

FAQs for “PEB Board approves changes for 2018” announcement July 2017

2018 monthly premiums

How are PEBB medical premiums determined?

Each year, the Legislature sets the funding levels for how much state agencies and higher-education institutions will contribute toward their employees’ PEBB health care coverage. From there, the HCA and the medical plans work together to develop premiums.

First, the medical plans submit proposed premiums (bids) to the PEBB Program. The bids are based on the plans’ health care costs for previous years and total cost estimates for the upcoming year. Total costs depend on how many people are enrolled in each plan, how often they go to the doctor, which services or treatments they need, and how much those services or treatments cost. Then, the PEBB Program negotiates with the medical plans to make the premiums as reasonable as possible. When an agreement is reached, the PEB Board votes to approve the proposed premiums for the upcoming calendar year.

Throughout the process, the PEBB Program’s aim is to provide better health and better care at a lower cost. For example, we have included quality measures in our contracts with the medical plans to make sure your care meets certain standards. Wellness programs like SmartHealth focus on improving member health, which will lead to lower health care costs in the future. The PEBB Program is also studying strategies to moderate the increasing costs of prescription drugs.

Why is the Uniform Medical Plan (UMP) Classic premium for Medicare retirees increasing so much for 2018?

Medical plan premiums are partially calculated based on the costs for medical services, equipment, and supplies. Also, projected cost increases on prescription drugs often used by Medicare retirees are driving the higher premium.

For Medicare retirees in the UMP Classic plan, high prescription drug costs and the fixed \$150 per month Medicare Explicit Subsidy are leading to significant increases in the premium amounts retirees will pay next year. More than half of costs for the UMP Classic Medicare plan are pharmacy-related:

- Medicare is the primary payer for medical care, and the UMP Classic plan typically pays the remainder.
- UMP Classic plan is the primary payer for prescription drugs.

HCA is determining whether we can mitigate or lower UMP Classic plan premiums for Medicare retirees in future years.

I’m a Medicare retiree and thinking of switching out of the UMP Classic Medicare plan during open enrollment. Where can I get more information about my other PEBB medical plan options?

In October, we will mail you a *For Your Benefit* newsletter containing information about your health plan options and changes you can make during the PEBB Program’s open enrollment (November 1–30). In the same mailing you will also get a personalized letter showing the PEBB health plans available in your area and their monthly premiums.

In the meantime, you can find 2017 plan information online at www.hca.wa.gov/pebb under *For Retirees*. **Please note, information for the 2018 plan year will not be available until October, and 2018 enrollment forms will not be available until November 1.**

- For a listing of plans available to retirees, visit [medical plans and benefits](#).
- You can compare PEBB health plans using the [Medical Benefit Comparison tool](#). **Note:** the comparison tool does not include information for [Medicare Supplement Plan F](#), administered by Premiera Blue Cross.
- You can compare PEBB premiums by visiting the [plan costs](#) page.

If you would rather speak to someone directly, you can call the PEBB Program toll-free at 1-800-200-1004 or visit us at the Health Care Authority, 626 8th Avenue SE, Olympia, WA 98501 ([Printable map](#) and [Directions](#)).

For questions about benefits (including prescription drug coverage), [contact the plans](#).

Why did UMP Plus premiums go down while other plan premiums increased?

For employees, the state pays a share of medical plan premiums. The state-paid portion is calculated when all the final bid rates are received from the medical plans. The PEBB Program calculates a weighted average bid rate and multiplies it by 85% to determine the state's responsibility. This year, the state's responsibility went up by \$26 per month for all plans.

For UMP Plus, the total monthly premium only went up by \$5 from 2017 to 2018. This means that for UMP Plus subscribers, the state will be paying a greater share of the premium in 2018 as compared to 2017. The state will pay \$551 of the total \$596 monthly premium for 2018, leaving \$45 remaining to be paid by the employee (for a single subscriber).

UMP Plus premium 2017 to 2018		
	2017	2018
UMP Plus total premium	\$591	\$596 (↑ \$5)
State-paid portion	\$525	\$551 (↑ \$26)
Employee premium (single subscriber)	\$66	\$45 (↓ \$21)

When will the 2018 monthly premiums be available online?

We will post them on the PEBB Program's website in early October. You will also get them in the PEBB Program's *For Your Benefit* newsletter in mid-October.

Note: If you are an employee of a school district, city, tribal government, county, port, water district, hospital, etc., you must contact your employer's personnel, payroll, or benefits office to find out your monthly premium amount.

Separate SmartHealth PEBB wellness incentive

What will the separate PEBB wellness incentive be?

The PEBB Program is currently working to decide what the separate wellness incentive will be and how it will be issued to qualifying subscribers. SmartHealth-eligible PEBB subscribers may complete the Well-Being Assessment to qualify for the separate wellness incentive, even if they don't satisfy the requirements to qualify for the \$125 wellness incentive. Further details will be announced this fall on the SmartHealth website, the PEBB Program web page, and in your October *For Your Benefit* newsletter.