



**Washington State  
Health Care Authority**

# **Public Employees Benefits Board**

**July 20, 2011 Meeting**



## **Public Employees Benefits Board Meeting**

**July 20, 2011**

**1:00 p.m. – 3:00 p.m.**

Health Care Authority  
Cherry Street Plaza  
Apple/Peach Rooms  
626 8<sup>th</sup> Avenue SE  
Olympia, WA

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# AGENDA

## Public Employees Benefits Board

**July 20, 2011**  
**1:00 p.m. – 3:00 p.m.**

Health Care Authority  
Cherry Street Plaza  
Apple/Peach Rooms  
626 8<sup>th</sup> Avenue SE  
Olympia, WA 98501

Conference call-dial in: 1-888-450-5996, Participant Passcode: 546026

<b>1:00 p.m.</b>	<b>Welcome and Introductions</b>	Doug Porter	
<b>1:05 p.m.</b>	<b>Approval July 13, 2011 Meeting Minutes</b>	Doug Porter	Action
<b>1:10 p.m.</b>	<b>Annual Rule Making Resolution With Public Comment</b>	Doug Porter	Action
<b>1:20 p.m.</b>	<b>Procurement Resolutions 1-10 With Public Comment</b>	Doug Porter	Action
<b>2:20 p.m.</b>	<b>2012 Proposed Meeting Schedule</b>	Nicole Oishi	Information
<b>2:30 p.m.</b>	<b>Adjourn</b>		

The Public Employees Benefits Board will meet July 20, 2011, at the Health Care Authority, Apple/Peach Rooms, 626 8<sup>th</sup> 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 e-mail to: [board@hca.wa.gov](mailto:board@hca.wa.gov)

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

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**PEB Board Members**

<b>Name</b>	<b>Representing</b>
Doug Porter, Administrator Health Care Authority 676 Woodland Square Loop SE PO Box 42700 Olympia WA 98504-2700 V 360-923-2829 portejd@dshs.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 <sup>th</sup> Avenue Southwest Federal Way WA 98023 V 253-839-9753 leeannwa@comcast.net	K-12 Retirees
Eva Santos, Director Department of Personnel PO Box 47500 Olympia WA 98504-7500 V 360-664-6350 evas@dop.wa.gov	Benefits Management/Cost Containment

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**PEB Board Members**

<b>Name</b>	<b>Representing</b>
Margaret T. Stanley 19437 Edgecliff Dr SW Seattle WA 98166 V 206-824-2228 mtstanley@comcast.net	Benefits Management/Cost Containment
Yvonne Tate Human Resources City of Bellevue PO Box 90012 Bellevue WA 98009-9012 V 425-452-4066 ytate@ci.bellevue.wa.us	Benefits Management/Cost Containment
Harry Bossi* 3707 Santis Loop SE Lacey WA 98503 V 360-689-9275 hbossi@comcast.net hbossi@spipa.org	Benefits Management/Cost Containment
<b>Legal Counsel</b> Melissa Burke-Cain, Assistant Attorney General 7141 Cleanwater Dr SW PO Box 40109 Olympia WA 98504-0109 V 360-586-6500 melissab@atg.wa.gov	

\*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](http://www.hca.wa.gov)

### 2011 Public Employee Benefits Board Meeting Schedule

The PEB Board meetings will be held at the Health Care Authority, The Sue Crystal Center Conference Room, 676 Woodland Square Loop S.E., Lacey, WA, unless otherwise noted below. The meetings begin at 1:00 p.m.

January 12, 2011 (board retreat)

February 16, 2011

March 16, 2011

April 20, 2011

May 18, 2011

June 15, 2011

July 6, 2011

July 20, 2011

If you are a person with a disability and need a special accommodation, please contact Shelley Buresh 360-923-2829.

Jason B. Siems  
Washington Health Care Authority  
Rules Coordinator

OFFICE OF THE CODE REVISER  
STATE OF WASHINGTON  
FILED

**DATE: December 02, 2010**

**TIME: 10:33 AM**

**WSR 11-01-005**

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**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.



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**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.

\*\* Draft \*\*  
Public Employees Benefits Board  
Meeting Minutes

July 13, 2011  
Health Care Authority, Apple/Peach Rooms  
Olympia, WA  
1:00 pm

**Members Present:**

Doug Porter  
Greg Devereux  
Phil Karlberg  
Gwen Rench  
Lee Ann Prielipp  
Yvonne Tate  
Harry Bossi  
Margaret Stanley  
Melissa Burke-Cain

**Members Absent:**

Eva Santos

**Call to Order**

Doug Porter, Chair, called the meeting to order at 1:00 pm. Sufficient members were present to allow a quorum. Audience and board self-introductions followed.

Approval of April 20, 2011 PEBB Meeting Minutes

It was moved, seconded, and carried to adopt the April 20 PEB Board meeting minutes. Minutes approved by unanimous vote.

**Financial Update**

Annette Meyer, HCA: Still calculating the impact to procurement on reserves. More work to be done. Hoping to have ready for the next PEB Board meeting, but can't guarantee it will be available since there have been changes. No significant negative impacts anticipated from this procurement.

The legislature passed the funding rate of \$850 per employee for FY12 and FY 13; retiree subsidy of \$150 for CY 2012 and CY 2013; and K-12 remittance of \$66.01 FY11-12 and \$67.91 for FY 12-13.

**Open Enrollment Update**

Renee Bourbeau, HCA: Ms. Bourbeau briefed the Board on last year's open enrollment. Several major changes occurred last year, with an effective date of January 1, 2011. Some of the changes are:

- National Health Care Reform laws required health plans to offer coverage for married and unmarried children up to age 26.
- The Affordable Care Act prohibits rescissions in certain circumstances regarding retro-terminations.

- Flexible Spending Account reimbursements for over-the-counter drugs now require a prescription from a provider.
- HCA also worked with agencies and HCA staff to implement an ongoing dependent verification process to verify eligibility before enrolling dependents in PEB coverage.
- Premera Plan F was created. Supplement Plans E and J were eliminated from the PEB portfolio with approximately 7,000 people with an average age of 79 being transferred to Plan F.

A communication effort was required to assist Aetna and Kaiser Value members through the elimination of these two plans. Aetna members who did not choose a plan were defaulted into UMP. PEB also supported the transition to UMP's new third party administrator, Regence BlueShield. For employees and non-Medicare retirees, there is continued growth of Group Health members in the Value Plan compared to the Classic Plan. For Group Health Medicare enrolled retirees, Group Health Classic Plan continues to have the majority of the enrollment.

#### **Annual Rule Making Policy Resolution**

Jason Siems, HCA: Mr. Siems provided a high-level overview of our intended annual rule making to review rules and determine what amendments, if any, are necessary. He also provided information on a policy proposal that we require a vote of the Board at the next Board meeting.

The HCA needs to implement federal regulation, PEB Board policy, and make technical corrections and clarifications.

There is a recommendation before the Board to modify WAC 182-08-197(1)(a) to specify the UMP Classic as the default medical plan for employees who do not select a plan. The current policy defaults the subscriber into the Uniform Medical Plan. The Board will vote on this policy proposal at the July 20<sup>th</sup> meeting.

In September, HCA will file proposed amendments and new rules. A public hearing will be held in October and rules will be adopted with a January 1, 2012 effective date. The Board will not be asked to take action on the rule language.

#### **PEBB Proposed Portfolio for 2012**

Nicole Oishi and Elin Meyer – HCA, Ben Diederich – Milliman: Nicole Oishi led the 2012 Procurement brief, including recommended benefit products, benefit designs, and premiums in consideration of the Board vote at the July 20, 2011 meeting.

<http://www.pebb.hca.wa.gov/documents/board/071311briefingbook.pdf>

Examples of the relative UMP Classic versus the UMP Consumer Directed Health Plan member costs were shared with the Board.

[http://www.pebb.hca.wa.gov/documents/board/071311handout\\_hsa\\_examples.pdf](http://www.pebb.hca.wa.gov/documents/board/071311handout_hsa_examples.pdf)

The Board was briefed that SecureHorizons would not be offered in 2012.

**Board Member Requests for Additional Information:**

- Premium differential between the 4.4 weighted average vs. the 12%-15% employee increase
- Evidence that Group Health’s proposed “Value-Based Benefit Design,” office visit, and high cost imaging copayment differentials result in more effective care

**Public Comment**

Nancy Ellison, Susan Burns, Lisa Jaenisch – UnitedHealthcare requested the Board reconsider the Health Care Authority’s decision to terminate its contract. They presented the Board with a proposal for consideration.

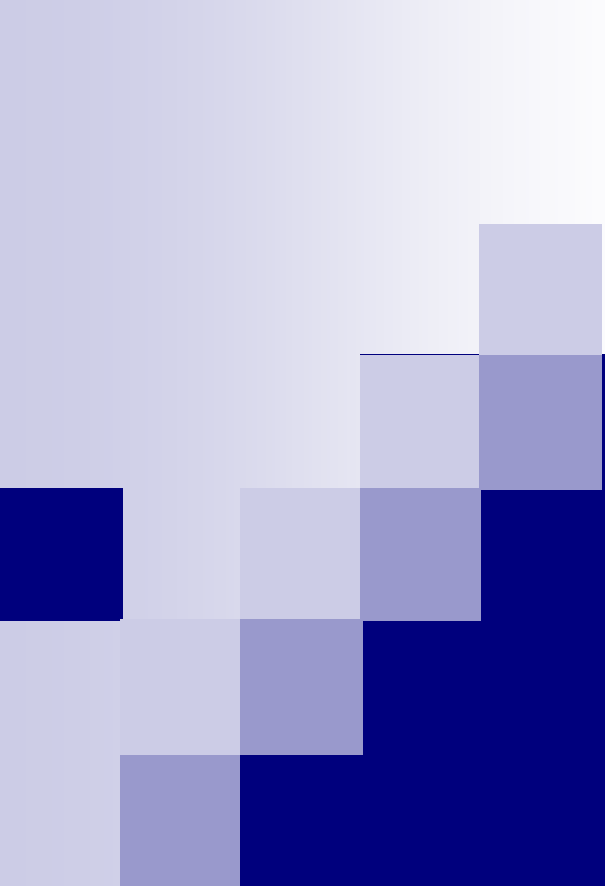
Next Board Meeting: July 20, 2011

The meeting was adjourned.

Respectfully submitted,

Doug Porter, Chair

DRAFT



# PEBB Annual Rule Making

July 20, 2011

## Purpose of this briefing

- Board Action: Vote on resolution of policy presented on July 13, 2011

## Policy resolution related to medical plan enrollment

- Employees who fail to choose a medical plan within the required timeline will, by default, be enrolled in UMP Classic.



## Next Steps

- **September** – File proposed amendments and new rules
  
- **October** – Conduct public hearing & adopt final rules
  
- **January** – Effective date of new and amended rules unless otherwise necessary

**PUBLIC EMPLOYEES BENEFITS BOARD**  
**July 20, 2011 Meeting**

**Resolution on policy that will take effect January 1, 2012**

1. **RESOLVED**, that employees who fail to choose a medical plan within the required timeline will, by default, be enrolled in UMP Classic.



**Washington State  
Health Care Authority**  
*Public Employees Benefits Board*

**Public Employees Benefits Board  
2012 Procurement  
July 20, 2011**

# 2012 Proposed Resolutions

1. Resolved that the PEB Board endorses the Uniform Medical Plan (UMP) Classic and Consumer Directed Health Plan (CDHP). [Slides 3 and 7]
2. Resolved that the PEB Board endorses the Group Health Classic (GHC), Value, and CDHP. [Slides 4, 5 , and 7]
3. Resolved that the PEB Board endorses the Kaiser Classic and CDHP. [Slide 6 and 7]
4. Resolved that the PEB Board endorses the UMP Medicare Plan. [Slide 8]
5. Resolved that the PEB Board endorses the GHC Medicare Plan. [Slide 9]
6. Resolved that the PEB Board endorses the Kaiser Medicare Plan. [Slide 10]
7. Resolved that the PEB Board endorses the UMP Classic and CDHP employee premiums. [Slide 11]
8. Resolved that the PEB Board endorses the GHC Classic, Value, and CDHP employee premiums. Slide 11]
9. Resolved that the PEB Board endorses the Kaiser Classic and CDHP employee premiums. [Slide 11]
10. Resolved that the PEB Board endorses the maximum \$150 Employer Medicare Contribution set forth in the legislative budget appropriation. [Slide 12]

# 2012 UMP Classic Non-Medicare Plan Design

	2011 UMP	2012 UMP
<b>Out-of-Pocket Maximum</b>	\$2000/\$4000	No Change
<b>Deductible<sup>1</sup></b>	\$250/\$750 Medical; \$100/\$300 Tier 2 & 3 drugs	
<b>Office Visit</b>	15%	
<b>Primary Care</b>		
<b>Urgent Care</b>		
<b>Specialist</b>		
<b>Mental Health</b>		
<b>Preventive Services</b>	\$0	
<b>Dialysis</b>	15%	
<b>Radiation &amp; Chemotherapy</b>	15%	
<b>Inpatient Hospital</b>	\$200/day; \$600 max/yr + 15%	
<b>Diagnostics</b>	15%	
<b>Prescription Drugs</b>	Retail: 10%/30%/50%	Retail and Mail 5%/10%/30%/50%
	Mail: \$10/\$50/\$100	
<b>Ambulance</b>	20%	No Change
<b>Emergency Room</b>	\$75 + 15% professional fees	

# 2012 Group Health Classic Non-Medicare Plan Design

	2011 GHC Classic	2012 GHC Classic
<b>Out-of-Pocket Maximum</b>	\$2000/\$6000	\$2000/\$4000
<b>Deductible<sup>1</sup></b>	\$250/\$750	No Change
<b>Office Visit</b>		
<b>Primary Care</b>	\$25	\$15
<b>Urgent Care</b>		\$15
<b>Specialist</b>		\$30
<b>Mental Health<sup>2</sup></b>		\$15
<b>Preventive Services</b>	\$0	No Change
<b>Dialysis</b>	\$25	\$30
<b>Radiation &amp; Chemotherapy</b>	\$0	\$30/\$15
<b>Inpatient Hospital</b>	\$200/day; \$600/yr	\$150 day; \$750/admit
<b>Ambulatory Surgical Center</b>	\$100	\$150
<b>Diagnostics</b>	\$0	MRI/ CT/PET Scans \$100
<b>Prescription Drugs</b>	Retail: \$20/\$40/\$60 Mail: \$40/\$80/\$120	Retail: \$5-Value/\$20/\$40/50% up to \$250 Mail: \$10-Value/\$40/\$80/50% up to \$750
<b>Ambulance</b>	\$75 ground; \$100 air	20%
<b>Emergency Room</b>	\$75	\$150

<sup>1</sup> Benefits may be subject to deductible and plan limitations

<sup>2</sup> \$15 copay also applies to Chem Dep, Hearing/Vision Exam, Diabetic Ed, Neuro Therapy, Acupuncture, Naturopathy, Spinal Manipulations, and OT/PT & ST

# 2012 Group Health Value Non-Medicare Plan Design

	2011 GHC Value	2012 GHC Value
<b>Out-of-Pocket Maximum</b>	\$2000/\$6000	\$2000/\$4000
<b>Deductible<sup>1</sup></b>	\$350/\$1050	No Change
<b>Office Visit</b>		
<b>Primary Care</b>	\$30	\$20
<b>Urgent Care</b>		\$20
<b>Specialist</b>		\$40
<b>Mental Health</b>		\$20
<b>Preventive Services</b>	\$0	No Change
<b>Dialysis</b>	\$25	\$40
<b>Radiation &amp; Chemotherapy</b>	\$0	\$40/\$20
<b>Inpatient Hospital</b>	\$300/day; \$900/yr	\$200/day; \$1000/admit
<b>Ambulatory Surgical Center</b>	\$100	\$200
<b>Diagnostics</b>	\$0	MRI/CT/PET \$100
<b>Prescription Drugs</b>	Retail: \$20/\$40/\$60 Mail: \$40/\$80/\$120	Retail: \$5-Value/\$20/\$40/50% up to \$250 Mail: \$10-Value/\$40/\$80/50% up to \$750
<b>Ambulance</b>	\$75 ground; \$100 air	20%
<b>Emergency Room</b>	\$75	\$200

<sup>1</sup> Benefits may be subject to deductible and plan limitations

<sup>2</sup> \$20 copay also applies to Chem Dep, Hearing/Vision Exam, Diabetic Ed, Neuro Therapy, Acupuncture, Naturopathy, Spinal Manipulations, and OT/PT & ST

# 2012 Kaiser Classic Non-Medicare Plan Design

	2011 Kaiser	2012 Kaiser
<b>Out-of-Pocket Maximum</b>	\$1500/\$3000	No Change
<b>Deductible<sup>1</sup></b>	\$0	\$150/\$450
<b>Office Visit</b>		
<b>Primary Care<sup>2</sup></b>	\$20	No Change
<b>Urgent Care</b>	\$40	
<b>Specialist<sup>3</sup></b>	\$30	
<b>Mental Health</b>	\$20	
<b>Preventive Services</b>	\$0	
<b>Dialysis</b>	\$0 home; \$30 outpatient	No Change
<b>Radiation &amp; Chemotherapy</b>	\$0	No Change
<b>Inpatient Hospital</b>	\$200/day; \$1000 max admit	15%
<b>Ambulatory Surgical Center</b>	\$100	15 %
<b>Diagnostics</b>	\$10	No Change
<b>Prescription Drugs</b>	Retail: \$15/\$30 Mail: \$30/\$60	No change
<b>Ambulance</b>	\$100	15%
<b>Emergency Room</b>	\$75	No change

<sup>1</sup> Benefits may be subject to deductible and plan limitations

<sup>2</sup> Includes Chem Dep Vision/Hearing Exam

<sup>3</sup> Includes Referred Spinal Manipulations & Alternative Care



# 2012 Consumer Directed Health Plans (CDHP)

	UMP <sup>1</sup>	Group Health		Kaiser
		Network	Extended Network	
<b>Coinsurance/Copayment Maximum</b>	\$2800/\$5600	\$3700/\$7400		\$2800/\$5600
<b>Deductible<sup>1</sup></b>	\$1400/\$2800	\$1400/\$2800	\$1400/\$2800	\$1400/\$2800
<b>Total Out-of-Pocket Maximum</b>	\$4200/\$8400	\$5100/\$10,200		\$4200/\$8400
<b>Coinsurance<sup>2</sup></b>	15%	10%	30%	15%
<b>Preventive Services</b>	\$0	\$0	\$0	\$0
<b>Office Visits</b>	15%	10%	30%	PCP/Vision/Hearing/ Chem Dep/Mental Health \$20; Injection \$10; Specialty \$30; Urgent Care \$40
<b>Prescription Drugs Retail</b>	15%	\$5-Value/\$20/\$40/ 50% up to \$250	\$5-Value/\$20/ \$40/50% up to \$250	\$15/\$30
<b>Mail</b>	15%	\$10-Value/\$40/\$80/ 50% up to \$750	Not Available	\$30/\$60
<b>Diagnostics</b>	15%	10%:	30%:	15%
<b>Emergency Room</b>	15%	10%	30%	15%

<sup>1</sup> Benefits may be subject to deductible and plan limitations

<sup>2</sup> Kaiser: DME 20%, TMJ \$30 + 50%; GHC TMJ 50%

**Employer's Annual Contribution to Employee's CDHP Health Savings Account:  
\$700 subscriber; \$1400 subscriber + 1 or more; funding prorated monthly**

# 2012 UMP Medicare Plan Design

	2011 UMP Medicare	2012 UMP Medicare
<b>Out-of-Pocket Maximum</b>	\$2000	\$2500
<b>Deductible</b>	\$250 Medical; \$100 Rx	No Change
<b>Office Visit</b>		
<b>Primary Care</b>	15%	No Change
<b>Urgent Care</b>		
<b>Specialist</b>		
<b>Mental Health</b>		
<b>Preventive Services</b>	\$0	
<b>Dialysis</b>	15%	
<b>Inpatient Hospital</b>	\$200/day; \$600 max/yr + 15%	\$200/day; \$600/admit + 15%
<b>Diagnostics</b>	15%	No Change
<b>Prescription Drugs</b>	Retail: 10%/30%/50%	Retail and Mail 5%/10%/30%/50%
	Mail: \$10/\$50/\$100	
<b>Radiation &amp; Chemotherapy</b>	15%	
<b>Ambulance</b>	20%	No Change
<b>Emergency Room</b>	\$75 + 15% professional fees	

# 2012 Group Health Medicare Advantage (MA) Plan Design<sup>1</sup>

	2011 GHC MA Classic	2011 GHC MA Value	2012 GHC MA
<b>Out-of-Pocket Maximum</b>	\$750	\$1000	\$2500
<b>Deductible</b>	\$0	\$0	No Change
<b>Primary Care Visits</b>	\$10	\$20	\$20
<b>Urgent Care Visits</b>			
<b>Specialist Visits</b>			
<b>Mental Health Visits</b>			
<b>Preventive Services</b>	\$0	\$0	No Change
<b>Dialysis</b>	\$0	\$0	No Change
<b>Inpatient Hospital</b>	\$100/day; \$600 yr	\$200 for 1 <sup>st</sup> 5 days	\$200 for 1 <sup>st</sup> 5 days
<b>Ambulatory Surgical Center</b>	\$100	\$200	\$200
<b>Diagnostics</b>	\$0	\$0	No Change
<b>Prescription Drugs</b>	Retail: \$10/\$30	Retail: \$10/\$30	Retail: \$20/\$40/50% up to \$250
	Mail: \$20/\$40	Mail: \$20/\$60	Mail: \$40/\$80/50% up to \$750
<b>Radiation &amp; Chemotherapy</b>	\$0	\$0	No Change
<b>Ambulance</b>	\$75	\$150	\$150
<b>Emergency Room</b>	\$50	\$50	\$65

<sup>1</sup>GHC Classic Non-Medicare Benefit Design coordinates with Medicare for members outside the GHC MA Service Area

# 2012 Kaiser Permanente Medicare Advantage Plan Design

	2011 Kaiser Classic	2012 Kaiser Classic
<b>Out-of-Pocket Maximum</b>	\$600	\$1500
<b>Deductible</b>	\$0	No Change
<b>Primary Care Visits Vision/Hearing Exams</b>	\$20	\$30
<b>Urgent Care Visits</b>		\$35
<b>Specialist Visits</b>		\$30
<b>Mental Health Visits</b>		\$30
<b>Preventive Services</b>	\$0	No Change
<b>Dialysis</b>	\$0	No Change
<b>Inpatient Hospital</b>	\$0	\$500/Admit
<b>Diagnostics</b>	\$0	No Change
<b>Prescription Drugs Retail</b>	\$10/\$25	\$20/\$40
<b>Mail Order</b>	\$20/\$50	\$40/\$80
<b>Radiation &amp; Chemotherapy</b>	\$0	No Change
<b>Ambulance</b>	\$50	
<b>Emergency Room</b>	\$50	

Benefits may be subject to plan limitations

# Active Employee Contributions

Product Line	Employee Contribution by Family Tier							
	2011 and Proposed 2012							
	CY 2011	CY 2012	CY 2011	CY 2012	CY 2011	CY 2012	CY 2011	CY 2012
	Employee	Employee	Employee & Spouse or Partner	Employee & Spouse or Partner	Employee & Child(ren)	Employee & Child(ren)	Full Family	Full Family
GHC Classic	\$71	\$100	\$152	\$210	\$124	\$175	\$205	\$285
GHC Value	\$30	\$53	\$70	\$116	\$53	\$93	\$93	\$156
GHC CDHP <sup>1</sup>	N/A	\$27	N/A	\$64	N/A	\$47	N/A	\$84
Kaiser Classic	\$105	\$90	\$220	\$190	\$184	\$158	\$299	\$258
Kaiser CDHP <sup>1</sup>	N/A	\$25	N/A	\$60	N/A	\$44	N/A	\$79
UMP Classic	\$60	\$83	\$130	\$176	\$105	\$145	\$175	\$238
UMP CDHP <sup>1</sup>	N/A	\$28	N/A	\$66	N/A	\$49	N/A	\$87
Average % Employee Contribution of Required Premium								<b>15%</b>

<sup>1</sup> Employer's Annual Contribution to Employee's CDHP Health Savings Account:

\$700 subscriber; \$1400 subscriber + 1 or more; funding prorated monthly

## Estimated Medicare Retiree Premium After \$150 Employer Contribution<sup>1</sup>

Plan <sup>2</sup>	2011 Retiree Only Contribution	2012 Retiree Only Contribution <sup>3</sup>
Group Health	\$137.51	\$130.39
Kaiser Classic	\$183.42	\$149.23
Uniform Medical Plan	\$194.13	\$213.87
Premera Med Supp F Retired	\$93.15	\$99.77
Premera Med Supp F Disabled	\$153.98	\$175.93

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

<sup>2</sup> Secure Horizons will not be available in 2012. Members who do not choose an alternative plan during open enrollment will default to UMP.

<sup>3</sup> Group Health and Kaiser Medicare Advantage rates subject to federal review and approval.

## Proposed PEBB Meeting Schedule 2012

Board meetings 1:00 p.m. – 3:00 p.m.

### Proposed dates:

October 19, 2011

January 11, 2012            Retreat

March 21, 2012

April 18, 2012

May 23, 2012

June 27, 2012

July 11, 2012

July 18, 2012

July 25, 2012

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