



**Washington State
Health Care Authority**

Public Employees Benefits Board

July 13, 2011 Meeting



Public Employees Benefits Board Meeting

July 13, 2011

1:00 p.m. – 3:00 p.m.

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

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AGENDA

Public Employees Benefits Board

July 13, 2011
1:00 p.m. – 3:00 p.m.

Health Care Authority
Cherry Street Plaza
Apple/Peach Rooms
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 April 20, 2011 Meeting Minutes	Doug Porter	Action
1:10 p.m.	Finance Update	Annette Meyer	Information
1:20 p.m.	Open Enrollment Update	Renee Bourbeau	Information
1:30 p.m.	Annual Rule Making Policy Resolution	Jason Siems	Information
1:40 p.m.	PEBB Proposed Portfolio for 2012	Nicole Oishi/Elin Meyer	Information
2:45 p.m.	Public Comment		
3:00 p.m.	Adjourn		

The Public Employees Benefits Board will meet July 13, 2011, at the Health Care Authority, Apple/Peach Rooms, 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 e-mail to: board@hca.wa.gov

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

PEB Board Members

Name	Representing
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 th 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



PEB Board Members

Name	Representing
Margaret T. Stanley 19437 Edgecliff Dr SW Seattle WA 98166 V 206-484-9411 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
Legal Counsel 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**

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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

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.

**** Draft ****

Public Employees Benefits Board
Meeting Minutes

April 20, 2011
Health Care Authority, Sue Crystal Center
Lacey, WA
1:00 pm

Members Present:

Doug Porter
Greg Devereux
Phil Karlberg – via phone
Gwen Rench
Lee Ann Prielipp
Eva Santos
Yvonne Tate
Harry Bossi
Margaret Stanley
Dory Jaffee, on behalf of Melissa Burke-Cain

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 March 16, 2011, PEBB Meeting Minutes

It was moved, seconded, and carried to adopt the March 16 PEB Board meeting minutes.

March Projection Update

Annette Meyer, HCA, said she had the same news from the last meeting. No new projections for March. To date, the two proposed legislative budgets have not changed the PEBB funding or any of the Collective Bargaining Agreement money. Currently heading into our procurement activities for 2012, which includes rate development, plan design, bid rate, etc. The goal is to have the initial results to the Board by mid to late June, and finalized mid to late July.

PEBB Medicare Redesign

Mary Fliss, HCA and Ben Diederich, Milliman gave an overview of work since the Board Retreat, the process used in creating the redesign products, assumptions made, and the redesigned products.

Efforts were focused on designing the products offered through the core vendors. The “core vendors” are those carriers who offer an active product. The goal was to rebalance the point-of-service cost-sharing and premium cost.

Assumptions and limitations:

1. We anticipate a 7.5% annual trend
2. The explicit Medicare subsidy will be reduced from about \$183 in CY 2011 to \$150.00 per – eligible - enrollee in CY 2012.

3. The application of the subsidy to each plan continues to be limited to no more than 50% of each plan's premium bid rate. It does not include the self-pay administrative fee charged by the HCA.
4. The actual procurement is not scheduled to begin until the middle of May, at which point all of the managed care plans will submit final bids for HCA's consideration.
5. Centers for Medicare and Medicaid Services (CMS) must approve the plans and rates of the Medicare Advantage plans.

Redesign proposals:

Group Health: Continue to offer a GH product in those counties where GH has medical coverage for active members. This includes those counties where GH does not have a Medicare Advantage plan. Recommend aligning pharmacy copayment with the active plan and consolidate the Classic and the Value Plan. The anticipated retiree increase will be about 3.1% in monthly premium contributions.

Kaiser: Continue to offer one Kaiser Medicare Advantage product. Without any changes, this would lead to a 29.3% increase in monthly retiree premium contributions. Three changes are proposed: 1. Aligning pharmacy copayment with the active plan, 2. Raising office visit copayment, and 3. Changing hospital inpatient and out-of-pocket max. The anticipated retiree monthly premium contributions would be a 4.7% decrease.

UMP: UMP has the majority of PEB Medicare with 38,000 members. UMP Medicare premium rates are based on previous years' experience. Two actions in 2011 will revise 2010 experience base. They were the elimination of COB savings checks and the alignment of pharmacy changes helping to bring the retiree premium increase down to 9.9%. A benefit change in 2012 is to increase the hospital inpatient copayment. With proposed changes, 2012 member premiums will increase by 6.9%. Without these changes, the increase is anticipated to be 31.3%

UMP's competitiveness with the advantage plans was discussed. UMP's formulary is more inclusive than Medicare advantaged plans. Based on Lee Ann Prielipp's discussions with retirees, they prefer to keep the extra benefits and richer formulary to better meet their needs.

Next steps: 1. Begin procurement and update this work. 2010 experience is the base for 2012 rate development. 2. Work with vendors to modify systems and determine the detailed work that is required. 3. Prepare for implementation with HCA systems, and create changes for plan redesign and open enrollment in fall.

Public Comment

Mariella Cummings, Chairman of the Board, Puget Sound Health Partners, which offers Medicare Advantage insurance products to individual Medicare beneficiaries and

CEO of Physicians of SW Washington. Concerned the proposals continue to offer no expansion in the choice of health plan alternatives available in 2012 and going forward. There are an increasing number of retirees that struggle with premiums and the ability to find a physician willing to take care of them. PSHP has previously submitted proposals to do a pilot program to work on reducing the costs and improving benefit choices for Medicare retirees. She is asking the Board to encourage the HCA to look at pilots or new models for coverage; to consider the overall health care environment. The PSHP would like to work together to solve access to and the quality of care. Committed to working with the Board in moving forward.

Next Board Meeting: May 18, 2011

The meeting was adjourned.

Respectfully submitted,

Doug Porter, Chair

DRAFT

Materials to be distributed at meeting.



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

2011 Open Enrollment Summary

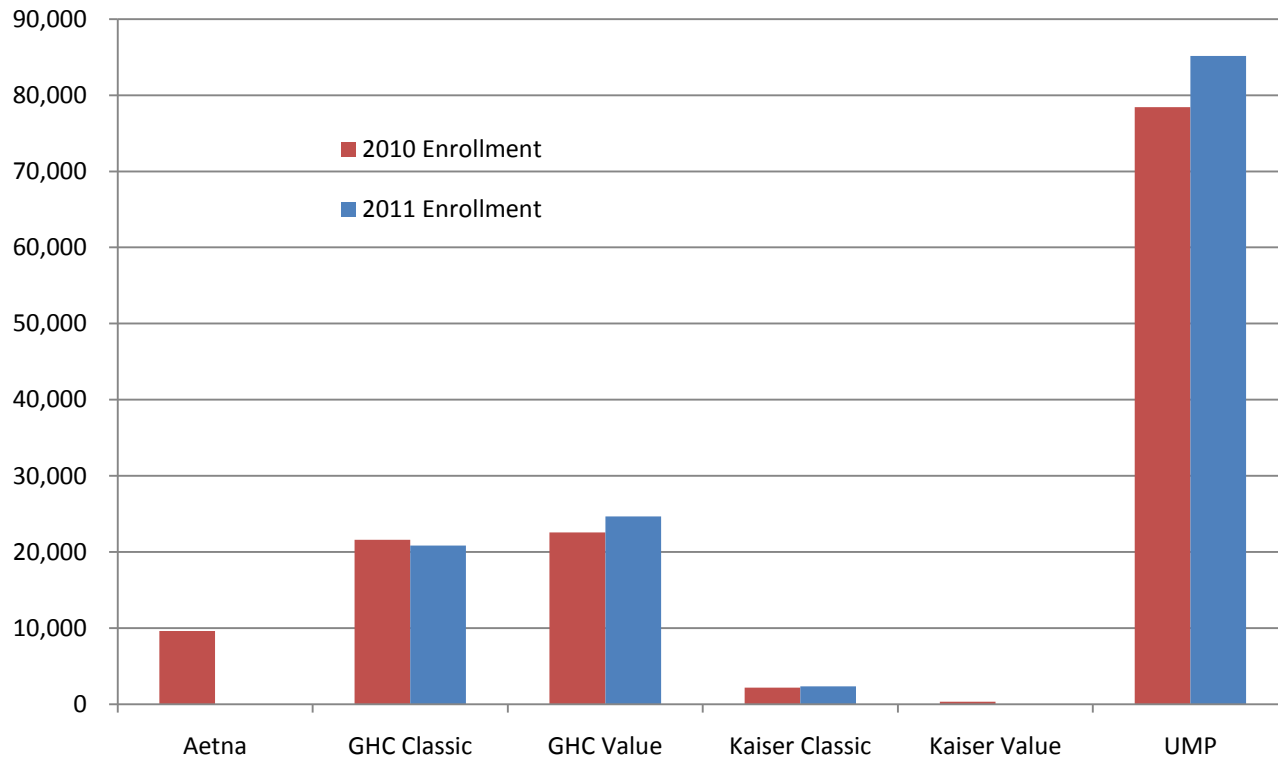
Renee Bourbeau

July 13, 2011

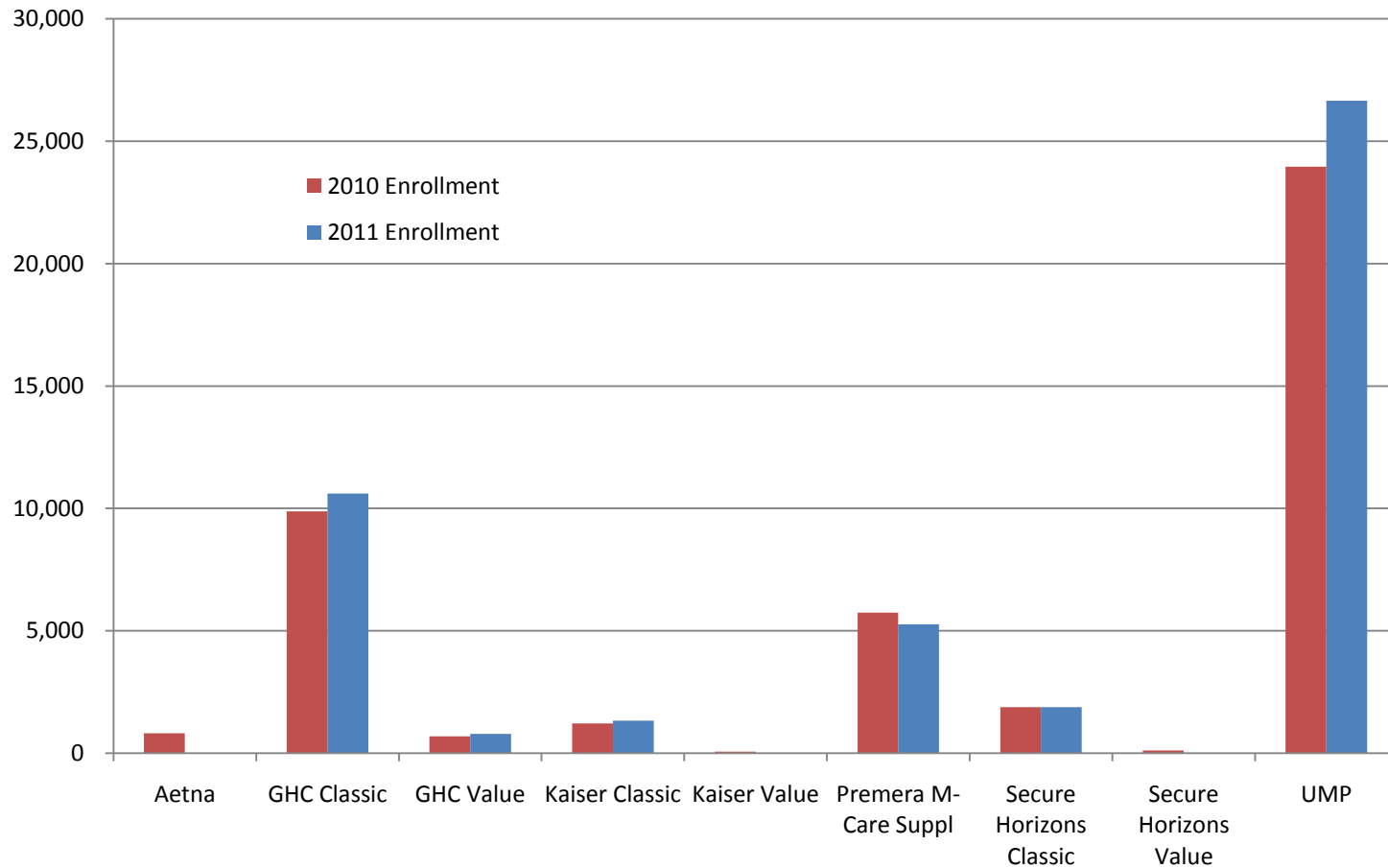
Open Enrollment Initiatives

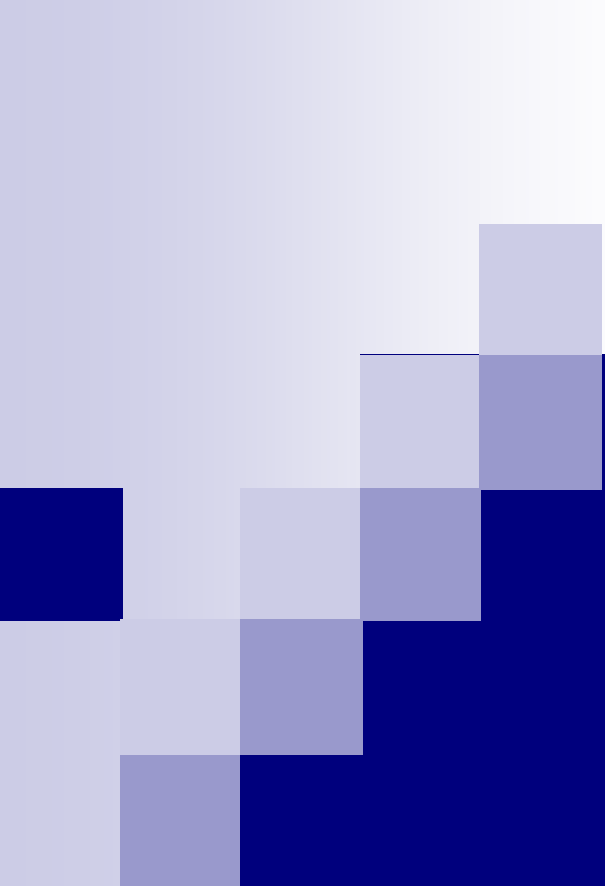
- National Healthcare Reform
 - Age 26 dependent coverage
 - Retro-termination processes
 - Medical Flexible Spending Account changes
- Dependent Verification – Phase 2
- New Premera Medicare Supplement Plan F and elimination of Plan E and Plan J
- Transition of Self-insured Products

Employees and non-Medicare Retirees (Jan. 2010 and 2011 subscriber counts)



Medicare-enrolled Retirees (Jan. 2010 and 2011 subscriber counts)





PEBB Annual Rule Making

July 13, 2011
Jason Siems

Purpose of this briefing

■ Information

- Provide you with high-level information related to the annual rule making (the scope).
- Inform you about a policy proposal on which we will ask you to take action during the next board meeting.

Scope of the Rule Making

- Implement federal regulation
 - Includes changes necessary to implement guidelines around rescissions of coverage. Retroactive termination of coverage and refund of premium will be limited.
- Implement PEB Board policy

Scope of the Rule Making

- Technical corrections and clarifications
 - Retiree eligibility
 - Long-term disability eligibility

Scope of the Rule Making

- Technical corrections and clarifications, cont.
 - Surviving Spouse eligibility
 - Payment of premiums as intent to continue coverage
 - Provide survivors of emergency service personnel killed in the line of duty with a special enrollment opportunity if they acquire a new dependent by adoption, placement for adoption, birth, or marriage.
 - Premium payments and refunds of premium

Policy Proposal

- Redefine the default product for newly eligible employees who do not choose a plan.
 - Current policy: the subscriber defaults into the Uniform Medical Plan.
 - Recommendation: Modify WAC 182-08-197(1)(a) to specify the UMP Classic as the default medical plan.

Next Steps

- **July** – Board action on today's policy recommendation
- **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



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

**Public Employees Benefits Board
2012 Procurement Brief
July 13, 2011**

Agenda

- I. Purchasing Goals
- II. 2012 Proposed Non-Medicare Medical Plans
- III. 2012 Proposed Medicare Medical Plans
- IV. 2012 Medical Budget and Proposed Premiums
- V. 2012 Dental Procurement Overview
- VI. 2012 Life and Long Term Disability Procurement Overview
- VII. Next Steps

2012 Purchasing Goals

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

2012 Proposed Non-Medicare Plans

2012 UMP Non-Medicare Plan Design

	2011 UMP	2012 UMP
Out-of-Pocket Maximum	\$2000/\$4000	No Change
Deductible¹	\$250/\$750 Medical; \$100/\$300 Tier 2 & 3 drugs	
Office Visit	15%	
Primary Care		
Urgent Care		
Specialist		
Mental Health		
Preventive Services	\$0	
Dialysis	15%	
Radiation & Chemotherapy	15%	
Inpatient Hospital	\$200/day; \$600 max/yr + 15%	
Diagnostics	15%	
Prescription Drugs	Retail: 10%/30%/50%	Retail and Mail 5%/10%/30%/50%
	Mail: \$10/\$50/\$100	
Ambulance	20%	No Change
Emergency Room	\$75 + 15% professional fees	

2012 Group Health Classic Non-Medicare Plan Design

	2011 GHC Classic	2012 GHC Classic
Out-of-Pocket Maximum	\$2000/\$6000	\$2000/\$4000
Deductible¹	\$250/\$750	No Change
Office Visit		
Primary Care	\$25	\$15
Urgent Care		\$15
Specialist		\$30
Mental Health²		\$15
Preventive Services	\$0	No Change
Dialysis	\$25	\$30
Radiation & Chemotherapy	\$0	\$30/\$15
Inpatient Hospital	\$200/day; \$600/yr	\$150 day; \$750/admit
Ambulatory Surgical Center	\$100	\$150
Diagnostics	\$0	MRI/ CT/PET Scans \$100
Prescription Drugs	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
Ambulance	\$75 ground; \$100 air	20%
Emergency Room	\$75	\$150

¹ Benefits may be subject to deductible and plan limitations

² \$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
Out-of-Pocket Maximum	\$2000/\$6000	\$2000/\$4000
Deductible¹	\$350/\$1050	No Change
Office Visit		
Primary Care	\$30	\$20
Urgent Care		\$20
Specialist		\$40
Mental Health		\$20
Preventive Services	\$0	No Change
Dialysis	\$25	\$40
Radiation & Chemotherapy	\$0	\$40/\$20
Inpatient Hospital	\$300/day; \$900/yr	\$200/day; \$1000/admit
Ambulatory Surgical Center	\$100	\$200
Diagnostics	\$0	MRI/CT/PET \$100
Prescription Drugs	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
Ambulance	\$75 ground; \$100 air	20%
Emergency Room	\$75	\$200

¹ Benefits may be subject to deductible and plan limitations

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

2012 Kaiser Non-Medicare Plan Design

	2011 Kaiser	2012 Kaiser
Out-of-Pocket Maximum	\$1500/\$3000	No Change
Deductible¹	\$0	\$150/\$450
Office Visit		
Primary Care²	\$20	No Change
Urgent Care	\$40	
Specialist³	\$30	
Mental Health	\$20	
Preventive Services	\$0	
Dialysis	\$0 home; \$30 outpatient	No Change
Radiation & Chemotherapy	\$0	No Change
Inpatient Hospital	\$200/day; \$1000 max admit	15%
Ambulatory Surgical Center	\$100	15 %
Diagnostics	\$10	No Change
Prescription Drugs	Retail: \$15/\$30 Mail: \$30/\$60	No change
Ambulance	\$100	15%
Emergency Room	\$75	No change

¹ Benefits may be subject to deductible and plan limitations

² Includes Chem Dep Vision/Hearing Exam

³ Includes Referred Spinal Manipulations & Alternative Care

2012 Consumer Directed Health Plans (CDHP)

	UMP ¹	Group Health		Kaiser
		Network	Extended Network	
Coinsurance/Copayment Maximum	\$2800/\$5600	\$3700/\$7400		\$2800/\$5600
Deductible¹	\$1400/\$2800	\$1400/\$2800	\$1400/\$2800	\$1400/\$2800
Total out-of-pocket maximum	\$4200/\$8400	\$5100/\$10,200		\$4200/\$8400
Coinsurance²	15%	10%	30%	15%
Preventive Services	\$0	\$0	\$0	\$0
Office Visits	15%	10%	30%	PCP/Vision/Hearing/ Chem Dep/Mental Health \$20; Injection \$10; Specialty \$30; Urgent Care \$40
Prescription Drugs Retail	15%	\$5-Value/\$20/\$40/ 50% up to \$250	\$5-Value/\$20/ \$40/50% up to \$250	\$15/\$30
Mail	15%	\$10-Value/\$40/\$80/ 50% up to \$750	Not Available	\$30/\$60
Diagnostics	15%	10%:	30%:	15%
Emergency Room	\$75	10%	30%	15%

¹ Benefits may be subject to deductible and plan limitations.

² 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 Proposed Medicare Plans

2012 UMP Medicare Plan Design

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

Benefits may be subject to deductible and plan limitations

2012 Group Health Medicare Advantage (MA) Plan Design¹

	2011 GHC MA Classic	2011 GHC MA Value	2012 GHC MA
Out-of-Pocket Maximum	\$750	\$1000	\$2500
Deductible	\$0	\$0	No Change
Primary Care Visits	\$10	\$20	\$20
Urgent Care Visits			
Specialist Visits			
Mental Health Visits			
Preventive Services	\$0	\$0	No Change
Dialysis	\$0	\$0	No Change
Inpatient Hospital	\$100/day; \$600 yr	\$200 for 1 st 5 days	\$200 for 1 st 5 days
Ambulatory Surgical Center	\$100	\$200	\$200
Diagnostics	\$0	\$0	No Change
Prescription Drugs	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
Radiation & Chemotherapy	\$0	\$0	No Change
Ambulance	\$75	\$150	\$150
Emergency Room	\$50	\$50	\$65

¹GHC 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
Out-of-Pocket Maximum	\$600	\$1500
Deductible	\$0	No Change
Primary Care Visits Vision/Hearing Exams	\$20	\$30
Urgent Care Visits		\$35
Specialist Visits		\$30
Mental Health Visits		\$30
Preventive Services	\$0	No Change
Dialysis	\$0	No Change
Inpatient Hospital	\$0	\$500/Admit
Diagnostics	\$0	No Change
Prescription Drugs Retail	\$10/\$25	\$20/\$40
Mail Order	\$20/\$50	\$40/\$80
Radiation & Chemotherapy	\$0	No Change
Ambulance	\$50	
Emergency Room	\$50	

Benefits may be subject to plan limitations

2012 Premium Overview

2012 Active and Non-Medicare Retiree Bid Rates

Product Line	2012 Bid Rates	% Bid Rate Change Over 2011 Rates
GHC Classic	\$547.62	6.6%
GHC Value	\$500.38	5.8%
GHC CDHP ¹	\$481.72	N/A
Kaiser Permanente Classic	\$536.98	-2.0%
Kaiser CDHP ¹	\$480.07	N/A
Uniform Medical Plan (UMP)	\$529.91	5.3%
UMP CDHP ¹	\$484.02	N/A
Weighted Average Increase		4.4%

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

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

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 ¹	N/A	\$27	N/A	\$64	N/A	\$47	N/A	\$84
Kaiser Classic	\$105	\$90	\$220	\$190	\$184	\$158	\$299	\$258
Kaiser CDHP ¹	N/A	\$25	N/A	\$60	N/A	\$44	N/A	\$79
UMP	\$60	\$83	\$130	\$176	\$105	\$145	\$175	\$238
UMP CDHP ¹	N/A	\$28	N/A	\$66	N/A	\$49	N/A	\$87
Average % Employee Contribution of Required Premium								15%

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

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

Estimated 2012 Non-Medicare Retiree Contributions

Product Line	CY 2011	CY 2012	CY 2011	CY 2012	CY 2011	CY 2012	CY 2011	CY 2012
	Retiree	Retiree	Retiree & Spouse or Partner	Retiree & Spouse or Partner	Retiree & Child(ren)	Retiree & Child(ren)	Full Family	Full Family
GHC Classic	\$520	\$549	\$1,033	\$1,092	\$905	\$956	\$1,419	\$1,500
GHC Value	\$479	\$502	\$952	\$998	\$834	\$874	\$1,307	\$1,370
GHC CDHP¹	N/A	\$483	N/A	\$957	N/A	\$853	N/A	\$1,269
Kaiser Classic	\$554	\$538	\$1,102	\$1,071	\$965	\$938	\$1,513	\$1,470
Kaiser CDHP¹	N/A	\$481	N/A	\$954	N/A	\$850	N/A	\$1,264
Uniform Medical Plan	\$497	\$531	\$989	\$1,057	\$866	\$925	\$1,357	\$1,451
UMP CDHP¹	N/A	\$485	N/A	\$961	N/A	\$857	N/A	\$1,275

¹ 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 Contribution¹

Plan ²	2011 Retiree Only Contribution	2012 Retiree Only Contribution ³
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

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

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

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

2012 Life, Long Term Disability, and Dental Plans

Long Term Disability & Life Insurance Procurement Summary

Long Term Disability

- Employer-Paid Basic: No increase in premiums
- Employee-Paid Supplemental: 1-year 25% reduction in premiums due to favorable trends

Life Insurance

- Employer-Paid Active Basic: 19.5% reduction in premiums
- Employee-Paid Supplemental:
 - Consolidation of Plan C and D into a single supplemental plan [current coverage will be reflected in the single supplemental plan]
 - 1-year 15% reduction in premiums due to favorable trends
- Retiree-Paid Basic:
 - \$6.57/per retiree per month

Dental Premiums

	CY 2011	CY 2012	CY 2011	CY 2012	CY 2011	CY 2012	CY 2011	CY 2012
	Subscriber	Subscriber	Subscriber & Spouse or Partner	Subscriber & Spouse or Partner	Subscriber & Child(ren)	Subscriber & Child(ren)	Full Family	Full Family
Uniform Dental Plan	\$47.63	\$45.20	\$95.26	\$90.40	\$95.26	\$90.40	\$142.89	\$135.60
DeltaCare	\$39.53	\$39.53	\$79.06	\$79.06	\$79.06	\$79.06	\$118.59	\$118.59
Willamette	\$40.74	\$42.68	\$81.48	\$85.36	\$81.48	\$85.36	122.22	\$128.04

Employer pays premium for employees and family.

Retirees self-pay premium.

Next Steps

July 20 Call For Procurement Resolution Votes

- 2012 Medical Plan Benefit Designs
- 2012 Active Employee Premiums
- 2012 Explicit Employer Medicare Contribution