



Washington State Health Care Authority
Public Employees Benefits Board

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TO: Personnel, Payroll and Insurance Offices of Political Subdivisions

FROM: Susanne Ames, Budget and Rates Manager
Finance and Budget Office

SUBJECT: Fiscal Year 2004 Program Rates - Grandfathered Composite

The basis for the Fiscal Year (FY) 2004 employer charge remains at \$507.22, and will remain unchanged until July 1, 2004. **However, the employee monthly contributions will be changing effective January 1, 2004 based on new contracts with health plans.** We have enclosed revised composite active rates for "Grandfathered" Political Subdivisions with this letter detailing the changes by plan.

As you are aware, if any employee's same-sex domestic partner or the partner's child(ren) do not qualify as an IRS dependent, a portion of the premium employers pay toward the family's coverage is considered taxable income to the employee. In an effort to assist you, we have included examples of how the state calculates these amounts for stage agency personnel. **These tables should only be used as a template in developing calculations that are based on your employer contribution rate** and for use if you have a section 125 plan in place to allow employee premium dollars to be treated as pre-tax deduction.

Please call Astrid Pearson at (360) 923-2810 if you have any questions regarding grandfathered composite rates.

For tax questions on same sex domestic partner contributions, contact your organization's tax consultant.

SWA:ap

Attachment

cc: Jayne Wallace
Katie Rogers
Sandi Lakey
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Debbie Haeger
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Astrid Pearson

**Composite Active Rates for "Grandfathered" Political Subdivisions
(for 1/1/04 through 6/30/04 only)**

Final 2004 PEBB Bid Rates

HCA Finance and Administration

| Plan Name | Jan 1, 2004 | Employee Contributions | | | | Total Base Rates With Employee Contributions | | | |
|---|----------------------------|------------------------|--------------------------|------------------------------|-------------|--|--------------------------|------------------------------|-------------|
| | June 30, 2004 Base Rate | Subscriber | Subscriber and Spouse | Subscriber and Child(ren) | Full Family | Subscriber | Subscriber and Spouse | Subscriber and Child(ren) | Full Family |
| CHPWA | \$507.22 | \$ 41.00 | \$ 92.00 | \$ 72.00 | \$ 123.00 | \$548.22 | \$599.22 | \$579.22 | \$630.22 |
| Group Health Cooperative of Puget Sound | \$507.22 | \$ 43.00 | \$ 96.00 | \$ 75.00 | \$ 128.00 | \$550.22 | \$603.22 | \$582.22 | \$635.22 |
| Group Health Options Inc. | \$507.22 | \$ 61.00 | \$ 132.00 | \$ 106.00 | \$ 177.00 | \$568.22 | \$639.22 | \$613.22 | \$684.22 |
| Kaiser Foundation Health Plan of the NW | \$507.22 | \$ 32.00 | \$ 75.00 | \$ 56.00 | \$ 99.00 | \$539.22 | \$582.22 | \$563.22 | \$606.22 |
| PacifiCare of Washington, Inc | \$507.22 | \$ 80.00 | \$ 170.00 | \$ 140.00 | \$ 230.00 | \$587.22 | \$677.22 | \$647.22 | \$737.22 |
| RegenceCare | \$507.22 | \$ 81.00 | \$ 172.00 | \$ 142.00 | \$ 232.00 | \$588.22 | \$679.22 | \$649.22 | \$739.22 |
| Uniform Medical Plan PPO | \$507.22 | \$ 29.00 | \$ 68.00 | \$ 51.00 | \$ 90.00 | \$536.22 | \$575.22 | \$558.22 | \$597.22 |
| UMP Neighborhood* | \$507.22 | \$ 19.00 | \$ 49.00 | \$ 34.00 | \$ 63.00 | \$526.22 | \$556.22 | \$541.22 | \$570.22 |

PEBB Program for 2004

Additional Taxable Income for Non-Tax Qualified Domestic Partners

Table 1: Employer Share Medical and Dental

**2004 Monthly State Premium Contribution for Medical and Dental for Active Employees
Additional Taxable Income for Non-Tax Qualified Dependents' coverage***

| MEDICAL PLAN | Coverage for DOMESTIC PARTNER* | Coverage for CHILD(REN)* | Coverage for DOMESTIC PARTNER, CHILD(REN)* |
|---------------------|---------------------------------------|---------------------------------|---|
| All Medical Plans | \$315 | \$253 | \$568 |

Table 2: Employer Share Dental Only

Sample chart for dental only enrollment-taxable amount for dependents

| DENTAL PLAN | Coverage for DOMESTIC PARTNER* | Coverage for CHILD(REN)* | Coverage for DOMESTIC PARTNER, CHILD(REN)* |
|--------------------|---------------------------------------|---------------------------------|---|
| All Dental Plans | \$35 | \$35 | \$70 |

2004 Monthly State Contribution for Medicare Retirees (monthly state subsidy)
Additional taxable income for non-tax qualified domestic partners**

| | |
|---------------------------|--------------|
| Medical Supplement Plan E | \$49 |
| Kaiser | \$100 |
| PacifiCare | \$102 |
| All other plans | \$102 |

*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

State and Higher Education Active Employee Monthly Contributions (Deductions)
 For Non-Tax Qualified Spouses and Dependents (Same Sex Domestic Partners)
 Final 2004 PEBB Rates-HCA Finance and Administration

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

| Plan Name | Subscriber | Subscriber and Spouse | Subscriber and Child(ren) | Full Family |
|---|------------|-----------------------|---------------------------|-------------|
| CHPWA | \$ 41 | \$ 92 | \$ 72 | \$ 123 |
| Group Health Cooperative of Puget Sound | \$ 43 | \$ 96 | \$ 75 | \$ 128 |
| Group Health Options Inc. | \$ 61 | \$ 132 | \$ 106 | \$ 177 |
| Kaiser Foundation Health Plan of the NW | \$ 32 | \$ 75 | \$ 56 | \$ 99 |
| PacifiCare of Washington, Inc | \$ 80 | \$ 170 | \$ 140 | \$ 230 |
| RegenceCare | \$ 81 | \$ 172 | \$ 142 | \$ 232 |
| Uniform Medical Plan PPO | \$ 29 | \$ 68 | \$ 51 | \$ 90 |
| Uniform Neighborhood | \$ 19 | \$ 49 | \$ 34 | \$ 63 |

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

| Plan Name | Subscriber and Spouse | Subscriber | Partner |
|---|-----------------------|------------|---------|
| CHPWA | \$ 92 | \$ 41 | \$ 51 |
| Group Health Cooperative of Puget Sound | \$ 96 | \$ 43 | \$ 53 |
| Group Health Options Inc. | \$ 132 | \$ 61 | \$ 71 |
| Kaiser Foundation Health Plan of the NW | \$ 75 | \$ 32 | \$ 43 |
| PacifiCare of Washington, Inc | \$ 170 | \$ 80 | \$ 90 |
| RegenceCare | \$ 172 | \$ 81 | \$ 91 |
| Uniform Medical Plan PPO | \$ 68 | \$ 29 | \$ 39 |
| Uniform Neighborhood | \$ 49 | \$ 19 | \$ 30 |

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

| Plan Name | Full Family | Subscriber | Partner and Child(ren) |
|---|-------------|------------|------------------------|
| CHPWA | \$123 | \$41 | \$82 |
| Group Health Cooperative of Puget Sound | \$128 | \$43 | \$85 |
| Group Health Options Inc. | \$177 | \$61 | \$116 |
| Kaiser Foundation Health Plan of the NW | \$99 | \$32 | \$67 |
| PacifiCare of Washington, Inc | \$230 | \$80 | \$150 |
| RegenceCare | \$232 | \$81 | \$151 |
| Uniform Medical Plan PPO | \$90 | \$29 | \$61 |
| Uniform Neighborhood | \$63 | \$19 | \$44 |

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

| Plan Name | Full Family | Subscriber and Child(ren) | Partner |
|---|-------------|---------------------------|---------|
| CHPWA | \$123 | \$72 | \$51 |
| Group Health Cooperative of Puget Sound | \$128 | \$75 | \$53 |
| Group Health Options Inc. | \$177 | \$106 | \$71 |
| Kaiser Foundation Health Plan of the NW | \$99 | \$56 | \$43 |
| PacifiCare of Washington, Inc | \$230 | \$140 | \$90 |
| RegenceCare | \$232 | \$142 | \$90 |

Table 7: Monthly Pre-Tax Employee Contributions

| Plan Name | Subscriber and Child(ren) | Subscriber | Employee's Children |
|---|---------------------------|------------|---------------------|
| CHPWA | \$72 | \$41 | \$31 |
| Group Health Cooperative of Puget Sound | \$75 | \$43 | \$32 |
| Group Health Options Inc. | \$106 | \$61 | \$45 |
| Kaiser Foundation Health Plan of the NW | \$56 | \$32 | \$24 |
| PacifiCare of Washington, Inc | \$140 | \$80 | \$60 |
| RegenceCare | \$142 | \$81 | \$61 |

| | | | |
|--------------------------|------|------|------|
| Uniform Medical Plan PPO | \$90 | \$51 | \$39 |
| Uniform Neighborhood | \$63 | \$34 | \$29 |

| | | | |
|--------------------------|------|------|------|
| Uniform Medical Plan PPO | \$51 | \$29 | \$22 |
| Uniform Neighborhood | \$34 | \$19 | \$15 |