



Washington State Health Care Authority
Public Employees Benefits Board

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August 12, 2013

TO: Personnel, Payroll, and Insurance Offices of Employer Groups
(Political Subdivisions)

FROM: Amy Corrigan, Manager
PEBB Outreach & Training Team

SUBJECT: Calendar Year 2014 Program Rates – Composite

The total premium due from your agency will increase effective January 1, 2014.

The base rate of \$782, the majority of the basis for the composite rates, will remain unchanged until July 1, 2014. However, total monthly premiums will change due to new contracts with the health plans.

Medical/Dental

The new contribution schedule is attached. Employer Groups have the option to determine how much of the total premium employees are required to pay. Open enrollment will run November 1 – November 30, 2013. In early October, employees will receive the *For Your Benefit* newsletter with open enrollment information. This newsletter is the only notice we send employees about open enrollment. Details will also be available on the PEBB website at www.hca.wa.gov/pebb before the start of open enrollment. Employees who make a health plan change online during open enrollment will not see a premium rate. Instead, a pop-up box will prompt them to contact their personnel or payroll office for premium information. To support their decisions, you may want to distribute information regarding how much your employees are expected to pay in 2014 for monthly premiums before open enrollment so they can have it available when making a plan selection.

Premium Surcharges

The biennial budget approved by Legislature will require some members to pay premium surcharges beginning July 1, 2014. The tobacco surcharge will be a flat \$25 per month fee, regardless of the number of tobacco users in the family. The spouse/partner surcharge will be a \$50 per month fee for subscribers who cover a spouse or state-registered domestic partner in PEBB health insurance where the spouse or domestic partner has chosen not to enroll in their own employer-sponsored health insurance. We are currently working on how these changes will be implemented and will share more information with you in the upcoming months.

Life and LTD Insurance

Employee optional life and long-term disability (LTD) insurance rates will remain the same for 2014. The rate schedule for life and LTD insurance is also attached.

Additional Taxable Income for Non-Tax Qualified Dependents

If you have an IRS Section 125 Plan that allows employee premium dollars to be treated as a pre-tax deduction, a portion of the premium employers pay toward the family's coverage is considered taxable income to the employee if the employee has dependents enrolled who do not qualify as an IRS tax dependent. To assist you, we have included examples of how the state calculates these amounts for state agency personnel [Tables 1-7]. These tables should only be used as a template in developing calculations that are based on your employer contribution rate.

If you have questions about these rates, please contact me at 360-725-0826, or amy.corrigan@hca.wa.gov.

Enclosures

c: Kim Grindrod

**Composite Active Rates for Employer Groups
(for 01/01/14 through 06/30/14 only)**

2014 PEBB Bid Rates
HCA Financial Services

	01/01/14 through 06/30/14			
	Total Premium			
Plan Name	Subscriber	Subscriber and Spouse	Subscriber and Child(ren)	Full Family
Group Health Classic	\$ 899.00	\$ 1,026.00	\$ 987.00	\$ 1,114.00
Group Health Value	\$ 847.00	\$ 922.00	\$ 896.00	\$ 971.00
Group Health CDHP	\$ 803.00	\$ 834.00	\$ 819.00	\$ 850.00
Kaiser Permanente Classic	\$ 898.00	\$ 1,024.00	\$ 985.00	\$ 1,111.00
Kaiser CDHP	\$ 805.00	\$ 838.00	\$ 822.00	\$ 855.00
Uniform Medical Plan Classic	\$ 861.00	\$ 950.00	\$ 920.00	\$ 1,009.00
Uniform Medical Plan CDHP	\$ 807.00	\$ 842.00	\$ 826.00	\$ 861.00
Effective 7/1/2014: The following surcharges will be applied to some employees				
Tobacco Use Surcharge	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
Spouse Surcharge		\$ 50.00		\$ 50.00

PEBB Life and AD&D Rates Paid to Plan and Charged to Subscribers

Final PEBB 2014 Rates

HCA Finance and Administration

Employee Basic*	Monthly Cost:	\$ 4.08
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Pub No.

Retiree	Monthly Cost:	\$ 6.57
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51-275R, 51-403F, 51-516, 51-205, 51-575

Spouse/Child Basic	Monthly Cost:	\$ 0.50
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50-100

Employee/Spouse Supplemental		
Monthly Cost for Each \$1,000 of Coverage (Available in \$10,000 increments)		
Age	Non-Smoker	Smoker
<25	\$ 0.024	\$0.031
25-29	\$ 0.026	\$0.037
30-34	\$ 0.029	\$0.049
35-39	\$ 0.036	\$0.056
40-44	\$ 0.054	\$0.063
45-49	\$ 0.078	\$0.095
50-54	\$ 0.122	\$0.145
55-59	\$ 0.228	\$0.270
60-64	\$ 0.350	\$0.411
65-69	\$ 0.646	\$0.792
70+	\$ 0.964	\$1.287

50-100

Supplemental AD&D:				Pub No.			
Rate per Thousand \$		\$ 0.008	\$ 0.012	50-100			
Employee Coverage		Employee Only Cost	Employee & Dependent(s) Cost	Spouse Coverage		Per Child Coverage	
				No Children	With Children	With Spouse	No Spouse
\$ 25,000	\$	0.20	\$ 0.30	\$ 12,500	\$ 10,000	\$ 1,250	\$ 2,500
\$ 50,000	\$	0.40	\$ 0.60	\$ 25,000	\$ 20,000	\$ 2,500	\$ 5,000
\$ 75,000	\$	0.60	\$ 0.90	\$ 37,500	\$ 30,000	\$ 3,750	\$ 7,500
\$ 100,000	\$	0.80	\$ 1.20	\$ 50,000	\$ 40,000	\$ 5,000	\$ 10,000
\$ 125,000	\$	1.00	\$ 1.50	\$ 62,500	\$ 50,000	\$ 6,250	\$ 12,500
\$ 150,000	\$	1.20	\$ 1.80	\$ 75,000	\$ 60,000	\$ 7,500	\$ 15,000
\$ 175,000	\$	1.40	\$ 2.10	\$ 87,500	\$ 70,000	\$ 8,750	\$ 17,500
\$ 200,000	\$	1.60	\$ 2.40	\$ 100,000	\$ 80,000	\$ 10,000	\$ 20,000
\$ 225,000	\$	1.80	\$ 2.70	\$ 112,500	\$ 90,000	\$ 11,250	\$ 22,500
\$ 250,000	\$	2.00	\$ 3.00	\$ 125,000	\$ 100,000	\$ 12,500	\$ 25,000

* Represents premium paid to Plan

For State Actives, Plan A Basic coverage is paid by the employer.

For Actives from Employer Groups, ESDs, and K-12 Districts Accepting the Full Benefits Package, the premium for Plan A Basic coverage is included in the rates for the selected medical plan.

Coverage is not provided to Actives from K-12 Districts Accepting Medical Only Package.

PEBB LONG TERM DISABILITY PLAN

Rates Paid to Plan and Charged to Subscribers

Final PEBB 2014 Rates

HCA Finance and Administration

Pub No.

Basic Plan for Actives	Monthly Cost*:	\$	2.00
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Optional Plan	TIAA/CREF or Higher Education Academic Retirement Plan Employees	TRS, PERS, & other Retirement Plan Employees
Waiting Period		
30 days	1.86%	1.47%
60 days	0.95%	0.78%
90 days	0.52%	0.43%
120 days	0.30%	0.26%
180 days	0.23%	0.20%
240 days	0.22%	0.20%
300 days	0.20%	0.18%
360 days	0.20%	0.17%

50-100

* Represents premium paid to plan only.

For State Actives, Basic Plan coverage is funded by the state.

PEBB Program for 2014**Additional Taxable Income for Non-Tax Qualified Dependents****Table 1: Employer Share Medical and Dental**

2014 Monthly State Premium Contribution for Medical and Dental for Active Employees
 Additional Taxable Income for Non-Tax Qualified Dependent Coverage

MEDICAL AND DENTAL PLAN	Partner*	Subscriber's or Partner's Child(ren)*	Partner and Child(ren)*
All Medical Plans	\$ 501	\$ 395	\$ 896

Table 2: Employer Share Dental Only

Sample chart for dental only enrollment-taxable amount for dependents

DENTAL PLAN	Partner*	Subscriber's or Partner's Child(ren)*	Partner and Child(ren)*
All Dental Plans	\$ 45	\$ 45	\$ 90

2013 Monthly State Contribution for Medicare Retirees (monthly state subsidy)****Additional taxable income for non-tax qualified domestic partners**

GHC Medicare Only	\$ 131
Kaiser Classic	\$ 147
Uniform Medical Plan PPO	\$ 150
Plan F Retired	\$ 100
Plan F Disabled	\$ 150

*Premiums displayed are rounded to the nearest dollar, consistent with IRS tax reporting

**Retiree subsidy is limited to 50% of the total premium paid to the health plan by state law

Pub No. 50-704

**State and Higher Education Active Employee Monthly Contributions (Deductions)
For Non-Tax Qualified Dependents
Final 2014 PEBB Rates-HCA Finance and Administration**

Table 3: Total Monthly Employee Contribution Owed for All Coverage (Pre-tax and post-tax combined)

Plan Name	Subscriber	Subscriber and Spouse	Subscriber and Child(ren)	Full Family
Group Health Classic	\$ 117	\$ 244	\$ 205	\$ 332
Group Health Value	\$ 65	\$ 140	\$ 114	\$ 189
Group Health CDHP	\$ 21	\$ 52	\$ 37	\$ 68
Kaiser Permanente Classic	\$ 116	\$ 242	\$ 203	\$ 329
Kaiser CDHP	\$ 23	\$ 56	\$ 40	\$ 73
Uniform Medical Plan PPO	\$ 79	\$ 168	\$ 138	\$ 227
Uniform Medical Plan PPO CDHP	\$ 25	\$ 60	\$ 44	\$ 79

Table 4: Post-Tax Partner Share for "Subscriber and Spouse" Tier

Plan Name	Subscriber and Spouse	Subscriber	Partner
Group Health Classic	\$ 244	\$ 117	\$ 127
Group Health Value	\$ 140	\$ 65	\$ 75
Group Health CDHP	\$ 52	\$ 21	\$ 31
Kaiser Permanente Classic	\$ 242	\$ 116	\$ 126
Kaiser CDHP	\$ 56	\$ 23	\$ 33
Uniform Medical Plan PPO	\$ 168	\$ 79	\$ 89
Uniform Medical Plan PPO CDHP	\$ 60	\$ 25	\$ 35

Table 6: Post Tax Partner and Child(ren) Share for "Full Family" Tier

Plan Name	Full Family	Subscriber	Partner and Child(ren)
Group Health Classic	\$ 332	\$ 117	\$ 215
Group Health Value	\$ 189	\$ 65	\$ 124
Group Health CDHP	\$ 68	\$ 21	\$ 47
Kaiser Permanente Classic	\$ 329	\$ 116	\$ 213
Kaiser CDHP	\$ 73	\$ 23	\$ 50
Uniform Medical Plan PPO	\$ 227	\$ 79	\$ 148
Uniform Medical Plan PPO CDHP	\$ 79	\$ 25	\$ 54

Table 5: Post Tax Partner Share for "Full Family" Tier

Plan Name	Full Family	Subscriber and Child(ren)	Partner
Group Health Classic	\$ 332	\$ 205	\$ 127
Group Health Value	\$ 189	\$ 114	\$ 75
Group Health CDHP	\$ 68	\$ 37	\$ 31
Kaiser Permanente Classic	\$ 329	\$ 203	\$ 126
Kaiser CDHP	\$ 73	\$ 40	\$ 33
Uniform Medical Plan PPO	\$ 227	\$ 138	\$ 89
Uniform Medical Plan PPO CDHP	\$ 79	\$ 44	\$ 35

Table 7: Post Tax Partner's Child(ren) Share for "Subscriber and Child(ren)" Tier

Plan Name	Subscriber and Child(ren)	Subscriber	Partner's Children
Group Health Classic	\$ 205	\$ 117	\$ 88
Group Health Value	\$ 114	\$ 65	\$ 49
Group Health CDHP	\$ 37	\$ 21	\$ 16
Kaiser Permanente Classic	\$ 203	\$ 116	\$ 87
Kaiser CDHP	\$ 40	\$ 23	\$ 17
Uniform Medical Plan PPO	\$ 138	\$ 79	\$ 59
Uniform Medical Plan PPO CDHP	\$ 44	\$ 25	\$ 19

Note: Surcharges applied to an employee's account are to be considered pre-tax.