



Washington State Health Care Authority
Public Employees Benefits Board

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August 20, 2008

TO: PEBB Participating School Districts and Employer Groups (Political Subdivisions)

FROM: Steve Norsen
Manager, PEBB Outreach & Training Team

SUBJECT: 2009 Rates – Tiered - Full Benefits Package

We have completed the procurement cycle which resulted in an increase in premiums for our employees and early retirees. Medical inflation and other cost drivers resulted in a 7.9 percent average increase in our non-Medicare premiums and a 1.1 percent average decrease in our Medicare premiums.

Exhibit 1 is the revised rate sheet (effective January 1, 2009) for school districts and employer groups accepting the full benefits package.

Effective January 1, 2009, employee optional life and long term disability (LTD) insurance rates will decrease. The new rate schedule for life and LTD insurance is enclosed as Exhibit 2 and 3.

If you have an IRS Section 125 Plan that allows employee premium dollars to be treated as a pre-tax deduction, you know that if an employee's qualified domestic partner or their partner's child(ren) does 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. 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.

This year, Open Enrollment will run from October 27 – November 30, 2008. In early October, the Public Employees Benefits Board (PEBB) will publish the *For Your Benefit* newsletter to all employees. This newsletter is the employees' only printed open enrollment information. However, information will also be available on the PEBB web site at www.pebb.hca.wa.gov prior to the start of open enrollment.

Employees who make an on-line plan change using E-Coverage 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 will want to distribute 2009 monthly premiums for your own employees before open enrollment, so they can have those available when making a plan selection.

If you have questions about the rates, please contact me at (360) 412-4201 or steve.norsen@hca.wa.gov.

Enclosures

cc: Kim Grindrod

K-12 and Employer Groups (Political Subdivisions and Tribal Governments)**Active Tiered Rates - Full Benefits Package**

2009 PEBB Bid Rates

HCA Finance and Administration

Plan Name	Subscriber	Subscriber and Spouse	Subscriber and Child(ren)	Full Family
Aetna Public Employee Plan	\$ 631.80	\$ 1,139.15	\$ 1,012.31	\$ 1,519.66
Group Health Classic	\$ 626.86	\$ 1,129.27	\$ 1,003.67	\$ 1,506.08
Group Health Value	\$ 544.52	\$ 964.59	\$ 859.57	\$ 1,279.64
Kaiser Permanente Classic	\$ 594.96	\$ 1,065.47	\$ 947.84	\$ 1,418.35
Kaiser Permanente Value	\$ 552.24	\$ 980.03	\$ 873.08	\$ 1,300.87
Uniform Medical Plan PPO	\$ 545.61	\$ 966.77	\$ 861.48	\$ 1,282.64
Medical Waived	\$ 124.45	\$ 124.45	\$ 124.45	\$ 124.45

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

Final PEBB 2009 Rates

HCA Finance and Administration

Pub No.

50-135F

Plan A Basic for Actives*:	Monthly Cost:	\$ 5.07
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Plan A Basic for Retirees:	Monthly Cost:	\$ 2.19
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51-275

Plan B Basic (Dependents):	Monthly Cost:	\$ 0.50
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**Plan B Supplemental,
Plans C (Optional) and D (Supplemental):**

Monthly Cost for Each \$1,000 of Coverage

Age	Non-Smoker	Smoker
<25	\$ 0.028	\$0.036
25-29	\$ 0.030	\$0.044
30-34	\$ 0.034	\$0.058
35-39	\$ 0.042	\$0.066
40-44	\$ 0.064	\$0.074
45-49	\$ 0.092	\$0.112
50-54	\$ 0.144	\$0.170
55-59	\$ 0.268	\$0.318
60-64	\$ 0.412	\$0.484
65-69	\$ 0.760	\$0.932
70+	\$ 1.134	\$1.514

50-126B

Plan E Life (Voluntary AD&D):

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 the Plan only.

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

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 2009 LONG TERM DISABILITY PLAN

Rates Paid to Plan and Charged to Subscribers

Final PEBB 2009 Rates

HCA Finance and Administration

Pub No.

Basic Plan for Actives	Monthly Cost*:	\$	2.00
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50-125B

Optional Plan	TIAA/CREF or Higher Education Academic Retirement Plan Employees	TRS, PERS, & other Retirement Plan Employees
Waiting Period		
30 days	2.48%	1.96%
60 days	1.26%	1.04%
90 days	0.69%	0.57%
120 days	0.40%	0.34%
180 days	0.30%	0.27%
240 days	0.29%	0.26%
300 days	0.27%	0.24%
360 days	0.26%	0.23%

* Represents premium paid to plan only.

PEBB Program for 2009

Additional Taxable Income for Non-Tax Qualified Domestic Partners

Table 1: Employer Share Medical and Dental

2009 Monthly State Premium Contribution for Medical and Dental for Active Employees
Additional Taxable Income for Non-Tax Qualified Dependents' coverage*

MEDICAL AND DENTAL PLAN	Coverage for DOMESTIC PARTNER*	Coverage for CHILD(REN)*	Coverage for DOMESTIC PARTNER, CHILD(REN)*
All Medical Plans	\$ 427	\$ 338	\$ 765

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	\$ 42	\$ 42	\$ 84

2009 Monthly State Contribution for Medicare Retirees (monthly state subsidy)**

Additional taxable income for non-tax qualified domestic partners

Aetna Public Employee Plan	\$ 183
GHC Classic	\$ 136
GHC Value	\$ 121
Kaiser Classic	\$ 165
Kaiser Value	\$ 133
Secure Horizons Classic	\$ 180
Secure Horizons Value	\$ 138
Uniform Medical Plan PPO	\$ 164
Plan E Retired	\$ 66
Plan E Disabled	\$ 112
Plan J Retired without Rx	\$ 96
Plan J Disabled without Rx	\$ 162
Plan J Retired with Rx	\$ 135
Plan J Disabled with Rx	\$ 183

*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

HCA Pub No. 50-704

**State and Higher Education Active Employee Monthly Contributions (Deductions)
For Non-Tax Qualified Domestic Partners and Dependents
Final 2009 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
Aetna Public Employee Plan	\$ 112	\$ 234	\$ 196	\$ 318
GHC Classic	\$ 107	\$ 224	\$ 187	\$ 304
GHC Value	\$ 25	\$ 60	\$ 44	\$ 79
Kaiser Classic	\$ 76	\$ 162	\$ 133	\$ 219
Kaiser Value	\$ 33	\$ 76	\$ 58	\$ 101
Uniform Medical Plan PPO	\$ 26	\$ 62	\$ 46	\$ 82

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

Plan Name	Subscriber and Spouse	Subscriber	Partner
Aetna Public Employee Plan	\$ 234	\$ 112	\$ 122
GHC Classic	\$ 224	\$ 107	\$ 117
GHC Value	\$ 60	\$ 25	\$ 35
Kaiser Classic	\$ 162	\$ 76	\$ 86
Kaiser Value	\$ 76	\$ 33	\$ 43
Uniform Medical Plan PPO	\$ 62	\$ 26	\$ 36

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

Plan Name	Full Family	Subscriber and Child(ren)	Partner
Aetna Public Employee Plan	\$ 318	\$ 196	\$ 122
GHC Classic	\$ 304	\$ 187	\$ 117
GHC Value	\$ 79	\$ 44	\$ 35
Kaiser Classic	\$ 219	\$ 133	\$ 86
Kaiser Value	\$ 101	\$ 58	\$ 43
Uniform Medical Plan PPO	\$ 82	\$ 46	\$ 36

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

Plan Name	Full Family	Subscriber	Partner and Child(ren)
Aetna Public Employee Plan	\$ 318	\$ 112	\$ 206
GHC Classic	\$ 304	\$ 107	\$ 197
GHC Value	\$ 79	\$ 25	\$ 54
Kaiser Classic	\$ 219	\$ 76	\$ 143
Kaiser Value	\$ 101	\$ 33	\$ 68
Uniform Medical Plan PPO	\$ 82	\$ 26	\$ 56

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
Aetna Public Employee Plan	\$ 196	\$ 112	\$ 84
GHC Classic	\$ 187	\$ 107	\$ 80
GHC Value	\$ 44	\$ 25	\$ 19
Kaiser Classic	\$ 133	\$ 76	\$ 57
Kaiser Value	\$ 58	\$ 33	\$ 25
Uniform Medical Plan PPO	\$ 46	\$ 26	\$ 20