



Washington State Health Care Authority
Public Employees Benefits Board

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August 31, 2017

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

FROM: Amy Corrigan, Manager
PEB Outreach & Training Team

SUBJECT: Fiscal Year 2018 PEBB Program Rates – Composite

Overview

The monthly base rate of \$913 per eligible employee for health care contributions for fiscal year 2018 will remain unchanged until September 1, 2018.

Medical/Dental Insurance

Based on new contracts with the health plans, the revised rates for medical and dental coverage effective January 1, 2018 are attached. As the employer, you determine the portion of the total premium your employees are required to pay.

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 will send it electronically to those who subscribe to the email subscription. This is the only notice the PEBB Program will send employees about open enrollment. Information will be available on the PEBB Program website at www.hca.wa.gov/pebb before the start of 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 in 2018.

Premium Surcharges

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 2018 medical coverage may be required to attest to the spouse or state-registered domestic partner coverage premium surcharge during the PEBB Program annual open enrollment. The PEBB Program will notify the employees of the need to attest by mail.

Life and Long-Term Disability (LTD) Insurance

Employee's optional life insurance premiums will remain the same for 2018.

Employee's optional LTD premiums will remain the same for 2018.

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: Kate LaBelle
Karin Freeman

Washington State Health Care Authority

2018 PEBB Rate Book

Composite Active Rates for Charter Schools, Educational Service Districts, and K-12 School Districts

| | 1/1/2018 through 8/31/2018 | Total Premium: 1/1/2018 through 8/31/2018 | | | |
|--|----------------------------------|---|-------------------------------|---------------------------------|-------------|
| | | Total Base Rate with Employee Contributions | | | |
| Plan Name | Base Rate | Subscriber | Subscriber and Spouse** | Subscriber and Child(ren) | Full Family |
| Kaiser Permanente NW Classic* | \$913 | \$1,050 | \$1,197 | \$1,153 | \$1,300 |
| Kaiser Permanente NW CDHP* | \$913 | \$940 | \$977 | \$960 | \$997 |
| Kaiser Permanente WA (formerly Group Health) Classic | \$913 | \$1,075 | \$1,247 | \$1,197 | \$1,369 |
| Kaiser Permanente WA (formerly Group Health) Value | \$913 | \$991 | \$1,079 | \$1,050 | \$1,138 |
| Kaiser Permanente WA (formerly Group Health) SoundChoice | \$913 | \$964 | \$1,025 | \$1,002 | \$1,063 |
| Kaiser Permanente WA (formerly Group Health) CDHP | \$913 | \$938 | \$973 | \$957 | \$992 |
| Uniform Medical Plan Classic | \$913 | \$1,015 | \$1,127 | \$1,092 | \$1,204 |
| Uniform Medical Plan CDHP | \$913 | \$938 | \$973 | \$957 | \$992 |
| UMP Plus | \$913 | \$958 | \$1,013 | \$992 | \$1,047 |

| | | | | | |
|----------------|--|-------|-------|-------|-------|
| Waive Coverage | | \$913 | \$913 | \$913 | \$913 |
|----------------|--|-------|-------|-------|-------|

| Premium Surcharges | | | | | |
|------------------------------|--|------|------|------|------|
| Tobacco Use Surcharge | | \$25 | \$25 | \$25 | \$25 |
| Spouse Waiver (AV) Surcharge | | \$0 | \$50 | \$0 | \$50 |

*Kaiser Foundation Health Plan of the Northwest, with plans offered in Clark and Cowlitz counties in WA, and the Portland, OR area

**or state-registered domestic partner

State Agency and Higher Education Breakdown of Employer (base rate) and Employee Contribution

| | 1/1/2018 through 8/31/2018 | 1/1/2018 through 12/31/2018 | | | |
|--|----------------------------------|-----------------------------|-------------------------------|---------------------------------|-------------|
| | | Employee Contribution | | | |
| Plan Name | Base Rate | Subscriber | Subscriber and Spouse** | Subscriber and Child(ren) | Full Family |
| Kaiser Permanente NW Classic* | \$913 | \$137 | \$284 | \$240 | \$387 |
| Kaiser Permanente NW CDHP* | \$913 | \$27 | \$64 | \$47 | \$84 |
| Kaiser Permanente WA (formerly Group Health) Classic | \$913 | \$162 | \$334 | \$284 | \$456 |
| Kaiser Permanente WA (formerly Group Health) Value | \$913 | \$78 | \$166 | \$137 | \$225 |
| Kaiser Permanente WA (formerly Group Health) SoundChoice | \$913 | \$51 | \$112 | \$89 | \$150 |
| Kaiser Permanente WA (formerly Group Health) CDHP | \$913 | \$25 | \$60 | \$44 | \$79 |
| Uniform Medical Plan Classic | \$913 | \$102 | \$214 | \$179 | \$291 |
| Uniform Medical Plan CDHP | \$913 | \$25 | \$60 | \$44 | \$79 |
| UMP Plus | \$913 | \$45 | \$100 | \$79 | \$134 |

| | | | | | |
|----------------|--|-------|-------|-------|-------|
| Waive Coverage | | \$913 | \$913 | \$913 | \$913 |
|----------------|--|-------|-------|-------|-------|

| Premium Surcharges | | | | | |
|------------------------------|--|------|------|------|------|
| Tobacco Use Surcharge | | \$25 | \$25 | \$25 | \$25 |
| Spouse Waiver (AV) Surcharge | | \$0 | \$50 | \$0 | \$50 |

Washington State Health Care Authority

2018 PEBB Rate Book

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

| | | |
|------------------------|---------------|--------|
| Employee Basic* | Monthly Cost: | \$3.96 |
|------------------------|---------------|--------|

| 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 |

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

| Spouse/State-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 |

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

| 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 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 K-12 Districts and Employer Groups Accepting Medical Only Package.

Washington State Health Care Authority

2018 PEBB Rate Book

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

| | | |
|-------------------------------|----------------|--------|
| Basic Plan for Actives | Monthly Cost*: | \$2.10 |
|-------------------------------|----------------|--------|

| 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

2018 PEBB Rate Book

Additional Taxable Income for Non-Tax Qualified Dependents

Table 1: Employer Share Medical and Dental

2018 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 | \$587 | \$459 | \$1,046 |

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 | \$46 | \$46 | \$92 |

2018 Monthly State Contribution for Medicare Retirees (monthly state subsidy)**

Additional taxable income for non-tax qualified domestic partners

| | |
|--|-------|
| Kaiser Permanente NW Classic | \$150 |
| Kaiser Permanente WA (formerly Group Health) Medicare Only | \$150 |
| Uniform Medical Plan Classic | \$150 |
| Plan F Retired | \$106 |
| Plan F Disabled | \$150 |

*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

2018 PEBB 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 |
|--|------------|-----------------------|---------------------------|-------------|
| Kaiser Permanente NW Classic | \$137 | \$284 | \$240 | \$387 |
| Kaiser Permanente NW CDHP | \$27 | \$64 | \$47 | \$84 |
| Kaiser Permanente WA (formerly Group Health) Classic | \$162 | \$334 | \$284 | \$456 |
| Kaiser Permanente WA (formerly Group Health) Value | \$78 | \$166 | \$137 | \$225 |
| Kaiser Permanente WA (formerly Group Health) SoundChoice | \$51 | \$112 | \$89 | \$150 |
| Kaiser Permanente WA (formerly Group Health) CDHP | \$25 | \$60 | \$44 | \$79 |
| Uniform Medical Plan Classic | \$102 | \$214 | \$179 | \$291 |
| UMP Plus | \$45 | \$100 | \$79 | \$134 |
| Uniform Medical Plan CDHP | \$25 | \$60 | \$44 | \$79 |

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

| Plan Name | Subscriber and Spouse | Subscriber | Partner |
|--|-----------------------|------------|---------|
| Kaiser Permanente NW Classic | \$284 | \$137 | \$147 |
| Kaiser Permanente NW CDHP | \$64 | \$27 | \$37 |
| Kaiser Permanente WA (formerly Group Health) Classic | \$334 | \$162 | \$172 |
| Kaiser Permanente WA (formerly Group Health) Value | \$166 | \$78 | \$88 |
| Kaiser Permanente WA (formerly Group Health) SoundChoice | \$112 | \$51 | \$61 |
| Kaiser Permanente WA (formerly Group Health) CDHP | \$60 | \$25 | \$35 |
| Uniform Medical Plan Classic | \$214 | \$102 | \$112 |
| UMP Plus | \$100 | \$45 | \$55 |
| Uniform Medical Plan CDHP | \$60 | \$25 | \$35 |

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

| Plan Name | Full Family | Subscriber and Child(ren) | Partner |
|--|-------------|---------------------------|---------|
| Kaiser Permanente NW Classic | \$387 | \$240 | \$147 |
| Kaiser Permanente NW CDHP | \$84 | \$47 | \$37 |
| Kaiser Permanente WA (formerly Group Health) Classic | \$456 | \$284 | \$172 |
| Kaiser Permanente WA (formerly Group Health) Value | \$225 | \$137 | \$88 |
| Kaiser Permanente WA (formerly Group Health) SoundChoice | \$150 | \$89 | \$61 |
| Kaiser Permanente WA CDHP | \$79 | \$44 | \$35 |
| Uniform Medical Plan Classic | \$291 | \$179 | \$112 |
| UMP Plus | \$134 | \$79 | \$55 |
| Uniform Medical Plan CDHP | \$79 | \$44 | \$35 |

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

| Plan Name | Full Family | Subscriber | Partner and Child(ren) |
|--|-------------|------------|------------------------|
| Kaiser Permanente NW Classic | \$387 | \$137 | \$250 |
| Kaiser Permanente NW CDHP | \$84 | \$27 | \$57 |
| Kaiser Permanente WA (formerly Group Health) Classic | \$456 | \$162 | \$294 |
| Kaiser Permanente WA (formerly Group Health) Value | \$225 | \$78 | \$147 |
| Kaiser Permanente WA (formerly Group Health) SoundChoice | \$150 | \$51 | \$99 |
| Kaiser Permanente WA (formerly Group Health) CDHP | \$79 | \$25 | \$54 |
| Uniform Medical Plan Classic | \$291 | \$102 | \$189 |
| UMP Plus | \$134 | \$45 | \$89 |
| Uniform Medical Plan CDHP | \$79 | \$25 | \$54 |

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 |
|--|---------------------------|------------|--------------------|
| Kaiser Permanente NW Classic | \$240 | \$137 | \$103 |
| Kaiser Permanente NW CDHP | \$47 | \$27 | \$20 |
| Kaiser Permanente WA (formerly Group Health) Classic | \$284 | \$162 | \$122 |
| Kaiser Permanente WA (formerly Group Health) Value | \$137 | \$78 | \$59 |
| Kaiser Permanente WA (formerly Group Health) SoundChoice | \$89 | \$51 | \$38 |
| Kaiser Permanente WA (formerly Group Health) CDHP | \$44 | \$25 | \$19 |
| Uniform Medical Plan Classic | \$179 | \$102 | \$77 |
| UMP Plus | \$79 | \$45 | \$34 |
| Uniform Medical Plan CDHP | \$44 | \$25 | \$19 |