



Washington State Health Care Authority
Public Employees Benefits Board

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TO: Personnel, Payroll, and Insurance Offices of All State Agencies

FROM: Megan Atkinson, Financial Analysis and Budget Manager
Finance and Budget Office

SUBJECT: Fiscal Year 2006 PEBB Program Rates - Composite

Starting July 1, 2005 (FY06), the employer-funding rate is \$663.00 per active employee per month, as established by Engrossed Substitute Senate Bill 6090 PL of the 2005 operating budget. This rate covers health benefits under the Public Employees Benefits Board (PEBB) program.

COBRA and self-pay rates will remain the same until January 1, 2006, when the new plan year begins. You will receive revised rates for these members before open enrollment this fall.

Changes for fiscal year 2007

We've received several questions about what the final legislative 2005-07 operating budget provides for represented and non-represented employees' health benefits. The bottom line is, **all employees will have the same health benefits and employee cost sharing**—regardless of whether they are represented by a collective bargaining unit.

Starting July 1, 2006 (FY07), agencies will pay a higher employer-funding rate for its represented employees than its non-represented employees. (These amounts are appropriated in each agency's budget.) Payments from the agencies make up part of the revenue in the insurance account. However, **the account will spend the same amount** for represented and non-represented employees' health benefits. Monthly premiums paid by both groups of employees will also be the same.

In fact, Section 920 of the budget bill prohibits the PEBB from treating the two groups of state employees differently. It states, "...During the 2005-2007 fiscal biennium, the board may only authorize premium contributions for an employee and the employee's dependents that are the same, regardless of an employee's status as represented or non-represented by a collective bargaining unit under the personnel system reform act of 2002."

Hope this helps allay some concerns. If you have questions, please contact Sandra Lakey at 360-412-4201 or slak107@hca.wa.gov.

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