



Washington State Health Care Authority
Public Employees Benefits Board

P.O. Box 42684 • Olympia, Washington 98504-2684
360-725-0440 • TTY 711 • FAX 360-725-0771 • www.hca.wa.gov/pebb

September 13, 2016

TO: Personnel, Payroll and Insurance Offices of K-12 School Districts, Educational Service Districts, and Charter Schools

FROM: Amy Corrigan, Manager
PEBB Outreach & Training Team

SUBJECT: Calendar Year 2017 Rates – Tiered - Full Benefits Package

Medical/Dental Insurance

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

PEBB Annual Open Enrollment

The Public Employees Benefit 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 Program website 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 are expected to pay in 2017.

Premium Surcharges

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

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.

K-12 School Districts, ESDs, and Charter Schools
September 13, 2016

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.

Life and Long-Term Disability (LTD) Insurance

As part of the PEBB Program's commitment to provide competitive benefits to our members, we are contracting with MetLife as our new life insurance carrier starting with the 2017 plan year. The employer paid accidental death and dismemberment benefits will remain at \$5,000. ***All employees – even those not currently enrolled in supplemental life insurance – will have an opportunity to enroll in or increase their life insurance up to the new guaranteed issue amount of \$500,000 without medical underwriting.*** Their new elected coverage will begin on January 1, 2017. More information will be available prior to open enrollment.

Employees' optional LTD rates will increase effective January 1, 2017. The increase in optional LTD is because the Claims Fluctuation Reserves (CFR's) have been subsidizing premiums, but we no longer have excess funds in the CFRs for subsidies.

The rate schedule for life and LTD insurance is also attached.

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

Attachments

c: Stephen Lee

Washington State Health Care Authority

2017 PEBB Rate Book

K-12 School Districts, ESDs and Charter School Active Tiered Rates for Full Benefits Package with Premium Surcharge Table

Plan Name	Subscriber	Subscriber and Spouse	Subscriber and Child(ren)	Full Family
Group Health Classic	\$816.88	\$1,488.68	\$1,320.73	\$1,992.53
Group Health Value	\$739.17	\$1,333.26	\$1,184.74	\$1,778.83
Group Health CDHP	\$703.64	\$1,255.70	\$1,132.27	\$1,626.00
Group Health SoundChoice	\$716.16	\$1,287.24	\$1,144.47	\$1,715.55
Kaiser Permanente Classic	\$801.46	\$1,457.84	\$1,293.75	\$1,950.13
Kaiser CDHP	\$705.19	\$1,258.30	\$1,134.61	\$1,629.39
Uniform Medical Plan Classic	\$764.01	\$1,382.94	\$1,228.21	\$1,847.14
Uniform Medical Plan CDHP	\$703.27	\$1,254.96	\$1,131.62	\$1,624.98
UMP Plus	\$735.85	\$1,326.62	\$1,178.93	\$1,769.70

Medical Waived	\$145.08	\$145.08	\$145.08	\$145.08
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Surcharges				
Tobacco Use Surcharge	\$25.00	\$25.00	\$25.00	\$25.00
Spouse Waiver (AV) Surcharge	\$0.00	\$50.00	\$0.00	\$50.00

**Washington State Health Care Authority
2017 PEBB Rate Book**

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

Employee Basic*	Monthly Cost:	\$3.96
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Employee Optional Monthly Cost for Each \$1,000 of Coverage (Available in \$10,000 increments)		
Age	Non-Smoker	Smoker
<25	\$0.028	\$0.037
25-29	\$0.031	\$0.043
30-34	\$0.034	\$0.057
35-39	\$0.043	\$0.066
40-44	\$0.064	\$0.073
45-49	\$0.092	\$0.111
50-54	\$0.143	\$0.170
55-59	\$0.268	\$0.317
60-64	\$0.411	\$0.482
65-69	\$0.758	\$0.929
70+	\$1.131	\$1.510

Spouse/Registered Domestic Partner Life Monthly Cost for Each \$1,000 of Coverage (Up to 50% of Employee Optional in \$5,000 increments)		
Age	Non-Smoker	Smoker
<25	\$0.028	\$0.037
25-29	\$0.031	\$0.043
30-34	\$0.034	\$0.057
35-39	\$0.043	\$0.066
40-44	\$0.064	\$0.073
45-49	\$0.092	\$0.111
50-54	\$0.143	\$0.170
55-59	\$0.268	\$0.317
60-64	\$0.411	\$0.482
65-69	\$0.758	\$0.929
70+	\$1.131	\$1.510

Child Life Monthly Cost for Each \$1,000 of Coverage (Available in \$5,000 increments)	
Age 2 weeks - 26 years	\$0.124

Employee Optional AD&D Monthly Cost for Each \$1,000 of Coverage (Available in \$10,000 increments)	
Cost per \$1,000	\$0.019

Spouse/Registered Domestic Partner AD&D Monthly Cost for Each \$1,000 of Coverage (Available in \$10,000 increments)	
Cost per \$1,000	\$0.019

Child AD&D Monthly Cost for Each \$1,000 of Coverage (Available in \$5,000 increments)	
Cost per \$1,000	\$0.016

* Represents premium paid to Plan

For State Actives, Basic coverage is paid by the employer.

For Actives from Employer Groups, ESDs, and K-12 School Districts Accepting the Full Benefits Package, the premium for basic coverage is included in the rates for the selected medical plan.

Coverage is not provided to Actives from Employer Groups, ESDs and K-12 School Districts Accepting Medical Only Package.

Washington State Health Care Authority

2017 PEBB Rate Book

PEBB Long Term Disability Plan - Rates Paid to Plan and Charged to Subscribers

Basic Plan for Actives	Monthly Cost*:	\$2.10
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Optional Plan		
Waiting Period	TIAA/CREF or Higher Education Academic Retirement Plan Employees	TRS, PERS, & other Retirement Plan Employees
30 days	2.60%	2.06%
60 days	1.32%	1.09%
90 days	0.72%	0.60%
120 days	0.42%	0.36%
180 days	0.32%	0.28%
240 days	0.30%	0.27%
300 days	0.28%	0.25%
360 days	0.27%	0.24%

* Represents premium paid to plan only.

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

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