

Public Employees Benefits Board

July 10, 2013

Public Employees Benefits Board Meeting

July 10, 2013

1:00 p.m. – 3:00 p.m.

Health Care Authority
626 8th Avenue SE
Sue Crystal Rooms A & B
Olympia, Washington

Table of Contents

Meeting Agenda	1-1
Member List.....	1-2
Meeting Schedule 2013.....	1-3
Board By-Laws	2-1
Meeting Minutes June 26, 2013.....	3-1
UMP Clinical Update	4-1
PEBB Procurement Brief & Recommendations	5-1

AGENDA

Public Employees Benefits Board

July 10, 2013

1:00 p.m. – 3:00 p.m.

Health Care Authority
Cherry Street Plaza
Sue Crystal Rooms A & B
626 8th Avenue SE
Olympia, WA 98501

Conference Call Dial In: 1-888-450-5996, Participant Passcode: 546026

1:00 p.m.	Welcome and Introductions		Dorothy Teeter	
1:10 p.m.	Approval June 26, 2013 Minutes	TAB 3	Dorothy Teeter	Action
1:15 p.m.	Legislative Update		Lou McDermott	Information
1:30 p.m.	UMP Clinical Update	TAB 4	Dan Lessler, MD	Information
1:45 p.m.	PEBB Procurement Brief & Recommendations	TAB 5	Michele Ritala Janice Baumgardt	Information
2:15 p.m.	Public Comment			
3:00 p.m.	Adjourn			

The Public Employees Benefits Board will meet Wednesday, July 10, 2013, at the Health Care Authority, Sue Crystal Rooms A & B, 626 8th Avenue SE, Olympia, WA. The Board will consider all matters on the agenda plus any items that may normally come before them.

This notice is pursuant to the requirements of the Open Public Meeting Act, Chapter 42.30 RCW.

Direct email to: board@hca.wa.gov

Materials posted at: <http://www.pebb.hca.wa.gov/board/>

PEB Board Members

Name	Representing
Dorothy Teeter, Director Health Care Authority 626 8 th Ave SE PO Box 42713 Olympia WA 98504-2713 V 360-725-1523 dorothy.teeter@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
Vacant*	K-12
Gwen Rench 3420 E Huron Seattle WA 98122 V 206-324-2786 gwenrench@covad.net	State Retirees
Lee Ann Prielipp 29322 6 th Ave SW Federal Way WA 98023 V 253-839-9753 leeannwa@comcast.net	K-12 Retirees
Susan Lucas, Assistant Commissioner Chief Financial Officer Budget, Performance, and Research Division Employment Security Department PO BOX 46000 Olympia, WA 98504-6000 V 360-902-9423 slucas@esd.wa.gov	Benefits Management/Cost Containment

PEB Board Members

Name

Representing

Yvonne Tate
Human Resources
City of Bellevue
PO Box 90012
Bellevue WA 98009-9012
V 425-452-4066
ytate@bellevuewa.gov

Benefits Management/Cost Containment

Marilyn Guthrie
2101 Fourth AVE, Suite 600
Seattle WA 98121
V 206-913-4757
mguthrie@qliance.com

Benefits Management/Cost Containment

Harry Bossi*
3707 Santis Loop SE
Lacey WA 98503
V 360-689-9275
hbossi@comcast.net

Benefits Management/Cost Containment

Legal Counsel

Melissa Burke-Cain, Assistant Attorney General
7141 Cleanwater Dr SW
PO Box 40109
Olympia WA 98504-0109
V 360-664-4966
melissab@atg.wa.gov

*non-voting members



Washington State Health Care Authority
Public Employees Benefits Board

P.O. Box 42713 • Olympia, Washington 98504-2713
360-725-0856 • TTY 711 • FAX 360-586-9551 • www.pebb.hca.wa.gov

2013 Public Employees Benefits Board Meeting Schedule

The PEB Board meetings will be held at the Health Care Authority, Sue Crystal Center, Rooms A & B, 626 8th Avenue SE, Olympia, WA 98501. The meetings begin at 1:00 p.m., unless otherwise noted below.

January 9, 2013 (Board Retreat) 9:00 a.m. – 3:00 p.m.

March 20, 2013

April 17, 2013

May 22, 2013

June 26, 2013

July 10, 2013

July 17, 2013

July 24, 2013

If you are a person with a disability and need a special accommodation, please contact Connie Bergener at 360-725-0856

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: September 06, 2012

TIME: 11:43 AM

WSR 12-19-010

2014 PROCUREMENT KEY MILESTONE DATES

- April 25: Request for Renewals Issued
- May 22: Board Meeting: Overview of Rule Making Policies
- May 24: Proposals Due
- June 26: Executive Session/Board Meeting
- Procurement Snapshot
 - Eligibility and Policy Briefs
- July 10: Board Meeting: Recommended Resolutions
- Plan Design
 - Employee Premiums
 - Medicare Explicit Subsidy
- July 17 or 24: Board Meeting: Resolution Vote

5/9/13

PEB BOARD BY-LAWS

ARTICLE I

The Board and its Members

1. Board Function—The Public Employees Benefits Board (hereinafter “the PEBB” or “Board”) is created pursuant to RCW 41.05.055 within the Health Care Authority; the PEBB’s function is to design and approve insurance benefit plans for State employees and school district employees.
2. Staff—Health Care Authority staff shall serve as staff to the Board.
3. Appointment—The Members of the Board shall be appointed by the Governor in accordance with RCW 41.05.055. Board Members shall serve two-year terms. A Member whose term has expired but whose successor has not been appointed by the Governor may continue to serve until replaced.
4. Non-Voting Members—Until there are no less than twelve thousand school district employee subscribers enrolled with the authority for health care coverage, there shall be two non-voting Members of the Board. One non-voting Member shall be the Member who is appointed to represent an association of school employees. The second non-voting Member shall be designated by the Chair from the four Members appointed because of experience in health benefit management and cost containment.
5. Privileges of Non-Voting Members—Non-voting Members shall enjoy all the privileges of Board membership, except voting, including the right to sit with the Board, participate in discussions, and make and second motions.
6. Board Compensation—Members of the Board shall be compensated in accordance with RCW [43.03.250](#) and shall be reimbursed for their travel expenses while on official business in accordance with RCW [43.03.050](#) and [43.03.060](#).

ARTICLE II

Board Officers and Duties

1. Chair of the Board—The Health Care Authority Administrator shall serve as Chair of the Board and shall preside at all meetings of the Board and shall have all powers and duties conferred by law and the Board’s By-laws. If the Chair cannot attend a regular or special meeting, he or she shall designate a Chair Pro-Tem to preside during such meeting.
2. Other Officers—(*reserved*)

ARTICLE III
Board Committees

(RESERVED)

ARTICLE IV
Board Meetings

1. Application of Open Public Meetings Act—Meetings of the Board shall be at the call of the Chair and shall be held at such time, place, and manner to efficiently carry out the Board's duties. All Board meetings, except executive sessions *as permitted by law*, shall be conducted in accordance with the Open Public Meetings Act, Chapter 42.30 RCW.
2. Regular and Special Board Meetings—The Chair shall propose an annual schedule of regular Board meetings for adoption by the Board. The schedule of regular Board meetings, and any changes to the schedule, shall be filed with the State Code Reviser's Office in accordance with RCW 42.30.075. The Chair may cancel a regular Board meeting at his or her discretion, including the lack of sufficient agenda items. The Chair may call a special meeting of the Board at any time and proper notice must be given of a special meeting as provided by the Open Public Meetings Act, RCW 42.30.
3. No Conditions for Attendance—A member of the public is not required to register his or her name or provide other information as a condition of attendance at a Board meeting.
4. Public Access—Board meetings shall be held in a location that provides reasonable access to the public including the use of accessible facilities.
5. Meeting Minutes and Agendas—The agenda for an upcoming meeting shall be made available to the Board and the interested members of the public at least 10 days prior to the meeting date or as otherwise required by the Open Public Meetings Act. Agendas may be sent by electronic mail and shall also be posted on the HCA website. Minutes summarizing the significant action of the Board shall be taken by a member of the HCA staff during the Board meeting, and an audio recording (or other generally-accepted) electronic recording shall also be made. The audio recording shall be reduced to a verbatim transcript within 30 days of the meeting and shall be made available to the public. The audio tapes shall be retained for six (6) months. After six (6) months, the written record shall become the permanent record. Summary minutes shall be provided to the Board for review and adoption at the next Board meeting.
6. Attendance—Board Members shall inform the Chair with as much notice as possible if unable to attend a scheduled Board meeting. Board staff preparing the minutes shall record the attendance of Board Members at the meeting for the minutes.

ARTICLE V
Meeting Procedures

1. Quorum—Five voting members of the Board shall constitute a quorum for the transaction of business. No final action may be taken in the absence of a quorum. The Chair may declare a meeting adjourned in the absence of a quorum necessary to transact business.
2. Order of Business—The order of business shall be determined by the agenda.
3. Teleconference Permitted—A Member may attend a meeting in person or, by special arrangement and advance notice to the Chair, a Member may attend a meeting by telephone conference call or video conference when in-person attendance is impracticable.
4. Public Testimony—The Board actively seeks input from the public at large, from enrollees served by the PEBB Program, and from other interested parties. Time is reserved for public testimony at each regular meeting, generally at the end of the agenda. At the direction of the Chair, public testimony at Board meetings may also occur in conjunction with a public hearing or during the Board's consideration of a specific agenda item. The Chair has authority to limit the time for public testimony, including the time allotted to each speaker, depending on the time available and the number of persons wishing to speak.
5. Motions and Resolutions—All actions of the Board shall be expressed by motion or resolution. No motion or resolution shall have effect unless passed by the affirmative votes of a majority of the Members present and eligible to vote, or in the case of a proposed amendment to the By-laws, a 2/3 majority of the Board .
6. Representing the Board's Position on an Issue—No Member of the Board may endorse or oppose an issue purporting to represent the Board or the opinion of the Board on the issue unless the majority of the Board approve of such position.
7. Manner of Voting—On motions, resolutions, or other matters, a voice vote may be used. At the discretion of the Chair, or upon request of a Board Member, a roll call vote may be conducted. Proxy votes are not permitted.
8. Parliamentary Procedure—All rules of order not provided for in these By-laws shall be determined in accordance with the most current edition of Robert's Rules of Order [RONR]. Board staff shall provide a copy of *Robert's Rules* at all Board meetings.
9. Civility—While engaged in Board duties, Board Members conduct shall demonstrate civility, respect, and courtesy toward each other, HCA staff, and the public, and shall be guided by fundamental tenets of integrity and fairness.
10. State Ethics Law—Board Members are subject to the requirements of the Ethics in Public Service Act, Chapter 42.52 RCW.

ARTICLE VI
Amendments to the By-Laws and Rules of Construction

1. Two-thirds Majority Required to Amend—The PEBB By-laws may be amended upon a two-thirds (2/3) majority vote of the Board.
2. Liberal Construction—All rules and procedures in these By-laws shall be liberally construed so that the public's health, safety, and welfare shall be secured in accordance with the intents and purposes of applicable State laws and regulations.

Public Employees Benefits Board
Meeting Minutes

D*R*A*F*T

June 26, 2013
Health Care Authority, Sue Crystal Rooms A & B
Olympia, Washington
1:00 p.m.

Members Present:

Dorothy Teeter
Greg Devereux
Lee Ann Prielipp
Gwen Rench
Marilyn Guthrie
Susan Lucas
Harry Bossi
Melissa Burke-Cain

Member By Phone:

Yvonne Tate

Call to Order

Lou McDermott, Acting Chair, called the meeting to order at 1:00 p.m. Lou is acting on behalf of Dorothy Teeter, Chair, who arrived after the Governor's Cabinet meeting. Sufficient members were present to allow a quorum. The Board met in Executive Session before the meeting, and Lou stated: "Pursuant to RCW 42.30.110, the Board met this morning in Executive Session to consider proprietary or confidential non-published information related to development, acquisition, or implementation of state-purchased health care services as provided in RCW 41.05.026. The Executive Session began at 11:30 a.m. and concluded at 1 p.m. No action, as defined in RCW 42.30.020(3), was taken during Executive Session." Board and audience self-introductions followed.

Approval of June 26, 2013 PEBB Meeting Minutes

It was moved and seconded to approve the June 26, 2013 PEB Board meeting minutes as written. Minutes approved by unanimous vote.

Budget Update

Janice Baumgardt, HCA Finance, gave a summary of the Senate's and House's budgets. There was nothing new to report since they are still in extended session. The funding rate was different in both budgets. The House proposes \$782 per month in FY 2014 and \$791 per month in FY 2015. The Senate version proposes \$775 per month for FY 2014 and only \$749 in FY 2015.

For the retiree subsidy, the House is proposing \$150 per month, per employee, for both CY 2014 and 2015. That's consistent with the FY 2013 budget. The Senate is proposing a \$100 subsidy per month, per employee, in CY 2014 and \$110 in CY 2015.

Janice shared the methodology in creating the funding rate. When calculating the funding rate, the Senate made some adjustments. They direct the Health Care Authority to impose a \$25 per month tobacco surcharge on those members who are tobacco users and a \$50 per month spousal surcharge on those members who have spouses covered under PEBB benefits when they are also eligible for a different employee benefit package. That is the \$4 reduction in the funding rate. There is also a reduction in the funding rate to reflect the reduced retiree subsidy. Starting with the base funding rate of \$782 in FY 2014 and subtracting the \$7 tobacco surcharge, you get the \$775 funding rate for FY14. Starting with the base funding rate of \$791 in FY15 and subtracting the \$14 tobacco surcharge, the \$4 spousal surcharge, and the \$24 retiree subsidy, you reach the funding rate of \$749 for 2015.

For the retiree subsidy, the Senate budget has \$100 in CY14 and \$110 in CY15. They also have a revenue package, proposed substitute Senate Bill 5837, which raises certain revenues with the intent of buying back some of the retiree subsidy. It's a slight twist to the standard \$150, or straight amount, per retiree. Instead, they provide that higher \$150 subsidy for those retirees who have at least 20 years of service and whose monthly pension benefit is no more than \$80 per month of service. The rates in the Senate budget still allow us to qualify for the Retiree Drug Subsidy Program. The state General Fund receives federal dollars through this program.

Janice clarified for Greg Devereux that there is no reduction in 2014 for a spousal surcharge or the retiree subsidy reduction. There is a \$7 reduction for the tobacco surcharge in the Senate budget, which is effective January 1, 2014 for non-represented employees and July 1, 2014 for represented employees.

How the agency identifies members who should be charged the tobacco surcharge and spousal surcharge has yet to be determined.

Annual Rule Making & Policy Resolution Vote

Mary Fliss, PEB Division Deputy Director, and Barbara Scott, PEB Division Policy and Rules Manager, provided a high level overview of 2013 rule making and reviewed the policy resolutions requiring action.

The PEB Division is currently conducting an internal review of all PEBB rules in all three chapters of rule. For this year, specific items have been identified. The focus will be on implementing legislation, addressing benefit administration issues, providing clarity in areas identified by members and staff, making technical corrections, and implementing the policy resolutions based on today's Board vote.

During the 2012 legislative session, Engrossed Substitute Bill 5940 was passed requiring school districts to report health plan financial enrollment data to the Office of the Insurance Commissioner. If a district fails to comply during two reporting periods, the Office of the Superintendent of Public Instruction must limit the districts purchasing of benefits to those purchased through the PEBB Program. In order to prepare for the possibility that a district were to fail the reporting requirements, our rules around application for K-12 school districts need to change. Going forward, the application process that's described in rules will need to accommodate both districts who are choosing to purchase coverage through PEBB on a

voluntary basis and districts mandated to purchase PEBB insurance coverage due to non-compliance with the reporting requirements.

We were asked to address whether or not active employees could waive their PEBB medical coverage in order to be enrolled under the Exchange coverage. Related to that, we are proposing amending our employee waiver rule so that it will allow employees to waive enrollment in PEBB medical coverage if they are enrolled in medical coverage under the Health Benefit Exchange. The employee, if they have coverage through their employer, would not be able to receive subsidized coverage through the Exchange. However, there is no prohibition on an employee being able to get coverage that is not subsidized through the Exchange. HCA currently has a rule in place that allows for an employee to waive coverage. This is an expansion of that rule. It would also align with the retiree deferral resolution up for vote today. It would allow both retirees and employees the ability to waive coverage based upon having other Health Benefit Exchange health coverage

Greg Devereux: Greg has concerns on this issue. There are some exceptions that aren't used very much and to allow folks to get unsubsidized Exchange coverage would cause chaos in the market between PEBB and the Exchange. If the coverage isn't as comprehensive, if it's lower, will people all of a sudden move to the Exchange? What does that do to PEBB? There are a lot of concerns that need to be considered with this change.

Barbara Scott: The thinking was to allow some stability in their coverage for those employees who purchase through the Health Benefit Exchange when they are not eligible for PEBB coverage; that we will allow some flexibility so they would not have to move in and out.

Greg Devereux: Greg's concern is that if the coverage isn't as good and the cost is significantly less, does that mean people flee in droves to the Exchange? What does that do to the PEBB market?

Dorothy Teeter: Greg has raised an important question. We will go back and explore this issue further. We will clarify the intent, identify potential impacts, and bring back to the Board for more discussion.

Barbara Scott: We are looking at clarity in a number of rules. We will be adding a definition of the term "federal retiree plan," which is a term used in our retiree deferral rules. We want members to be clear that the term includes only two coverages, the Federal Employees Health Benefits Program and Tricare.

We will propose adding language to WAC 182.12.114, specifically subsection 3. This is the employee eligibility rule which deals with faculty at community and technical colleges. We want to be clear that a change to a collective bargaining agreement for a faculty at a community and technical college may affect their eligibility for PEBB benefits.

We will propose defining the term "child" to better align to domestic law, which, includes many different ways a parent-child relationship can be established. Currently our dependent rules use terms like biological child and step-child. We want to update our rules in order to better understand which children can be covered in our eligibility under PEBB.

We have a number of technical corrections. We will correct some information that we have in rule today related to HIPAA special open enrollments, and specifically related to the HIPAA

special enrollment that is allowed upon gaining eligibility for state premium assistance subsidy from Medicaid or CHIP.

We will amend the employer group evaluation process so it is clear that if an employer group application is for a single bargaining unit, that all of the eligible employees under the group will be evaluated as a single unit. We will clarify what employees are eligible under the group so all those eligible being evaluated are together.

We will include the 24-month limit for self-paying long-term disability coverage that exists in the long-term disability contract. Currently our rule is inaccurate.

We will do clean up on the terms insurance coverage and PEBB benefits.

Dorothy Teeter: We will vote on the proposed resolutions presented at the May 22, 2013 PEB Board Meeting. We will vote on them one at a time.

Resolution #1: Resolved, that a non-Medicare retiree may defer PEBB retiree coverage at or after retirement if continuously enrolled in coverage offered through any Health Benefit Exchange established under the Affordable Care Act. Non-Medicare retirees who defer enrollment while enrolled in Exchange coverage will have a one-time opportunity to enroll in a PEBB health plan.

It was moved and seconded to adopt Resolution #1.
Approved by Board vote 7-0.

Resolution #2: Resolved, that if an employing agency fails to enroll an employee in benefits, retroactive medical and dental enrollment will not exceed three months unless the Health Care Authority determines additional recourse is warranted. Recourse will be provided in accordance with each situation.

It was moved and seconded to adopt Resolution #2.
Approved by Board vote 7-0.

Greg Devereux: Greg had concerns at the last meeting on Resolution #2. He met with Health Care Authority staff and was quite pleased with that discussion and the discussion today. It currently sounds like you are supposed to go back to the original date when the person enrolled. Often times that doesn't happen and it's just not practical. Greg does not want the three month period to be a default. He does not want state employees to think that they can only get three months if they didn't make the error. Greg appreciates the additional language. He wants to capture the historical information around this resolution and would like it included everywhere it's changed. When this Board is no longer around, there is documentation that the intent is not just three months. Employees should not be punished if it wasn't their error.

Dorothy Teeter: We will make sure that for the official record, the language that we added and approved is the official record put in all of our documents.

Resolution #3: Resolved, that employees awarded a retroactive disability retirement under a Higher Education Retirement Plan by the appropriate authority may enroll retroactive to the date of retirement or prospective from the date on the award notice sent to the employee.

It was moved and seconded to adopt Resolution #3.
Approved by Board vote 7-0.

Resolution #4: Resolved, that a stepchild's relationship to a subscriber (and eligibility as a PEBB dependent) ends on the same date the subscriber's legal relationship with the spouse or domestic partner ends through divorce, annulment, dissolution, termination, or death.

It was moved and seconded to adopt Resolution #4.
Approved by Board vote 7-0.

Gwen Rench: Regarding Resolution #4, Gwen asked for a clarification between extended dependent and step-child.

Barb Scott: An extended dependent is the dependent that is a legal dependent through a court order or legal custody for that subscriber. The thinking around this particular policy proposal was that an employee or retiree who had a step-child where the relationship ended upon divorce, annulment, or death, and if they have legal custody or a court order, could add them through extended dependent eligibility rather than as a step-child. This is the current practice and clarifies the rule.

Resolution #5: Resolved, that an individual licensee or vendor who ends participation in the Business Enterprises Program maintained by the Department of Services for the Blind is not eligible to participate in PEBB retiree insurance. The licensee or vendor may continue medical on a self-pay basis under COBRA.

It was moved and seconded to adopt Resolution #5.
Approved by Board vote 7-0.

Dorothy Teeter: Dorothy thanked the staff for preparing these resolutions and presenting with clarity.

Mary Fliss: Mary indicated that if there were changes due to the legislative session, additional policy resolutions may be required based on laws passed. Next steps: September 2013: publish the proposed amendments and new rules in the Washington State Register; September 2013 - October 2013: conduct a public hearing and adopt final rules; January 2014: Resolutions will be effective.

Legislative Update

Lou McDermott, Director, Public Employees Benefits Division, is monitoring the budget situation. Still watching Bill 5811 (Wellness Bill) and Bill 5905 (Eligibility for part-time employees). Once the budget is passed, we will make sure our funding rate and procurement are correct. Depending on the outcome of the budget, it could drastically impact our numbers and require that we go back to the plans for rebids.

Dorothy Teeter: The next Board meeting is July 10, 2013 at the Health Care Authority.

The meeting adjourned at 1:45 p.m.

2014 UMP Bariatric Surgery Criteria Program Changes

- 2013 criteria for referral to UMP pre-surgical program
 - Member age 18-64
 - BMI 40 or higher with one or more co-morbid conditions

- 2014 changes to criteria for referral into UMP pre-surgical program
 - BMI 40 or higher
 - BMI 35-39 with Type II diabetes OR two or more co-morbid conditions
 - Sleeve gastrectomy age 21-64

Screening Mammography Coverage Change

- Current preventive mammography screening covers women ages 40 or over at 100%, consistent with USPSTF recommendations
- Review of current coverage of preventive mammography undertaken in June 2013 in response to concerns raised by a UMP enrollee with a family history of breast cancer
- UMP will expand preventive coverage to include women <40 at high risk for breast cancer with a provider's assessment and order
 - Mailing to women 25-39 in UMP re: benefit change mid-August
 - Health plan systems ready to process claims by mid-July

Washington State
Health Care Authority

2014 PEBB
Procurement Brief and
Recommendations

July 10, 2013

Agenda

I. Purchasing Goals

II. 2014 Medical Plan Overview

- Plan Design
- Non-Medicare Premiums
- Medicare Premiums and Employer Contribution

III. 2014 Dental, Life, and Long-Term Disability Overview

IV. Next Steps

2014 Purchasing Goals

- Maintain benefits that compare well with other high-quality state of Washington employers (public and private)
- Design benefits that:
 - Are evidence-based; and
 - Encourage enrollees to:
 - ✓ Improve their health
 - ✓ Seek higher quality and more efficient care
 - ✓ Increase targeted health behaviors
- Manage within fiscal limits set by the Legislature
- Maintain access to choice of health plans for employees and retirees
- Improve management of underlying cost trends

2014 PEBB Plan Design Recommendations

- Uniform Medical Plan:
 - Classic and CDHP:
 - ✓ Diabetes Prevention and Control Programs
 - ✓ Elimination of Prescription Drug Ancillary Charge
 - Medicare: Elimination of Prescription Drug Ancillary Charge

- Group Health Cooperative:
 - Classic, Value, and CDHP: Diabetes Prevention Program
 - Medicare: No Benefit Changes

- Kaiser Permanente:
 - Classic and CDHP:
 - ✓ Diabetes Prevention Program
 - ✓ Eliminated copays for Smoking Cessation Program
 - Medicare: No Benefit Changes

2014 Premium Overview

Active Employee Premiums With 2014 Recommended Benefit Changes

<u>Product Line</u>	Employee Contribution by Family Tier							
	2013 and Proposed 2014							
	CY 2013	CY 2014	CY 2013	CY 2014	CY 2013	CY 2014	CY 2013	CY 2014
	Employee	Employee	Employee & Spouse or Partner	Employee & Spouse or Partner	Employee & Child(ren)	Employee & Child(ren)	Full Family	Full Family
GHC Classic	\$ 115	\$ 117	\$ 240	\$ 244	\$ 201	\$ 205	\$ 326	\$ 332
GHC Value	\$ 66	\$ 65	\$ 142	\$ 140	\$ 116	\$ 114	\$ 192	\$ 189
GHC CDHP	\$ 36	\$ 21	\$ 82	\$ 52	\$ 63	\$ 37	\$ 109	\$ 68
Kaiser Classic	\$ 98	\$ 116	\$ 206	\$ 242	\$ 172	\$ 203	\$ 280	\$ 329
Kaiser CDHP	\$ 21	\$ 23	\$ 52	\$ 56	\$ 37	\$ 40	\$ 68	\$ 73
UMP	\$ 77	\$ 79	\$ 164	\$ 168	\$ 135	\$ 138	\$ 222	\$ 227
UMP CDHP	\$ 22	\$ 25	\$ 54	\$ 60	\$ 39	\$ 44	\$ 71	\$ 79
Effective 7/1/2014: The following surcharges will be applied to some employees								
Tobacco Use Surcharge		\$ 25		\$ 25		\$ 25		\$ 25
Spouse Surcharge				\$ 50				\$ 50
Average % Employee Contribution of Required Premium (excluding surcharges)								15%

Employer's Annual Contribution to Employee's CDHP Health Savings Account:

\$700.08 subscriber; \$1,400.04 subscriber + 1 or more; funding prorated monthly

Estimated Non-Medicare Retiree Premiums With Recommended Benefit Changes

<u>Product Line</u>	CY 2013	CY 2014	CY 2013	CY 2014	CY 2013	CY 2014	CY 2013	CY 2014
	Retiree	Retiree	Retiree & Spouse or Partner	Retiree & Spouse or Partner	Retiree & Child(ren)	Retiree & Child(ren)	Full Family	Full Family
GHC Classic	\$ 585	\$ 589	\$ 1,163	\$ 1,172	\$ 1,019	\$ 1,026	\$ 1,597	\$ 1,609
GHC Value	\$ 535	\$ 537	\$ 1,064	\$ 1,068	\$ 932	\$ 935	\$ 1,461	\$ 1,466
GHC CDHP ¹	\$ 514	\$ 501	\$ 1,018	\$ 992	\$ 907	\$ 884	\$ 1,353	\$ 1,317
Kaiser Classic	\$ 567	\$ 588	\$ 1,128	\$ 1,171	\$ 988	\$ 1,025	\$ 1,549	\$ 1,607
Kaiser CDHP ¹	\$ 499	\$ 504	\$ 988	\$ 998	\$ 881	\$ 889	\$ 1,312	\$ 1,325
Uniform Medical Plan	\$ 546	\$ 551	\$ 1,085	\$ 1,096	\$ 951	\$ 960	\$ 1,490	\$ 1,504
UMP CDHP ¹	\$ 500	\$ 505	\$ 990	\$ 1,000	\$ 882	\$ 891	\$ 1,314	\$ 1,328

¹Annual Contribution to CDHP Health Savings Account:

\$700.08 subscriber; \$1,400.04 subscriber + 1 or more; funding prorated monthly

Estimated Medicare Retiree Premium After \$150 Employer Contribution¹

<u>Plan</u> ²	2013 Retiree Only Contribution	2014 Retiree Only Contribution ³
Group Health	\$ 135.60	\$ 137.42
Kaiser Classic	\$ 151.67	\$ 152.99
Uniform Medical Plan ³	\$ 219.24	\$ 223.87
Premera Med Supp F Retired	\$ 109.10	\$ 106.37
Premera Med Supp F Disabled	\$ 206.11	\$ 196.74

¹Employer contribution limited to the lesser of \$150 or 50% of plan premium.

²Group Health and Kaiser Medicare Advantage rates subject to federal review and approval.

³Includes UMP Elimination of Ancillary Prescription Drug Charge

Dental Premiums¹

Plan	CY 2013	CY 2014	CY 2013	CY 2014	CY 2013	CY 2014	CY 2013	CY 2014
	Subscriber	Subscriber	Subscriber & Spouse or Partner	Subscriber & Spouse or Partner	Subscriber & Child(ren)	Subscriber & Child(ren)	Full Family	Full Family
Uniform Dental Plan	\$ 46.34	\$ 44.72	\$ 92.68	\$ 89.44	\$ 92.68	\$ 89.44	\$ 139.02	\$ 134.16
DeltaCare	\$ 39.53	\$ 39.53	\$ 79.06	\$ 79.06	\$ 79.06	\$ 79.06	\$ 118.59	\$ 118.59
Willamette	\$ 40.20	\$ 43.23	\$ 80.40	\$ 86.46	\$ 80.40	\$ 86.46	\$ 120.60	\$ 129.69

¹Employer-funded dental coverage for Active Employees and their dependents. Retirees self-pay full premium.

Long-Term Disability and Life Insurance—No Changes

Long-Term Disability

- Employer-Paid Basic: No change in premiums
- Employee-Paid Supplemental: No change in premiums

Life Insurance

- Employer-Paid Active Basic: No change in premiums
- Employee-Paid Supplemental: No change in premiums.
- Retiree-Paid Basic: No change in \$6.57 monthly premium

NEXT STEPS

July 17: Call For Procurement Resolution Votes

- 2014 Medical Plan Benefit Recommendations
- 2014 Active Employee Premiums
- 2014 Explicit Employer Medicare Contribution

2014 Proposed Resolutions

1. Resolved, that the Non-Medicare Uniform Medical Plans, Group Health Cooperative Plans, and Kaiser Permanente Plans will administer the Diabetes Prevention Program.
2. Resolved, that the Non-Medicare Uniform Medical Plans will administer the Diabetes Control Program.
3. Resolved, that the Non-Medicare Kaiser Permanente Plans will administer a comprehensive Smoking Cessation Program with no cost to members.
4. Resolved, that the Non-Medicare and Medicare Uniform Medical Plans will eliminate the Ancillary Prescription Drug Charge.
5. Resolved, that the PEB Board endorses the Group Health Employee Premiums.
6. Resolved, that the PEB Board endorses the Kaiser Permanente Employee Premiums.
7. Resolved, that the PEB Board endorses the Uniform Medical Plans Employee Premiums.
8. Resolved, that the PEB Board endorses the maximum \$150 Employer Medicare Contribution, not to exceed 50% of plan premium, set forth in the legislative budget appropriation.