBT) Overview



- Multi-Employer, Taft-Hartley Trust that administers health, wellness and safety benefits to caregivers in Washington and Montana.
- The Trust is governed by a labor-management partnership made up of representatives of the state, employers, caregivers and SEIU 775.
- Health Trustees develop the Trust strategy and have fiduciary responsibility for the use of Trust funds to purchase and provide health and wellness benefits for the workforce.

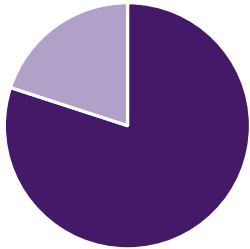


Deborah M.
Caregiver, Vancouver

Caregiver Profile

Demographic Data

80%
are Women¹

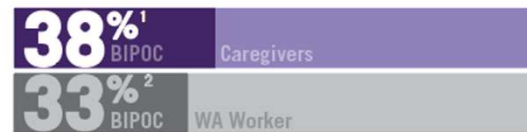


¹SEIU 775 Benefits Group. Caregiver Survey. 2023.
²U.S. Department of Commerce Bureau of Census. Statistical Abstract of the United States. 2020.
³Milliman. SEIU 775 Benefits Group Caregiver Data. January 27, 2023. ⁴Milliman. SEIU 775 Benefits Group Caregiver Data. June 30, 2023.

Older Than Average U.S. Worker

51³ vs **42**²
Caregivers U.S. Worker

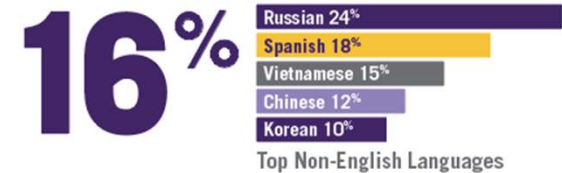
More Racially Diverse Than Washington Workforce⁴



Income is About Half That of Average WA Worker



Prefer a Non-English Primary Language



Health Benefits Overview

Health Insurance for Washington's Caregivers

- Provides individual health insurance coverage to **23,000 caregivers** in Washington state for \$25 per month.
- Provides child dependent health insurance coverage to **3,000 kids** in Washington state for \$100 per month.
- Provides wellness and safety programs to **60,000 caregivers** in Washington state.
- Focuses on improving member health through value-based purchasing and innovative programs.



Dora P.
Caregiver, Tacoma

Health Benefits Overview

For Caregivers and their Kids

Providing whole person care for caregivers and their kids, including:

- Medical coverage with zero or low co-pay.
- Prescription drug benefits.
- Infertility coverage.
- Bariatric surgery benefits.
- Dental and orthodontia coverage.
- Vision benefits.
- Hearing aid coverage.
- Virtual behavioral health visits.

Free Wellness & Safety Programs:

- Annual slip-resistant safety shoes.
- Virtual behavioral health text-based coaching.
- Referrals to social supports.
- Web-based mindfulness coaching.

Health Benefits Address Disparities

Caregivers and their families face significant health disparities, including:

- Obesity – 47%
- Hypertension – 14%
- Diabetes – 12.5%
- Musculoskeletal pain – 12%
- Depression – 10%
- Cancer – 2.5%




Alice R.
Caregiver, Spokane

HBT Strategy



Increase
Access to
Affordable
Care.



Increase the
Value of
Care.



Improve the
Health &
Safety of
Caregivers.



Advance Trust
Operational
Excellence.

HBT Plan Structure

Financing Health Care

Fully Insured

Flat Monthly Premium

- Premium rates include:
 - Administration + margin.
 - Pooling (stop loss) charge.
 - Taxes & fees.
 - Medical claims.
 - Rx claims.

Insurer responsible for gains and losses.

Self-Insured

Flat Monthly Fixed Costs/Variable Claims

- Budget rates include:
 - Administration.
 - Stop loss premium.
 - Taxes & fees.
 - Medical claims.
 - Rx claims.

HBT responsible for gains and losses.

HBT is a Self-Insured Plan

Evelyn K.
Caregiver, Des Moines

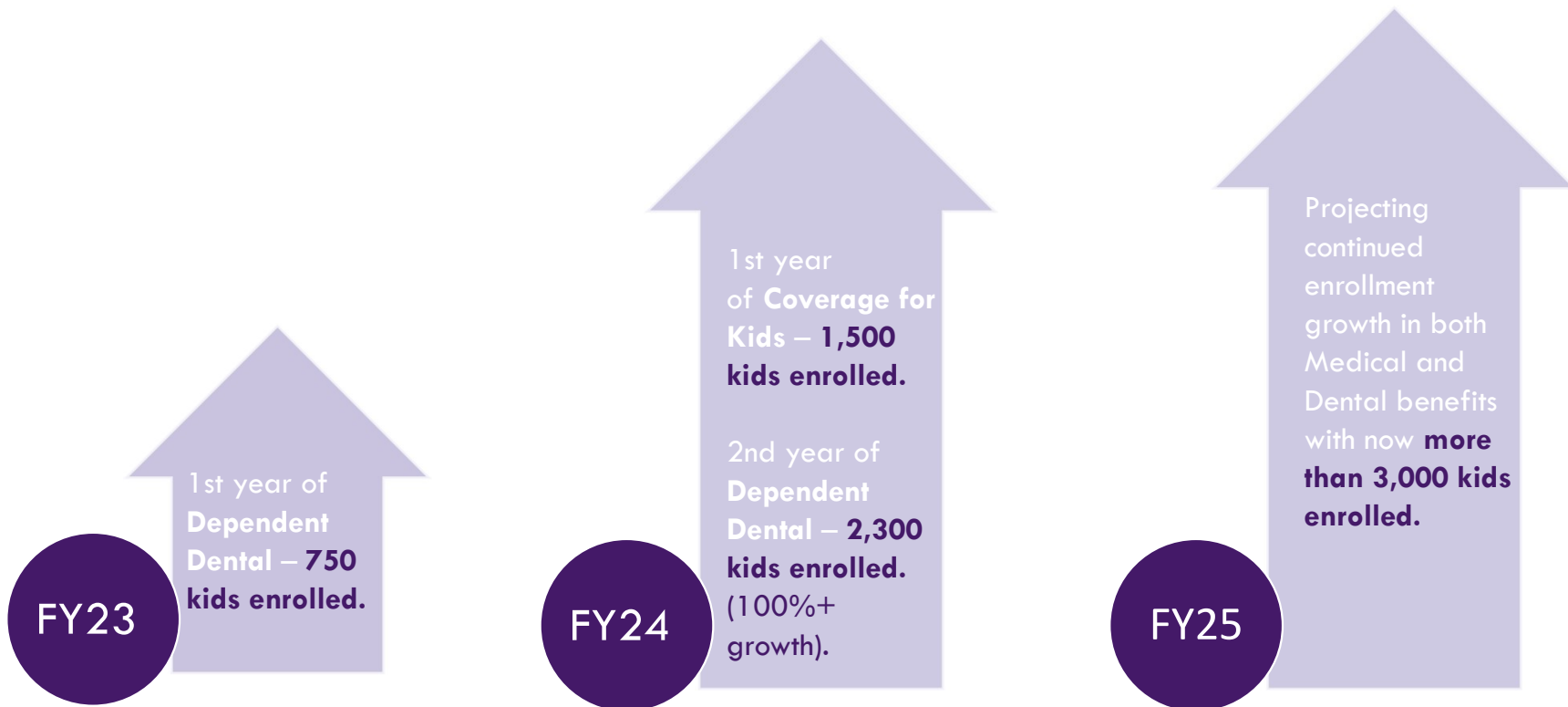


Coverage for Kids

Program Engagement

Advancing Access to Coverage for Kids

Projecting Continued Growth



Benefit Impacts

Caregiver Testimonials



“For caregivers, having this coverage means we have less to worry about. We have access to the best care available.”

- Enrolled Caregiver

“I just don't have to worry as much anymore because my oldest daughter is covered until she can get out there and get her own [insurance].”

- Enrolled Caregiver



“This [coverage] is life-changing for my son's dental and so affordable!! Really happy about this!”

- Enrolled Caregiver



Healthcare Baseline Model

FY 2026-2027



Lesly R.
Caregiver, Mount
Vernon

Healthcare Baseline Assumptions

Element	Description	Assumption	Data Source & Benchmarks
Hours	Number of hours expected each year.		
Enrollment Growth	Enrollment in health plan.		
Medical Cost Trends	Increases to medical, prescription, stoploss and other costs borne by the trust.		
Reserves	Taft-Hartley Trusts must maintain reserve of assets to cover obligations for health claims and risks.		

Healthcare Baseline Assumptions

Element	Description	Assumption	Data Source & Benchmarks
Hours	Number of hours expected each year.	3.1% annual growth.	Washington state projection.
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Reserves	Taft-Hartley Trusts must maintain reserve of assets to cover obligations for health claims and risks.		

Medical Trend

Medical Trend Definition: The projected percentage increase in the cost to treat patients from one year to the next, assuming benefits remain the same.*

Trend takes into account various factors, including:

- New treatment, therapies and technologies.
- Provider price increases.
- Increased demand from increased health risks due to aging population and/or rise in obesity.
- Greater emphasis on detection and diagnosis.

*Definition provided by PWC and Segal

Medical Trend Benchmarks

Trend Surveys:

- Segal Health Plan Cost Trend Survey 2024: Weighted Trend 6.8%.
- PwC 2024 Medical Cost Trend: 7.0%.
- Kaiser Permanente of Washington: 11.0%

HBT Carrier Weighted Trend: 8.1%

All Other Benefits/Expenses are 4%:

- Network Access.
- Dental Claims.
- Vision Claims.
- Hearing Aid Claims.
- Safety Shoe Benefit.
- Other Wraparound Benefits.
- Plan Administration.

Healthcare Baseline Assumptions

Element	Description	Assumption	Data Source & Benchmarks
Hours	Number of hours expected each year.	3.1% annual growth.	Washington state projection.
Enrollment Growth	Enrollment in health plan.	3.1% annual growth.	Match hours growth historic trend.
Medical Cost Trends	Increases to medical, prescription, stoploss and other costs borne by the trust.	8.1% Medical Trend. 4.0% Administrative Trend.	Blended Price Waterhouse Cooper, Segal, and Current HBT trend.
Reserves	Taft-Hartley Trusts must maintain reserve of assets to cover obligations for health claims and risks.	Remain within Reserve threshold of 8-11 months.	Milliman 2023 white paper.

Reserves

Taft-Hartley Benchmark

- Self-funded health plans are legally required to hold money in reserves.
- Taft-Hartley trusts take into account many considerations when determining reserve levels.
- The most recent Milliman Reserve study found that Taft-Harley trusts of similar size hold 14 months of reserves.
- HBT faces unique risks based on its funding cycle, variable population and self-funded status which require additional risk management considerations.
- Accordingly, HBT Trustees have set a target unobligated reserve of between 8-11 months of assets to cover financial obligations for health claims and potential risks.

Baseline Benefit Funding Need

Element	Assumption
Hours	3.1% Annual Growth.
Enrollment Growth	3.1% Annual Growth.
Medical and Cost Trends	8.1% Medical Trend 4.0% Administrative Trend.
Reserves	8-11 months.

	FY26	FY27
Baseline Funding Need	\$0.00	\$0.16

Total HBT Rate	\$5.22	\$5.38
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Coverage Reliability Model

FY 2026-2027



Alyssa E.
Caregiver, Sedro-Woolley

HBT Strategy

Increase
Access to
Affordable
Care.

Increase the
Value of
Care.

Improve the
Health &
Safety of
Caregivers.

Advance Trust
Operational
Excellence.

Increase access to affordable, high quality health coverage for caregivers and their families.

Coverage Reliability Guiding Principles

Smoothing Enrollment Volatility

Help caregivers and their families thrive through providing equitable benefits of value to a professional workforce.

Guiding Principles:

- Provide caregivers with a stable benefits package that contributes to the development of a healthy and thriving workforce.
- Encourage engagement with preventative and ongoing care needed to improve overall health.
- Drive and improve recruitment, retention and job quality.
- Increase caregivers' access to and continuity of affordable, quality care.
- Use data to drive decision making.

1 in 4 Caregivers Experienced a Break in Coverage During the Last Year.

6,148 Caregivers Impacted.

Assessing Caregiver Awareness and Impact of Churn

Survey Outcomes

- Most caregivers (73%) who experienced a break in coverage were aware that they lost health insurance.
- The primary drivers of loss of hours included:
 - Loss of a client.
 - Schedule change.
 - Change in client condition.
 - Change in personal health or non-health circumstances.
- Only 33% caregivers were able to obtain alternative coverage during periods of enrollment churn.
- Most caregivers (68%) returned to coverage following a change in personal circumstances allowing more work hours, change in client's condition, or after obtaining a new client assignment.

Churn Adversely Impacts Caregivers' Health

Survey Outcomes

- 9 in 10 caregivers report high levels of stress during periods without health insurance.
- 41% of caregivers reported that their health conditions worsened during breaks in coverage.
- Caregivers reported that they altered their health behaviors during breaks in coverage by:
 - Skipping or delaying preventative care.
 - Skipping or delaying needed primary or specialty care.
 - Not filling some or any prescriptions.
 - Skipping or delaying emergency care.
- In qualitative surveys, caregivers mentioned broader impacts to hours reductions including having to find other sources of income, negotiate housing accommodations and reducing food consumption.
- 58% of caregivers express ongoing concern over losing coverage in the future.

Coverage Reliability

Proposed Enhancement

Provide caregivers reliable health insurance coverage through the addition of grace months.

- Drive recruitment, retention and job quality by providing reliable access to healthcare benefit and services.
- Encourage consistent engagement with preventative and ongoing care to maintain and improve overall health.

Proposed solution is projected to **support 97.3% of caregivers** experiencing enrollment instability.



Sonja T.
Caregiver, Renton

Coverage Reliability Funding Need

Element	Assumption
Baseline	All elements from Baseline Model.
Coverage Reliability	Smooth enrollment for 97.3% of caregivers experiencing enrollment churn.
Reserves	8-11 months.

	FY26	FY27
Baseline Funding Need	\$0.00	\$0.16
Coverage Reliability	\$0.00	\$0.59
Total Funding Need	\$0.00	\$0.75

Total HBT Rate	\$5.22	\$5.97
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Advancing Access to Spouse Coverage Model

FY 2026-2027



HBT Strategy

Increase
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Affordable
Care.

Increase the
Value of
Care.

Improve the
Health &
Safety of
Caregivers.

Advance Trust
Operational
Excellence.

Increase access to affordable, high quality health coverage for caregivers and their families.

Spouse Coverage Guiding Principles

Help caregivers and their families thrive through equitable benefits of value to a professional workforce.

Guiding Principles:

- Strategically advance toward the goal of family coverage through a phased approach.
- Achieve equity between caregivers and other professionals in the health care workforce.
- Drive and improve recruitment, retention and job quality.
- Increase spouses' access to and continuity of affordable, quality care.
- Use data to drive decision making.

Advance Spouse Access

Proposed Enhancement

Take an incremental step toward the goal of providing family health insurance coverage by offering spouse dental, vision, and hearing care.

- Drive and improve recruitment, retention and job quality by increasing equity between caregivers and other professionals in the healthcare workforce.
- Increase spouse access to affordable high-quality care.

Proposed solution is projecting an 8% enrollment rate.



Janie H.
Caregiver, Spokane

Spouse Access Funding Need

Element	Assumption
Baseline	All elements from Baseline Model.
Coverage Reliability	Smooth enrollment for 97.3% of caregivers.
FY27 Spouse Access	Dental, Vision, and Hearing benefits.
Reserves	8-11 months.

	FY26	FY27
Baseline Funding Need	\$0.00	\$0.16
Coverage Reliability	\$0.00	\$0.59
Spouse Access	\$0.00	\$0.04
Additional CPH Need	\$0.00	\$0.79

Total HBT Rate	\$5.22	\$6.01
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Emergency Savings Fund Funding Need

Element	Assumption
Baseline	All elements from Baseline Model.
Coverage Reliability	Smooth enrollment for 97.3% of caregivers.
FY27 Spouse Access	Dental, Vision, and Hearing benefits.
Emergency Savings Fund	Provide fixed benefit that accrues over time.
Reserves	8-11 months.

	FY26	FY27
Baseline Funding Need	\$0.00	\$0.16
Coverage Reliability	\$0.00	\$0.59
Spouse Access	\$0.00	\$0.04
Emergency Savings Fund	\$0.045	\$0.045
Additional CPH Need	\$0.045	\$0.835

Total HBT Rate	\$5.265	\$6.055
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Questions?

Thank You

Christina Johansen
Health Managing Director
christina.johansen@myseiubenefits.org

TAB 8

Transforming
Lives

Consumer Directed Employer (CDE) Rate Setting Board (RSB)

Meeting #4 | **Agenda** | May 17, 2024

Blake Office Park West 4450 10th Avenue SE, Lacey

Roosevelt & Chelan Rooms

9:00 am – 3:00 pm



Welcome and Introductions

Facilitator, Chair

- Welcome and Introductions
- Purpose/Meeting Overview

Agenda overview, 9:00 – 3:00

- Welcome and Introductions
- Benefits Group Overview
- Economic Security
- Break
- Board Discussions
- Lunch
- Health Care

Benefits Group Overview

- BG Overview
- Board Discussion

Economic Security

➤ PHI

Break

Economic Security

- Economic Security & Emergency Funds

Discussions

- Board Discussion
- Benefits Group
- Board Discussion

Lunch

Health Care

- Benefits Group
- Board Discussion
- Public Comment

Rate Setting Board

4/22/24 Briefing Book, Meeting #1

Links from the RSB Web Page, Upcoming Meetings

<https://www.dshs.wa.gov/sites/default/files/ALTSA/stakeholders/documents/CDE/Briefing%20Book%2004.22.2024.pdf>

Consumer Directed Employer Rate Setting Board Web Page

[Consumer Directed Employer Rate Setting Board | DSHS \(wa.gov\)](#)

Adjourn