

Public Employees Benefits Board

July 11, 2012

Public Employees Benefits Board Meeting

July 11, 2012

1:00 p.m. – 3:00 p.m.

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

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AGENDA

Public Employees Benefits Board

July 11, 2012

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	Doug Porter	
1:05 p.m.	Approval June 27, 2012 Minutes	Doug Porter	Action
1:10 p.m.	Annual Rule Making	Mary Fliss Barbara Scott	Information
1:30 p.m.	2013 PEBB Procurement Brief and Recommendations	Lou McDermott Mary Fliss Annette Meyer	Information
2:15 p.m.	2013 PEB Board Schedule	Doug Porter	Information
2:20 p.m.	Public Comment		
3:00 p.m.	Adjourn		

The Public Employees Benefits Board will meet July 11, 2012, 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
Doug Porter, Director Health Care Authority 626 8 th Ave SE PO Box 42700 Olympia WA 98504-2700 V 360-725-1040 doug.porter@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
Phil Karlberg* Arlington Public Schools 315 N French Ave Arlington WA 98223 V 360-593-6275	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 Avenue Southwest Federal Way WA 98023 V 253-839-9753 leeannwa@comcast.net	K-12 Retirees
Eva Santos, Director Office of Financial Management State Human Resources Director PO Box 47500 Olympia WA 98504-7500 V 360-664-6350 evas@ofm.wa.gov	Benefits Management/Cost Containment

PEB Board Members

Name

Representing

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*non-voting members



**Washington State
Health Care Authority**

P.O. Box 42700 • Olympia, Washington 98504-2700
360-923-2837 • FAX 360-923-2606 • TTY 360-923-2701 • www.hca.wa.gov

2011-2012 Public Employee Benefits Board Meeting Schedule

The PEB Board meetings will be held at the Health Care Authority, Apple/Peach Conference Room, 626 8th Avenue SE, Olympia, WA 98501, unless otherwise noted below. The meetings begin at 1:00 p.m., unless otherwise noted below.

October 19, 2011

January 11, 2012 (Board Retreat) 9:00 a.m. – 3 p.m.

March 21, 2012

April 18, 2012

May 23, 2012

June 27, 2012

July 11, 2012

July 18, 2012

July 25, 2012

October 17, 2012

If you are a person with a disability and need a special accommodation, please contact Connie Bergener at 360-923-2625.

Jason B. Siems
Washington Health Care Authority
Rules Coordinator

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: August 16, 2011

TIME: 9:04 AM

WSR 11-17-066

PEB BOARD BY-LAWS

ARTICLE I

The Board and its Members

1. **Board Function**—The Public Employee 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.

***D*R*A*F*T**
Public Employees Benefits Board
Meeting Minutes

June 27, 2012
Health Care Authority, Sue Crystal Rooms A & B
Olympia, Washington
1:00 p.m.

Members Present:

Doug Porter
Greg Devereux
Gwen Rench
Marilyn Guthrie
Yvonne Tate
Harry Bossi
Phil Karlberg
Eva Santos
Melissa Burke-Cain

Members Absent:

Lee Ann Prielipp

Call to Order

Doug Porter, Chair, called the meeting to order at 1:05 p.m. Sufficient members were present to allow a quorum. Doug stated: "I am pleased to announce that the Board met 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 12:00 p.m. and concluded just short of 1:00 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 July 13, 2011, July 20, 2011, October 19, 2011, and March 21, 2012
PEBB Meeting Minutes**

It was moved and seconded to approve the July 13, 2011, July 20, 2011, October 19, 2011, and March 21, 2012 PEB Board meeting minutes as written. Minutes approved by unanimous vote.

Annual Rule Making

Mary Fliss, HCA: Mary reviewed the policy proposal that will be brought before the Board at one of the July Board meetings. The Board will be asked to take action.

At the March 21st meeting, a presentation was shared on the UMP wellness proposal. Part of that presentation talked about the actions members will be asked to take to engage in and enhance their health and well-being. Group Health and Kaiser also put together wellness programs where members will engage in activities aimed at promoting healthy choices and lifestyles. The policy the Board will be asked to approve is needed to appropriately implement and manage the program.

Subscribers who are in a medical plan with a wellness incentive program will be asked to complete those wellness activities by June 30th. June 30th provides a tight but adequate timeframe for identifying the number of subscribers who have qualified for the incentive for purposes of rate setting. It enables appropriate account management, including eligibility, file transfer, and appeal or dispute resolution regarding the outcome of the wellness activity success, as well as having the communication systems needed to appropriately inform our members. The standard does align with those employers who are offering an incentive program.

Next steps: July 11th - Present the annual rulemaking where technical changes are made for clarification and for changes made to state and federal law. July 25th – Ask the Board to take action on today's recommendation. In August, the proposed amendments and new rules are published in the Washington State Register, providing an opportunity to conduct a public hearing in September and adopt the final rules for a January 1st implementation date. The proposed draft policy resolution was shared.

Doug Porter, HCA: Doug pointed out that discussions with representatives of organized labor have taken place on the wellness proposal. There are outstanding questions on whether there are aspects of this proposal that should be bargained collectively. For that reason, any action on this subject will be postponed until after those negotiations can conclude later this month.

Gwen Rensch: In the March 21st minutes, they indicated that non-Medicare retirees would also be eligible for this program. That is no longer referenced.

Mary Fliss, HCA: Correct. After taking a closer look, our systems can accommodate those subscribers that are employees but not those that are paying on a tiered basis, or a basis that doesn't have an employer contribution associated with it. Political subdivisions that participate with the Health Care Authority on a voluntary basis, as well as those self-paying members both Medicare and non-Medicare, are certainly welcome to participate in all of the activities. They can choose a primary care physician, they can take a health assessment, and they can do the activities that are tied to these programs. However, the premium differential that is built into our account management and into our rating model doesn't accommodate that incentive as currently contemplated. Another distinguisher is that members in CDHP/HSA products won't have a premium incentive tied to it. It will be those products that have a wellness incentive program tied to them. Moving forward, we will continue to look at how to appropriately expand this program.

Greg Devereux: Greg appreciated Doug's comments. Greg does not want to preclude any outcome from labor negotiations. June 30th as a deadline may make the most sense, it may not in labor negotiations.

Health Care Trends

Richard Onizuka, Chief Executive Officer, Health Benefits Exchange: Richard provided a framework and a high level overview of the health care policy environment.

In the current market, national data from the Kaiser Family Foundation indicates Washington's historical medical trend is 7.3% and the national average is 6.5%. The annual percentage rate of 2.65% is where health care costs are driving concerns and issues for purchasers and consumers. Price Waterhouse Cooper's projection of a flat medical trend in 2013 is 7.5%. This has become the norm – 7.5% is almost three times the rate of inflation. This is the changing environment of health care – the piece that is not sustainable. As inflation creeps, health care spending is increasing at a faster rate than inflation. The total health spend is about \$45B in Washington State.

For every 1% reduction in medical spend, the corresponding number of that is in savings. Every 1% decrease in medical spend is \$450 million dollars less spent per year on health care. This is an indication of what can be done if we are able to flatten the health care trend down to something better than what flat is at 7.5%.

Quality of care impacts our system. The Agency for Health Care Quality, from the Institute of Medicine, indicates the average is about 100,000 avoidable deaths per year, about 275 people per day.

Health care has a big impact on the state budget. It's gone from about 1/5th of the state budget in 2000 to about 1/3rd of the current state budget. This will be a continual focus of the legislature and the Governor's office on how to control spending.

PEBB benefit redesigns are looking for innovations to control costs such as wellness, value-based benefit designs, and centers of excellence. Engagement of the fully-insured plans is going to be critical around trying to manage our health care costs for state employees. There is a large effort around payment reform, particularly around chronic care management, and activity from the health plans about payment methodologies. Technology and Health Information Exchange can do a lot towards providing innovations in health care. It provides information at the point of care. For care transitions and reducing readmissions or hospital admissions, getting information at the right place at the right time is critical. Health Information Exchange can assist these efforts

For price transparency and performance reporting, getting good data is critical. There is sufficient data in the systems, but it's not getting to the right places. The health plans have sufficient data that they are not sharing with providers. And the providers have data that they are not sharing with their consumers. The push over the next couple of years is to try to make sure that data gets to the right place so it can affect care.

Impacts of the Affordable Care Act are coverage of up to age 26 and the early retirement reinsurance program that have already been implemented. There will be a requirement for employers around standard benefit displays and auto enrollment. PEBB currently enrolls people automatically. They have to actively waive their coverage. Those are just some of the impacts on the Affordable Care Act. Most of the other impacts are the ones that will affect the exchanges and the Medicare Program, so the other ones are the market rules, market forces, and the market regulations that affect folks in the PEBB population.

The world will look very different in 2014. There are many more people getting health insurance through Medicaid or through the exchanges. Hopefully there will be exchanges in the states in 2014. That will change the landscape here in Washington. The question is will there be enough providers. What is going to happen to our market forces in terms of the work force around access to care? Access to coverage is very different than access to care. Everybody in 2014 will hopefully have access to coverage, but what that means for the actual care they are able to receive is a different question. Changing the way the system is reimbursed is important, however very difficult to do. Providers can drive innovation. In Washington, we have several large clinics, large multi-specialty clinics that can drive innovation because of the populations they serve.

For wellness, chronic care management, consumer engagement, and value-based benefit designs there is an opportunity for engaging consumers in their care. In terms of the wellness program, there is an opportunity to design benefits to be able to provide the incentives and rewards for consumers to be more engaged in their care.

Yvonne Tate: Can you share with us what your new role is?

Richard Onizuka: As authorized by the Affordable Care Act, the Health Benefit Exchanges, each state has an opportunity to do their own Health Benefit Exchanges or have the Feds do it for them. The Health Care Authority, with the Governor's support, set up their own exchange. The Health Care Authority was the incubator of that. It has now begun to separate as a public private entity. I have joined the Health Benefit Exchange as their first CEO.

Doug Porter, HCA: Doug agreed with Richard's comments on payment reform. He shared an example from Governor Gregoire. She's directing us to submit a proposal to the federal government, CMS, on changing how we pay clinics in this state. Doug met with federally qualified health clinics, as well as rural health centers, who speak convincingly of their interest in establishing, for example, a diabetes clinics and bringing in groups of patients in a support group setting and seeing them, eight people at a time, going over basic self-care and compliance regimens. They point out that Medicaid won't pay for that. We pay for an encounter, which is one individual, one-on-one, face-to-face encounter, very limited ability to use telemedicine, a payment system that is clearly not keeping up with best practices or available technology. So, we are going back to the Feds and make the case that we should provide more flexible reimbursements to clinics to allow them in turn more flexibility about how they can deliver better care and start monitoring outcomes instead of widgets or numbers of

office visits or numbers of prescriptions issued, etc. Doug believes that states like Washington will be marching down the road of innovation for how we reimburse providers. Doug also agrees with Richard when he says providers behave how they are paid to behave. If we can figure out how to pay them differently, then they will behave differently. A lot of promise there.

Procurement Brief

Lou McDermott, HCA and Elin Meyer, HCA: Lou and Elin discussed Dental, Life, and Long Term Disability procurement. There is no board action required. They also discussed the next steps in procurement.

Some of the dental premiums for 2013 will change. There is a 3.8% increase in premiums for the Uniform Dental Plan, no changes for Delta Care, and a 5.8% premium reduction in the Willamette premiums.

Long Term Disability is employer-paid for the basic and no change in premiums. There is also no change in the employee-paid supplemental.

Life Insurance has no change in the employer-paid premiums. There is no change in the premiums for the employee-paid supplemental or the retiree-paid basic.

Next steps: July 11th will have the medical procurement overview and resolution recommendations. On July 25th the PEB Board will vote on the procurement resolutions on medical, the active employee premiums, and the explicit employer Medicare contribution. This is subject to labor negotiations that take place in July.

The meeting was adjourned at 1:45 p.m.

The logo for the Washington State Health Care Authority. It features the text "Washington State Health Care Authority" in a dark blue, sans-serif font. The word "Authority" is significantly larger than the other words. A thick, dark red swoosh underline starts under the 'A' in "Authority", arches over the top of the word, and ends under the 'y'.

Washington State
Health Care Authority

Annual Rule Making

Mary Fliss and Barb Scott
PEB Division
July 11, 2012

Purpose of this briefing

- Information
 - ❖ Provide you with high-level information related to the scope of annual rule making

Scope of the Rule Making

- Implement Legislation
- Administration and Benefits Management
- Clarity
- Technical Corrections

Implement Legislation

- Washington Health Benefits Exchange
- Civil Marriage Legislation

Administration and Benefits Management

- Adopt Employer Group Participation Rules
 - ❖ Adopt rules related to:
 - The application process
 - Criteria used to evaluate the applications
 - Employer group participation requirements

Administration and Benefits Management

- Appeal Rules

- ❖ Include a provision to allow the PEBB Appeals Committee to extend the 30-day time requirement for a decision
- ❖ Agency to index administrative hearing decisions that are considered precedential

Clarity

- Surviving dependent eligibility
 - ❖ Rewritten for readability

- Special open enrollment rules
 - ❖ Allow enrollment if the employee or a dependent is eligible under another employer plan that has an annual open enrollment that doesn't align with the PEBB annual open enrollment
 - ❖ Allow enrollment when a dependent moves from outside US to the US

Technical Corrections

- ❖ Retiree rule - removed a provision that conflicted with pension eligibility
- ❖ Dependent enrollment rule – medical support enforcement order

Next Steps

- July 25: Board vote on wellness policy proposal
- August: Proposed amendments and new rules are published in the Washington State Register
- September: Conduct public hearing and adopt final rules
- January: Effective date of rules

Questions?

Mary Fliss, Deputy Assistant Director,
PEB Division

Mary.Fliss@HCA.WA.GOV

Tel: 360-725-0822

Barb Scott, Policy and Rules Manager,
PEB Division

Barbara.Scott@HCA.WA.GOV

Tel: 360-725-0830

Washington State
Health Care Authority

2013 PEBB
Procurement Brief and
Recommendations

July 11, 2012

Agenda

- I. Purchasing Goals
- II. 2013 Proposed Medical Benefit Plans
- III. 2013 Proposed Active, Non-Medicare, & Medicare Premiums
- IV. Next Steps

2013 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

2013 Proposed Medical Benefit Plans

2013 Plan Design Recommendations

- Uniform Medical Plan
 - UMP Classic: No Benefit Changes
 - UMP CDHP: No Benefit Changes
 - UMP Medicare: No Benefit Changes

- Group Health Cooperative
 - GHC Classic: \$150 Copayment Emergency Visit increased to \$250
 - GHC Value: \$200 Emergency Visit to \$300
 - GHC CDHP: No Benefit Changes
 - GHC Medicare: No Benefit Changes

- Kaiser Permanente
 - Kaiser Classic:
 - ✓ \$1,500 Out-of-Pocket Maximum Increased to \$2,000
 - ✓ \$150 Deductible Increased to \$250
 - ✓ DME and Ambulance subject to Deductible and Out-of-Pocket Maximum
 - Kaiser CDHP: No Benefit Changes
 - Kaiser Medicare: No Benefit Change

2013 Wellness Program*

- UMP, GHC, and Kaiser will administer a Wellness Program that rewards employee healthy behaviors by offering a 2014 Wellness Program Incentive.
- Subscriber must complete the following by June 30, 2013 to be eligible for the Incentive:
 - ✓ Complete the Plan's Health Assessment
 - ✓ Identify a Primary Care Provider
 - ✓ Complete the Plan's Wellness Activity Requirement
- Non-internet options will be administered by each Plan.
- 2014 Wellness Incentive currently valued at \$20 per month for qualified active employees.

* Subject to change prior to Board vote.

2013 Premium Overview

Active Employee Premiums With 2013 Recommended Benefit Changes

Product Line	Employee Contribution by Family Tier							
	2012 and Proposed 2013							
	CY 2012	CY 2013	CY 2012	CY 2013	CY 2012	CY 2013	CY 2012	CY 2013
	Employee	Employee	Employee & Spouse or Partner	Employee & Spouse or Partner	Employee & Child(ren)	Employee & Child(ren)	Full Family	Full Family
GHC Classic	\$ 101	\$ 115	\$ 212	\$ 240	\$ 177	\$ 201	\$ 288	\$ 326
GHC Value	\$ 52	\$ 66	\$ 114	\$ 142	\$ 91	\$ 116	\$ 153	\$ 192
GHC CDHP ¹	\$ 26	\$ 36	\$ 62	\$ 82	\$ 46	\$ 63	\$ 82	\$ 109
Kaiser Classic	\$ 89	\$ 98	\$ 188	\$ 206	\$ 156	\$ 172	\$ 255	\$ 280
Kaiser CDHP ¹	\$ 24	\$ 21	\$ 58	\$ 52	\$ 42	\$ 37	\$ 76	\$ 68
UMP	\$ 82	\$ 77	\$ 174	\$ 164	\$ 144	\$ 135	\$ 236	\$ 222
UMP CDHP ¹	\$ 27	\$ 22	\$ 64	\$ 54	\$ 47	\$ 39	\$ 84	\$ 71
Average % Employee Contribution of Required Premium								15%

¹Employer's Annual Contribution to Employee's CDHP Health Savings Account:

\$700 subscriber; \$1,400 subscriber + 1 or more; funding prorated monthly

Estimated Non-Medicare Retiree Premiums With Recommended Benefit Changes

Product Line	CY 2012	CY 2013	CY 2012	CY 2013	CY 2012	CY 2013	CY 2012	CY 2013
	Retiree	Retiree	Retiree & Spouse or Partner	Retiree & Spouse or Partner	Retiree & Child(ren)	Retiree & Child(ren)	Full Family	Full Family
GHC Classic	\$ 550	\$ 585	\$ 1,095	\$ 1,163	\$ 959	\$ 1,019	\$ 1,504	\$ 1,597
GHC Value	\$ 502	\$ 535	\$ 998	\$ 1,064	\$ 874	\$ 932	\$ 1,370	\$ 1,461
GHC CDHP ¹	\$ 483	\$ 514	\$ 957	\$ 1,018	\$ 853	\$ 907	\$ 1,269	\$ 1,353
Kaiser Classic	\$ 538	\$ 567	\$ 1,071	\$ 1,128	\$ 938	\$ 988	\$ 1,470	\$ 1,549
Kaiser CDHP ¹	\$ 481	\$ 499	\$ 954	\$ 988	\$ 850	\$ 881	\$ 1,264	\$ 1,312
Uniform Medical Plan	\$ 531	\$ 546	\$ 1,057	\$ 1,085	\$ 925	\$ 951	\$ 1,451	\$ 1,490
UMP CDHP ¹	\$ 485	\$ 500	\$ 961	\$ 990	\$ 857	\$ 882	\$ 1,275	\$ 1,314

¹Annual Contribution to CDHP Health Savings Account:

\$700 subscriber; \$1,400 subscriber + 1 or more; funding prorated monthly

Estimated Medicare Retiree Premium After \$150 Employer Contribution¹

<u>Plan²</u>	2012 Retiree Only Contribution	2013 Retiree Only Contribution ^{3f}
Group Health	\$ 131.86	\$ 142.22
Kaiser Classic	\$ 149.23	\$ 151.67
Uniform Medical Plan	\$ 213.87	\$ 219.24
Premera Med Supp F Retired	\$ 99.77	\$ 109.10
Premera Med Supp F Disabled	\$ 175.93	\$ 206.11

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

²No Medicare Benefit Changes.

³Group Health and Kaiser Medicare Advantage rates subject to federal review and approval.

NEXT STEPS

July 25: Call For Procurement Resolution Votes

- 2013 Medical Plan Benefits
- 2014 Wellness Incentive For Qualified Subscribers
- 2013 Active Employee Premiums
- 2013 Explicit Employer Medicare Contribution

PROPOSED

PEBB Meeting Schedule 2013

Health Care Authority
Cherry Street Plaza, Sue Crystal Conference Rooms A & B
626 8th Avenue SE
Olympia, WA 98501
1:00 p.m. – 3:00 p.m.

January 9, 2013 (Board Retreat)

March 20, 2013

April 17, 2013

May 22, 2013

June 26, 2013

July 10, 2013

July 17, 2013

July 24, 2013