

# 2017 Introduction to PEBB Coverage for Employer Groups



## What does the Public Employees Benefits Board (PEBB) Program offer?

The PEBB Program provides a comprehensive insurance package that includes:

- Medical/vision
- Dental
- Life and accidental death and dismemberment (AD&D)
- Long-term disability
- Group discounts for auto and home insurance

Your employees may select any PEBB health plan available in their county of residence.

This brochure will give you an overview of eligibility, benefits, and the application process.

For details, go to [www.hca.wa.gov/public-employee-benefits/groups-joining-pebb/employer-groups](http://www.hca.wa.gov/public-employee-benefits/groups-joining-pebb/employer-groups).



## How does the PEBB Program work?

The PEBB Program, under the Washington State Health Care Authority (HCA), administers benefits and eligibility for more than 350,000 public employees, retirees, and their dependents. The HCA purchases coverage through competitive bids from private insurance companies, and is able to negotiate competitive premiums. We do all of the purchasing and contracting so you can focus on your core services.

### Medical plans

Managed-care, preferred-provider, and consumer-directed health plans based on county of residence provided by:

- Kaiser Permanente WA (formerly Group Health Cooperative) (three managed-care plans)
- Kaiser Permanente WA Options, Inc. (formerly Group Health Options, Inc.) (one consumer-directed health plan)
- Kaiser Permanente NW\* (one managed-care plan and one consumer-directed health plan)
- Uniform Medical Plan, administered by Regence BlueShield (two preferred-provider plans and one consumer-directed health plan)

### Dental plans

- DeltaCare, administered by Delta Dental of Washington
- Uniform Dental Plan, administered by Delta Dental of Washington
- Willamette Dental Group

### The PEBB Program also includes

- Life and AD&D insurance through Metropolitan Life Insurance Company (MetLife)
- Long-term disability insurance through Standard Insurance Company
- Group discounts on auto and home insurance through Liberty Mutual
- COBRA and PEBB Continuation Coverage, which includes Leave Without Pay coverage
- Retiree coverage



\*Kaiser Foundation Health Plan of the Northwest, with plans in Clark and Cowlitz counties in WA, and the Portland, OR area.

## Application Process (for groups with less than 5,000 employees)

The required information and application documents must be received by the PEBB Program **at least 60 days** before the requested coverage date.

### Application requirements

*Note: Failure to submit all required application materials can result in denial of the application.*

### State-required application materials

1. A letter of application that includes:
  - a. A reference to your group's authorizing statute.
  - b. A description of your group's organizational structure and a description of the employee bargaining unit(s) or group of non-represented employees for which your group is applying.
  - c. Employer tax ID number (TIN).
  - d. A statement of whether your group is applying for medical only or the full-benefits package (medical/vision, life/AD&D insurance and LTD insurance).
  - e. An estimated number of employees and dependents to be enrolled.
2. A resolution\* from your group's governing body authorizing the purchase of PEBB insurance.
3. A signed governmental function attestation\* affirming that the employees of your group are governmental employees whose services are substantially all in the performance of essential governmental functions.
4. Member level census data\* file for all employees and dependents for whom your group is applying that includes:
  - a. Age.
  - b. Gender.
  - c. First three digits of employee's zip code.
  - d. Indicator of whether the member is an active employee or retiree.
  - e. Indicator of whether the employee is enrolled in coverage.
5. Historical claims and cost information that includes:
  - a. Large claims history for 24 months by quarter that excludes the most recent 3 months.
  - b. Ongoing large claims management report for the most recent quarter provided in the large claims history.
  - c. Summary of historical claims costs.

6. If the application is for a subset of your group's employees (for example, a bargaining unit), your group must provide a member level census file of all employees eligible under their current health plan who are not included in the data file described in item 4, above. The file must include retirees and the same demographic data by member.

\*Sample available at [www.hca.wa.gov/public-employee-benefits/groups-joining-pebb/employer-groups](http://www.hca.wa.gov/public-employee-benefits/groups-joining-pebb/employer-groups).

### Review Process

The HCA will review your application for compliance with HCA terms and conditions of participation. Your group should receive a response within 30 days to process your group's enrollment or request additional information. Your application may be automatically denied if your group fails to provide the required information and documents described above.

### Employer Group Rate Surcharge

Beginning January 1, 2017, all participating counties, municipalities, political subdivisions and tribal governments will incur an employer group rate surcharge that will be applied to the monthly rate for each employee enrolling in a medical plan.

The monthly employer group rate surcharge is based on the plan tier in which the employee enrolls. For 2017, the monthly surcharge is:

- \$20 per subscriber
- \$40 per subscriber and spouse or state-registered domestic partner
- \$35 per subscriber and child(ren)
- \$55 per full family

For more information on these topics, visit [www.hca.wa.gov/public-employee-benefits](http://www.hca.wa.gov/public-employee-benefits)

- Medical and dental provider search tools
- Medical plans available by county
- Life/AD&D and LTD insurance (including costs)
- Auto and home insurance



## Application Process (for groups with 5,000 or more employees)

The required information and documents for application must be submitted to the PEBB Program at least 120 days before the requested coverage date.

### Application requirements

*Note: Failure to submit all required application materials can result in denial of the application.*

### State-required application materials

1. A letter of application that includes:
  - a. A reference to your group's authorizing statute.
  - b. A description of your group's organizational structure and a description of the employee bargaining unit(s) or group of non-represented employees for which your group is applying.
  - c. Employer tax ID number (TIN).
  - d. A statement of whether your group is applying for medical only or the full-benefits package (medical/vision, life/AD&D insurance and LTD insurance).
  - e. An estimated number of employees and dependents to be enrolled.
2. A resolution\* from your group's governing body authorizing the purchase of PEBB insurance.
3. A signed governmental function attestation\* affirming that the employees of your group are governmental employees whose services are substantially all in the performance of essential governmental functions.
4. Member level census data\* file for all employees and dependents for whom your group is applying that includes:
  - a. Age.
  - b. Gender.
  - c. First three digits of employee's zip code.
  - d. Indicator of whether the member is an active employee or retiree.
  - e. Indicator of whether the employee is enrolled in coverage.
5. Historical claims and cost information that includes:
  - a. Large claims history for 24 months by quarter that excludes the most recent 3 months.
  - b. Ongoing large claims management report for the most recent quarter provided in the large claims history.
  - c. Summary of historical claims plan costs.
  - d. Executive summary of benefits.
  - e. Summary of benefits and certificate of coverage.

### Group start-up fees

Group size (includes employees)	Fee
Fewer than 100 potential enrollees	\$10 per person
100–500 potential enrollees	\$1,500
501–700 potential enrollees	\$2,000
701–1,000 potential enrollees	\$2,500
More than 1,000 potential enrollees	\$4,000

6. If the application is for a subset of your group's employees (for example, a bargaining unit), your group must provide a member level census file of all employees eligible under their current health plan who are not included in the data file described in item 4, above. The file must include retirees and the same demographic data by member.
7. An actuarial evaluation of your group provided by an actuary designated by the PEBB Program. Your group must pay the cost of the evaluation and is non-refundable.

*\*Sample available at [www.hca.wa.gov/public-employee-benefits/groups-joining-pebb/employer-groups](http://www.hca.wa.gov/public-employee-benefits/groups-joining-pebb/employer-groups).*

### Review Process

Your application will be approved or denied based on the evaluation criteria described in WAC 182-12-240. Your application may be automatically denied if your group fails to provide the required information and documents described above.

*Note: All employee organizations representing state civil service employees and the Washington Health Benefit Exchange, regardless of the number of employees, will have their application approved or denied through the evaluation criteria described in WAC 182-08-240 and are required to provide the documents and information described above.*

### Send application materials to:

Amy Corrigan, Manager  
PEBB Outreach and Training  
Washington State Health Care Authority  
PO Box 42684  
Olympia, WA 98504-2684  
or email to [amy.corrigan@hca.wa.gov](mailto:amy.corrigan@hca.wa.gov)

## Eligibility

### Groups

- PEBB group coverage is available only to entities and employees that perform governmental functions and are not controlled by private interests. Coverage is available to all employees, individual bargaining groups, or all non-represented employees of:
  - Counties, municipalities, and political subdivisions.
  - Tribal governments.
  - Employee organizations that represent state civil service employees.
  - The Health Benefit Exchange.
  - Entities with individual statutory authority
- Your group may purchase the full package of medical/vision, dental, basic life and AD&D, and basic long-term disability (LTD), or may purchase only medical/vision. Note: If the group selects the full benefits package, employees cannot waive dental, basic life and AD&D, or basic LTD insurance.
- Your group may request inclusion of retirees covered under your current retiree health plan, subject to PEBB Program requirements outlined in Washington Administrative Code (WAC) 182-08-237.
- Employees who retire after your group joins the PEBB Program will be eligible for PEBB retiree coverage based on retiree eligibility rules in WAC 182-12-171.
- Coverage for retirees only is not available through the PEBB Program.
- The HCA must approve your group's participation.
- Once approved, the HCA will charge a start-up fee based on your group's size. Failure to pay the start-up fee or return the Interlocal Agreement (or Intergovernmental Agreement for tribal governments) before the group's effective date of coverage may result in a delayed coverage date.
- Once enrolled, your group must participate in PEBB insurance coverage for at least one full year, and may end participation only at the end of the plan year (December 31), unless the HCA approves a mid-year termination.

### Employees

- The PEBB Program outlines employee eligibility in WAC 182-12-114. Employee and dependent eligibility and terms of enrollment for insurance coverage are determined by the criteria outlined in the Interlocal Agreement with the PEBB Program.
- Employees may waive medical coverage for themselves if they have other employer-based group medical insurance, Medicare, or TRICARE. If an employee waives PEBB Program medical coverage, he or she cannot enroll dependents in medical. Employees may enroll eligible dependents as outlined in WAC 182-12-262, but are not required to enroll them.
- Employees who waive medical coverage must enroll in the PEBB Program's dental, basic life and AD&D, and basic LTD insurance if your group selects the full benefits package.
- Family members cannot be enrolled in two PEBB medical and dental accounts at the same time, even if eligible under more than one enrolled subscriber.

### Retirees

- Employees who enroll in PEBB coverage may continue their coverage upon retirement as long as they meet PEBB requirements and your group continues to participate in the PEBB Program.
- Employees who retired before your group's effective date of PEBB coverage may not enroll in PEBB retiree coverage, unless they meet the criteria outlined in WAC 182-08-237. Contact the PEBB Outreach and Training Unit for details.

### Dependents

Under WAC 182-12-260, an employee may enroll:

- His or her lawful spouse or state-registered domestic partner.
- Children up to age 26.
- Children of any age with a developmental disability or physical handicap who are incapable of self-sustaining employment and chiefly dependent on the employee for support and ongoing care, as long as the condition occurred before age 26.
- Extended dependents in the legal custody or legal guardianship of the subscriber or subscriber's spouse or state-registered domestic partner.

The PEBB Program requires proof of eligibility before enrolling any dependents.

# Monthly premiums and base monthly rates for 2017

## For counties, municipalities, political subdivisions, and tribal governments

Premiums are effective January 1, 2017 through December 31, 2017. Premiums reflect how much the PEBB Program will charge the employer. The employer determines what portion of the rates the employee pays.

### Employer group rate surcharge

Beginning January 1, 2017, all participating counties, municipalities, political subdivisions, and tribal governments will incur an employer group rate surcharge that will be applied to the monthly rate for each employee enrolling in a medical plan.

The monthly employer group rate surcharge is based on the plan tier in which the employee enrolls. For 2017, the monthly surcharge is \$20 per subscriber; \$40 per subscriber and spouse or state-registered domestic partner; \$35 per subscriber and child(ren); and \$55 per full family.

### Full benefits package (medical/vision, dental, and basic life insurance, accidental death and dismemberment (AD&D), and long-term disability (LTD) insurance)

**Calendar year 2017:** The following table reflects the monthly rates to be paid by employers for the **full benefits package (medical/vision, dental, basic life/AD&D, basic LTD)** during calendar year 2017. These rates include the employer group rate surcharge authorized by RCW 41.05.050(2) (as amended by SB6475 (2016)). The remaining difference in these rates reflects the offset from the employer group rate surcharge to the non-political subdivision rates.

Rates differ depending on the medical plan the employee chooses. The rates are the same regardless of the number of children enrolled. If an employee waives medical coverage, the employer must still pay \$145.08 each month for dental, basic life, and LTD coverage.

**Note:** In most cases, employees must live in a medical plan's service area to join the plan. Go to [www.hca.wa.gov/public-employee-benefits](http://www.hca.wa.gov/public-employee-benefits) to find plans available by county.

Plan Name	Subscriber	Subscriber and Spouse <sup>1</sup>	Subscriber and Child(ren)	Full Family
<b>Kaiser Permanente WA Classic (formerly Group Health Classic)</b>	\$838.88	\$1,532.68	\$1,359.23	\$2,053.03
<b>Kaiser Permanente WA CDHP (formerly Group Health CDHP)</b>	\$725.64	\$1,299.70	\$1,170.77	\$1,686.50
<b>Kaiser Permanente WA SoundChoice (formerly Group Health SoundChoice)</b> <i>Available only in King, Pierce, Snohomish, and Thurston counties.</i>	\$738.16	\$1,331.24	\$1,182.97	\$1,776.05
<b>Kaiser Permanente WA Value (formerly Group Health Value)</b>	\$761.17	\$1,377.26	\$1,223.24	\$1,839.33
<b>Kaiser Permanente NW<sup>2</sup> Classic</b>	\$823.46	\$1,501.84	\$1,332.25	\$2,010.63
<b>Kaiser Permanente NW<sup>2</sup> CDHP</b>	\$727.19	\$1,302.30	\$1,173.11	\$1,689.89
<b>Uniform Medical Plan Classic</b>	\$786.01	\$1,426.94	\$1,266.71	\$1,907.64
<b>UMP CDHP</b>	\$725.27	\$1,298.96	\$1,170.12	\$1,685.48
<b>UMP Plus – PSHVN</b> <i>Available only in Grays Harbor, King, Kitsap, Pierce, Snohomish, Spokane, Thurston, and Yakima counties.</i>	\$757.85	\$1,370.62	\$1,217.43	\$1,830.20
<b>UMP Plus – UW Medicine ACN</b> <i>Available only in Grays Harbor, King, Kitsap, Pierce, Skagit, Snohomish, and Thurston counties.</i>	\$757.85	\$1,370.62	\$1,217.43	\$1,830.20
<b>Medical Waived (remain enrolled for dental, life/AD&amp;D, and LTD)</b>	\$145.08	\$145.08	\$145.08	\$145.08

The following premium surcharges\*\* will apply to some employees:

Surcharge	Subscriber	Subscriber and Spouse <sup>1</sup>	Subscriber and Child(ren)	Full Family
Tobacco use surcharge	\$25.00	\$25.00	\$25.00	\$25.00
Spouse <sup>1</sup> surcharge	n/a	\$50.00	n/a	\$50.00

<sup>1</sup>Or state-registered domestic partner

<sup>2</sup>Kaiser Foundation Health Plan of the Northwest, with plans in Clark and Cowlitz counties in WA, and the Portland, OR area.

## Medical only benefits package (medical/vision)

**Calendar year 2017:** The following table reflects the monthly rates to be paid by employers for the **medical only package (medical/vision)** during calendar year 2017. These rates include the employer group rate surcharge authorized by RCW 41.05.050(2) (as amended by SB6475 (2016)). The remaining difference in these rates reflects the offset from the employer group rate surcharge to the non-political subdivision rates.

Rates differ depending on the medical plan the employee chooses. The rates are the same regardless of the number of children enrolled. If an employee waives medical coverage, the employer pays nothing for that employee.

Plan Name	Subscriber	Subscriber and Spouse <sup>1</sup>	Subscriber and Child(ren)	Full Family
Kaiser Permanente WA Classic (formerly Group Health Classic)	\$753.77	\$1,447.57	\$1,274.12	\$1,967.92
Kaiser Permanente WA CDHP (formerly Group Health CDHP)	\$640.53	\$1,214.59	\$1,085.66	\$1,601.39
Kaiser Permanente WA SoundChoice (formerly Group Health SoundChoice) <i>Available only in King, Pierce, Snohomish, and Thurston counties.</i>	\$653.05	\$1,246.13	\$1,097.86	\$1,690.94
Kaiser Permanente WA Value (formerly Group Health Value)	\$676.06	\$1,292.15	\$1,138.13	\$1,754.22
Kaiser Permanente NW <sup>2</sup> Classic	\$738.35	\$1,416.73	\$1,247.14	\$1,925.52
Kaiser Permanente NW <sup>2</sup> CDHP	\$642.08	\$1,217.19	\$1,088.00	\$1,604.78
Uniform Medical Plan Classic	\$700.90	\$1,341.83	\$1,181.60	\$1,822.53
UMP CDHP	\$640.16	\$1,213.85	\$1,085.01	\$1,600.37
UMP Plus – PSHVN <i>Available only in Grays Harbor, King, Kitsap, Pierce, Snohomish, Spokane, Thurston, and Yakima counties.</i>	\$672.74	\$1,285.51	\$1,132.32	\$1,745.09
UMP Plus – UW Medicine ACN <i>Available only in Grays Harbor, King, Kitsap, Pierce, Skagit, Snohomish, and Thurston counties.</i>	\$672.74	\$1,285.51	\$1,132.32	\$1,745.09

The following premium surcharges\*\* will apply to some employees:

Tobacco use surcharge	\$25.00	\$25.00	\$25.00	\$25.00
Spouse <sup>1</sup> surcharge	n/a	\$50.00	n/a	\$50.00

<sup>1</sup>Or state-registered domestic partner

<sup>2</sup>Kaiser Foundation Health Plan of the Northwest, with plans in Clark and Cowlitz counties in WA, and the Portland, OR area.

### \*\*Premium Surcharges

Employees must pay the following premium surcharges in addition to the medical plan premium, if applicable:

- A monthly \$25-per-account surcharge if the subscriber or any family member (age 13 or older) enrolled in PEBB medical uses tobacco products.
- A monthly \$50 surcharge if the subscriber's spouse or state-registered domestic partner is enrolled in PEBB medical instead of employer-based group medical offered by their employer that is comparable to Uniform Medical Plan (UMP) Classic.