



Washington State Health Care Authority
Public Employees Benefits Board

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September 13, 2016

TO: Personnel, Payroll and Benefits Offices of Counties, Municipalities, Other
Political Subdivisions, and Tribal Governments

FROM: Amy Corrigan, Manager
PEBB Outreach and Training Team

SUBJECT: Calendar Year 2017 Rates – Tiered – Medical-Only Package

Medical/Vision Insurance

Based on new contracts with the health plans, the revised rates for medical and vision coverage effective January 1, 2017 are attached. As the employer, you determine the portion of the total premium your employees are required to pay.

Employer Group Rate Surcharge

Beginning January 1, 2017 participating counties, municipalities, other political subdivisions, and tribal governments will incur an employer group rate surcharge that will be applied to the monthly rate (included on the attached rate sheet). This change is based on Senate Bill 6475 passed during the 2016 legislative session and described in RCW 41.05.050(2). Additional information is available on the Perspay website www.hca.wa.gov/perspay.

PEBB Program Annual Open Enrollment

The Public Employees Benefits Board (PEBB) Program open enrollment is November 1 – 30. In October, the PEBB Program will mail the *For Your Benefit* newsletter to employees at the address on record or send it electronically to those who subscribe to email subscription. This is the only notice the PEBB Program will send to employees about open enrollment. Information will be available on the PEBB web site at www.hca.wa.gov/pebb before the start of the PEBB Program open enrollment.

Employees who make an online plan change using *My Account* will not see a premium rate. Instead, a pop-up box will prompt them to contact their personnel, payroll or benefits office. To support their decisions and address the questions they may have, you may want to distribute information to your employees before the PEBB Program open enrollment starts regarding premiums they will be expected to pay for 2017.

Premium Surcharges

The biennial budget approved by the Legislature requires some members pay a tobacco use and spousal coverage premium surcharge.

Counties, Municipalities, Other Political Subdivisions and Tribal Governments
September 13, 2016

The tobacco use premium surcharge will remain at \$25 per month per account in addition to the monthly premium, regardless of the number of tobacco users in the family.

The spouse or state-registered domestic partner coverage premium surcharge will remain at \$50 per month in addition to the monthly premium for subscribers who cover a spouse or state-registered domestic partner in PEBB medical insurance where the spouse or state-registered domestic partner has chosen not to enroll in their own employer-based group health insurance that is comparable to the Uniform Medical Plan (UMP) Classic.

Employees who cover a spouse or state-registered domestic partner on their 2017 medical coverage and who previously attested "Yes", "No" to question number 6, "No" or did not attest in 2016 will be required to attest to the spouse or state-registered domestic partner coverage premium surcharge during the PEBB Program annual open enrollment for 2017 plan year coverage.

Additional Taxable Income for Non-Tax Qualified Dependents

If you have an IRS Section 125 Plan that allows employee premium dollars to be treated as a pre-tax deduction, a portion of the premium employers pay toward the family's coverage is considered taxable income to the employee if the employee has dependents enrolled who do not qualify as an IRS tax dependent. 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.

If you have questions about the rates, please contact me at (360) 725-0826, or amy.corrigan@hca.wa.gov.

Enclosures
c: Stephen Lee

Washington State Health Care Authority

2017 PEBB Rate Book

Counties, Municipalities, Political Subdivisions & Tribal Governments Active Tiered Rates for Medical Only Package with Surcharge Table

| Plan Name | Subscriber | Subscriber and Spouse | Subscriber and Child(ren) | Full Family |
|------------------------------|------------|-----------------------|---------------------------|-------------|
| Group Health Classic | \$753.77 | \$1,447.57 | \$1,274.12 | \$1,967.92 |
| Group Health Value | \$676.06 | \$1,292.15 | \$1,138.13 | \$1,754.22 |
| Group Health CDHP | \$640.53 | \$1,214.59 | \$1,085.66 | \$1,601.39 |
| Group Health SoundChoice | \$653.05 | \$1,246.13 | \$1,097.86 | \$1,690.94 |
| Kaiser Permanente Classic | \$738.35 | \$1,416.73 | \$1,247.14 | \$1,925.52 |
| Kaiser 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 |
| Uniform Medical Plan CDHP | \$640.16 | \$1,213.85 | \$1,085.01 | \$1,600.37 |
| UMP Plus | \$672.74 | \$1,285.51 | \$1,132.32 | \$1,745.09 |

| Surcharges | | | | |
|------------------------------|---------|---------|---------|---------|
| Tobacco Use Surcharge | \$25.00 | \$25.00 | \$25.00 | \$25.00 |
| Spouse Waiver (AV) Surcharge | \$0.00 | \$50.00 | \$0.00 | \$50.00 |

*These rates include the employer group rate surcharge authorized by RCW 41.05.050(2) (as amended by SB6475 (2016)), which for 2017 are \$20 for Single Subscriber, \$40 for Subscriber and Spouse, \$35 for Subscriber and Child(ren), and \$55 for Full Family coverage. The remaining difference in these rates reflects the offset from the employer group rate surcharge to the non-political subdivision rates.

Washington State Health Care Authority

2017 PEBB Rate Book

Additional Taxable Income for Non-Tax Qualified Dependents

Table 1: Employer Share Medical and Dental

2017 Monthly State Premium Contribution for Medical and Dental for Active Employees

Additional Taxable Income for Non-Tax Qualified Dependent Coverage

| MEDICAL AND DENTAL PLAN | Partner* | Subscriber's or Partner's Child(ren)* | Partner and Child(ren)* |
|-------------------------|----------|---------------------------------------|-------------------------|
| All Medical Plans | \$560.00 | \$439.00 | \$999.00 |

Table 2: Employer Share Dental Only

Sample chart for dental only enrollment-taxable amount for dependents

| DENTAL PLAN | Partner* | Subscriber's or Partner's Child(ren)* | Partner and Child(ren)* |
|------------------|----------|---------------------------------------|-------------------------|
| All Dental Plans | \$45.00 | \$45.00 | \$90.00 |

2017 Monthly State Contribution for Medicare Retirees (monthly state subsidy)**

Additional taxable income for non-tax qualified domestic partners

| | |
|------------------------------|----------|
| Group Health Medicare Only | \$150.00 |
| Kaiser Permanente Classic | \$150.00 |
| Uniform Medical Plan Classic | \$150.00 |
| Plan F Retired | \$105.00 |
| Plan F Disabled | \$150.00 |

*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

Washington State Health Care Authority

2017 PEBA Rate Book

State and Higher Education Active Employee Monthly Contributions (Deductions) for Non-Tax Qualified Dependents

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 |
|------------------------------|------------|-----------------------|---------------------------|-------------|
| Group Health Classic | \$147.00 | \$304.00 | \$257.00 | \$414.00 |
| Group Health Value | \$69.00 | \$148.00 | \$121.00 | \$200.00 |
| Group Health CDHP | \$25.00 | \$60.00 | \$44.00 | \$79.00 |
| Group Health SoundChoice | \$46.00 | \$102.00 | \$81.00 | \$137.00 |
| Kaiser Permanente Classic | \$131.00 | \$272.00 | \$229.00 | \$370.00 |
| Kaiser CDHP | \$26.00 | \$62.00 | \$46.00 | \$82.00 |
| Uniform Medical Plan Classic | \$94.00 | \$198.00 | \$165.00 | \$269.00 |
| Uniform Medical Plan CDHP | \$25.00 | \$60.00 | \$44.00 | \$79.00 |
| Uniform Medical Plan ACP | \$66.00 | \$142.00 | \$116.00 | \$192.00 |

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

| Plan Name | Subscriber and Spouse | Subscriber | Partner |
|------------------------------|-----------------------|------------|----------|
| Group Health Classic | \$304.00 | \$147.00 | \$157.00 |
| Group Health Value | \$148.00 | \$69.00 | \$79.00 |
| Group Health CDHP | \$60.00 | \$25.00 | \$35.00 |
| Group Health SoundChoice | \$102.00 | \$46.00 | \$56.00 |
| Kaiser Permanente Classic | \$272.00 | \$131.00 | \$141.00 |
| Kaiser CDHP | \$62.00 | \$26.00 | \$36.00 |
| Uniform Medical Plan Classic | \$198.00 | \$94.00 | \$104.00 |
| Uniform Medical Plan CDHP | \$60.00 | \$25.00 | \$35.00 |
| Uniform Medical Plan ACP | \$142.00 | \$66.00 | \$76.00 |

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

| Plan Name | Full Family | Subscriber and Child(ren) | Partner |
|------------------------------|-------------|---------------------------|----------|
| Group Health Classic | \$414.00 | \$257.00 | \$157.00 |
| Group Health Value | \$200.00 | \$121.00 | \$79.00 |
| Group Health CDHP | \$79.00 | \$44.00 | \$35.00 |
| Group Health SoundChoice | \$137.00 | \$81.00 | \$56.00 |
| Kaiser Permanente Classic | \$370.00 | \$229.00 | \$141.00 |
| Kaiser CDHP | \$82.00 | \$46.00 | \$36.00 |
| Uniform Medical Plan Classic | \$269.00 | \$165.00 | \$104.00 |
| Uniform Medical Plan CDHP | \$79.00 | \$44.00 | \$35.00 |
| Uniform Medical Plan ACP | \$192.00 | \$116.00 | \$76.00 |

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

| Plan Name | Full Family | Subscriber | Partner and Child(ren) |
|------------------------------|-------------|------------|------------------------|
| Group Health Classic | \$414.00 | \$147.00 | \$267.00 |
| Group Health Value | \$200.00 | \$69.00 | \$131.00 |
| Group Health CDHP | \$79.00 | \$25.00 | \$54.00 |
| Group Health SoundChoice | \$137.00 | \$46.00 | \$91.00 |
| Kaiser Permanente Classic | \$370.00 | \$131.00 | \$239.00 |
| Kaiser CDHP | \$82.00 | \$26.00 | \$56.00 |
| Uniform Medical Plan Classic | \$269.00 | \$94.00 | \$175.00 |
| Uniform Medical Plan CDHP | \$79.00 | \$25.00 | \$54.00 |
| Uniform Medical Plan ACP | \$192.00 | \$66.00 | \$126.00 |

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 |
|------------------------------|---------------------------|------------|--------------------|
| Group Health Classic | \$257.00 | \$147.00 | \$110.00 |
| Group Health Value | \$121.00 | \$69.00 | \$52.00 |
| Group Health CDHP | \$44.00 | \$25.00 | \$19.00 |
| Group Health SoundChoice | \$81.00 | \$46.00 | \$35.00 |
| Kaiser Permanente Classic | \$229.00 | \$131.00 | \$98.00 |
| Kaiser CDHP | \$46.00 | \$26.00 | \$20.00 |
| Uniform Medical Plan Classic | \$165.00 | \$94.00 | \$71.00 |
| Uniform Medical Plan CDHP | \$44.00 | \$25.00 | \$19.00 |
| Uniform Medical Plan ACP | \$116.00 | \$66.00 | \$50.00 |