



**Washington State
Health Care Authority**

Public Employees Benefits Board

July 8, 2009 Meeting



Public Employees Benefits Board Meeting

July 8, 2009

1:00 p.m. – 3:00 p.m.

Legislative Building
Columbia Room
Olympia, Washington

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AGENDA

Public Employees Benefits Board

July 8, 2009

1:00 – 3:00 p.m.

Legislative Building

Columbia Room

416 Sid Snyder Avenue, Rm 111

Olympia, Washington

Conference call-dial in 1-877-597-2663, conference ID 9771860

| | | | |
|------------------|--|-----------------------------|--------------------|
| 1:00 p.m. | Welcome and Introductions | Steve Hill | |
| 1:05 p.m. | Approval June 24, 2009, meeting minutes | Steve Hill | Action |
| 1:10 p.m. | Annual Rule Making Resolutions | Mary Fliss | Action |
| 1:20 p.m. | Procurement Recommendations | John Williams Elin Meyer | Information/Action |
| 2:00 p.m. | Public Comment | | |
| 2:30 p.m. | Adjourn | | |

The Public Employees Benefits Board will meet Wednesday, July 8, 2009, at the Legislative Building, Columbia Room, 416 Sid Snyder Avenue, Olympia, Washington. The board will consider all matters on the agenda plus any items that may normally come before them.

This notice is pursuant to the requirements of the Open Public Meeting Act, Chapter 42.30 RCW.

Direct e-mail to: board@hca.wa.gov

Materials posted at: <http://www.pebb.hca.wa.gov/board/>

PEBB Board Members

| Name | Representing |
|--|--------------------------------------|
| Steve Hill, Administrator Health Care Authority 676 Woodland Square Loop SE PO Box 42700 Olympia WA 98504-2700 V 360-923-2828 steve.hill@hca.wa.gov | Chair |
| Greg Devereux, Executive Director Washington Federation of State Employees 1212 Jefferson Street, Suite 300 Olympia WA 98501 V 360-352-7603 greg@wfse.org | State Employees |
| Phil Karlberg* Arlington Public Schools 315 N French Ave Arlington WA 98223 V 360-593-6275 | K-12 |
| Robert Porterfield 10423 – 65 th Avenue South Seattle WA 98178 V 206-722-8194 robertporterfield@comcast.net | State Retirees |
| Lee Ann Prielipp 29322 6 th Avenue Southwest Federal Way WA 98023 V 253-839-9753 leeannwa@comcast.net | K-12 Retirees |
| Eva Santos, Director Department of Personnel PO Box 47500 Olympia WA 98504-7500 V 360-664-6350 evas@dop.wa.gov | Benefits Management/Cost Containment |

PEBB Board Members

| Name | Representing |
|---|--------------------------------------|
| Margaret T. Stanley 19437 Edgecliff Dr SW Seattle WA 98166 V 206-484-9411 mtstanley@comcast.net | Benefits Management/Cost Containment |
| Yvonne Tate Human Resources City of Bellevue PO Box 90012 Bellevue WA 98009-9012 V 425-452-4066 ytate@ci.bellevue.wa.us | Benefits Management/Cost Containment |
| (vacant)* | Benefits Management/Cost Containment |

Legal Counsel

Melissa Burke-Cain, Assistant Attorney General
7141 Cleanwater Dr SW
PO Box 40109
Olympia WA 98504-0109
V 360-586-6500
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*non voting members

D*R*A*F*T
Public Employees Benefits Board
Meeting Minutes

June 24, 2009
Health Care Authority
Lacey, WA
1:00 p.m.

Members Present:

Steve Hill
Greg Devereux
Phil Karlberg
Eva Santos
Robert Porterfield
Margaret Stanley
Yvonne Tate

Members Absent:

Lee Ann Prielipp

Call to Order

Steve Hill, Chair, called the meeting to order at 1:15 p.m. Mr. Hill said that the board met in Executive Session to consider proprietary or confidential non-published information related to development, acquisition, of implementation of state purchased health care services as provided in RCW 41.05.026. The Executive Session began at 11:30 a.m. and concluded at 1:00. p.m. No action, as defined in RCW 42.30.020(3), was taken during Executive Session. Audience and board self-introductions followed. Sufficient members were present to allow a quorum. Chair Hill announced that board member Yvonne Tate has moved into the voting slot on the board recently vacated by Dr. Penny Palmer. The board currently has a vacant non-voting slot.

Approval of April 15, 2009, and May 20, 2009. PEBB Meeting Minutes

It was moved and seconded to approve the April 15, 2009, and May 20, 2009, PEBB Board meeting minutes. Minutes approved by unanimous vote.

Annual Rule Making Brief

Ms. Mary Fliss, Public Employees Benefits Board (PEBB) Program, and Ms. Barbara Scott, PEBB Program, presented employee eligibility policy proposals for board consideration. The employee eligibility policy proposals will be brought to the board for vote at its July 8, 2009, meeting.

The board unanimously voted to approve the following resolutions on policies that will take effect January 1, 2010:

1. RESOLVED, that, effective January 1, 2010, domestic partners enrolling in PEBB must be in a state registered partnership.



2. RESOLVED, that it is an employee's discretion whether to enroll eligible dependents or not (i) when the employee becomes eligible and enrolls in PEBB insurance coverage and (ii) during any open enrollment.
3. RESOLVED, that a member's failure to comply with enrollment procedures or established deadlines is grounds to not enroll a dependent who has substantive eligibility or to remove an enrolled dependent from an employee's or retiree's coverage.

UMP 2010 Update

Mr. John Williams, Health Care Authority Deputy Administrator, said on May 8, 2009, HCA awarded Aetna the contract as the new Third Party Administrator for Uniform Medical Plan. By law, a 20-day protest period follows the contract award, and United HealthCare filed a timely protest. The protest will be heard by the Office of Administrative Hearings and is moving through the process. Mr. Williams said he would keep the board updated on the status of the appeal.

Procurement Update

Mr. John Williams and Ms. Elin Meyer, Health Care Authority, provided a procurement update and said a final proposal will be brought to the board at its July 8, 2009, meeting.

Public Comment

Mr. John Kwamme provided public comment.

The meeting was adjourned.

Respectfully submitted,

Steve Hill, Chair

PEBB

Annual Rule Making

July 8, 2009



Purpose of this briefing

Board action: Vote on resolutions of policies
presented on June 24, 2009



Policy resolutions related to employee eligibility

- Definition of “benefits-eligible position”
- Stacking of non-faculty positions in a single agency
- First quarter eligibility within 12 months of faculty returning to half time or more
- Definition of “half-time” for seasonal employees

Policy resolutions related to employee eligibility

- A benefits-eligible position is any position held by an employee who is eligible for benefits. A benefits eligible position ends if the employment relationship is terminated, or the employee voluntarily transfers to a non-eligible position. Voluntary transfers do not include transfers due to lack of funds or an employer's organizational change.



Policy resolutions related to employee eligibility

- All non-faculty hours worked in a single agency are counted (“stacked”) in determining whether an employee is eligible for benefits.

Policy resolutions related to employee eligibility

- Faculty who lose eligibility regain eligibility if they return to a faculty position where it is anticipated that they will work half time or more for the quarter/semester no later than the 12th month after the month in which they lost eligibility.

NOTE: Employer contribution for such faculty begins on the first day of the month in which the quarter or semester begins.



Policy resolutions related to employee eligibility

- For seasonal employees, “half-time” is defined as working an average of at least eighty hours per month.



Next Steps

- August – File proposed amendments and new rules
- September – Public hearing & adopt final rules
- January – Effective date of new and amended rules unless otherwise necessary to implement legislation

**PUBLIC EMPLOYEES BENEFITS BOARD
July 8, 2009 Meeting**

Resolutions on policies that will take effect January 1, 2010

1. **RESOLVED**, that, a benefits-eligible position is any position held by an employee who is eligible for benefits. A benefits eligible position ends if the employment relationship is terminated, or the employee voluntarily transfers to a non-eligible position. Voluntary transfers do not include transfers due to lack of funds or an employer's organizational change.
2. **RESOLVED**, that all non-faculty hours worked in a single agency are counted ("stacked") in determining whether an employee is eligible for benefits.
3. **RESOLVED**, that faculty who lose eligibility regain eligibility if they return to a faculty position where it is anticipated that they will work half time or more for the quarter/semester no later than the 12th month after the month in which they lost eligibility.
4. **RESOLVED**, that for seasonal employees, "half-time" is defined as working an average of at least eighty hours per month.

Public Employees Benefits Board

2010 Procurement

July 8, 2009



**Washington State
Health Care Authority**

Agenda

- Purchasing Goals
- Medical Procurement Recommendations
 - Active Employee and Non-Medicare Retiree Recommendations
 - Medicare Recommendations
- Next Steps

2010 Purchasing Goals

- Maintain benefits that compare well with other high quality State of Washington employers (public and private)
- Design benefits that encourage enrollees to:
 - Improve their health
 - Seek higher quality and more efficient care
- Manage within fiscal limits set by the Legislature
- Maintain access to a choice of health plans for employees and retirees
- Improve management of underlying cost trends

Active Employee and Non-Medicare Retiree Recommendations

2010 Active and Non-Medicare Retiree Budget Overview

| <u>Product Line</u> | 2010 Non-Medicare Bid Rates Without Benefit Changes | Bid Rate Increase Over 2009 Rates Without Benefit Changes | 2010 Non-Medicare Bid Rates With Recommended Benefit Changes | Bid Rate Increase Over 2009 Rates With Benefit Changes |
|---|---|---|--|--|
| Group Health Cooperative Classic | \$538.16 | 7.1% | \$464.29 | -7.6% |
| Group Health Cooperative Value | \$453.84 | 8.0% | \$415.00 | -1.2% |
| Kaiser Permanente Classic | \$502.94 | 6.9% | \$465.07 | -1.2% |
| Kaiser Permanente Value | \$470.03 | 9.9% | \$434.64 | 1.6% |
| Aetna PEP | \$619.74 | 22.2% | \$525.00 | 3.5% |
| Uniform Medical Plan (UMP) | \$450.36 | 6.9% | \$433.76 | 3.0% |
| Weighted Average Bid Rate Increase | | 8.7% | | 0.2% |

2010 Budgeted Weighted Average Rate Increase Over 2009 Bid Rates: 0%

Recommended 2010 Aetna PEP and UMP Benefit Changes (Applies to Both Non-Medicare and Medicare Plans)

Aetna PEP Benefit Changes

| SUMMARY OF CHANGE | 2009 Member Costs | 2010 Member Costs |
|--|-------------------|-------------------|
| Annual Deductible | None | \$250/\$750 |
| Out-of-Pocket Limit | \$750/\$1500 | \$2000/\$6000 |
| Office Visit | \$10 | \$25 |
| Rx Retail | \$10/\$25/\$40 | \$20/\$40/\$60 |
| Rx Mail Order | \$20/\$50/\$80 | \$40/\$80/\$120 |
| Plan Design Changes Result in a 2010 Bid Rate Reduction of 15.3% | | |

UMP Benefit Changes

| SUMMARY OF CHANGE | 2009 Member Costs | 2010 Member Costs |
|---|-------------------|-------------------|
| Medical Deductible | \$200/\$600 | \$250/\$750 |
| Network Coinsurance | 10% | 15% |
| Out-of-Pocket Limit | \$1500/\$3000 | \$2000/\$4000 |
| Plan Design Changes Result in 2010 Bid Rate Reduction of 3.7% | | |

Recommended 2010 GHC Non-Medicare Benefit Changes

GHC Classic Plan Benefit Changes

| SUMMARY OF CHANGE | 2009 Member Costs | 2010 Member Costs |
|--|-------------------|-------------------|
| Annual Deductible | None | \$250/\$750 |
| Out-of-Pocket Limit | \$750/\$1500 | \$2000/\$6000 |
| Office Visit Copay | \$10 | \$25 |
| Rx Retail | \$10/\$30 | \$20/\$40/\$60 |
| Rx Mail Order | \$20/\$40 | \$40/\$80/\$120 |
| Plan Design Changes Result in a 2010 Bid Rate Reduction of 13.7% | | |

GHC Value Plan Benefit Changes

| SUMMARY OF CHANGE | 2009 Member Costs | 2010 Member Costs |
|---|---------------------|---------------------|
| Annual Deductible | \$100/\$300 | \$350/\$1050 |
| Out-of-Pocket Limit | \$1500/\$3000 | \$2000/\$6000 |
| Inpatient Hospital | \$200 x 3; \$600/yr | \$300 x 3; \$900/yr |
| Outpatient Hospital | \$150 | \$100 |
| Office Visit | \$15 | \$30 |
| Rx Retail | \$10/\$30 | \$20/\$40/\$60 |
| Rx Mail Order | \$20/\$60 | \$40/\$80/\$120 |
| Plan Design Changes Result in a 2010 Bid Rate Reduction of 8.6% | | |

Recommended 2010 Kaiser Non-Medicare Benefit Changes

Kaiser Classic Plan Benefit Changes

| SUMMARY OF CHANGE | 2009 Member Costs | 2010 Member Costs |
|---|----------------------|-------------------------|
| Out-Of-Pocket Limit | \$750/\$1500 | \$1500/\$3000 |
| Primary Care, Eye Exam | \$10 | \$20 |
| Specialty, Chiro Care | \$10 | \$30 |
| Urgent Care | \$10 | \$40 |
| Office Visit Injections | \$0 | \$5 |
| X-rays, Imaging, Diagnostics | \$0 | \$10 |
| Rx: Retail, Mail Order | \$10/\$25; \$20/\$50 | \$15/\$30; \$30/\$60 |
| Ambulance | \$75 | \$100 |
| Hospital & SNF | \$200/day; \$600/yr | \$200/day; \$1000/admit |
| Plan Design Changes Result in a 2010 Bid Rate Reduction of 7.5% | | |

Kaiser Value Plan Benefit Changes

(With the exception of preventive care services, services administered with a 10% or 20% coinsurance in 2009 will be administered with a 25% coinsurance in 2010. Preventive services are exempt from deductibles and point-of-service costs.)

| SUMMARY OF CHANGE | 2009 Member Costs | 2010 Member Costs |
|---|----------------------|----------------------|
| Out-Of-Pocket Limit | \$1500/\$3000 | \$2000/\$4000 |
| Deductible | \$100/\$300 | \$300/\$900 |
| Primary Care, Eye Exam | \$20 | \$30 |
| Specialty, Chiro Care | \$20 | \$40 |
| Urgent Care | \$20 | \$50 |
| X-rays, Imaging, Diagnostics | 10% | 25% |
| Rx: Retail, Mail Order | \$10/\$30; \$20/\$60 | \$20/\$40; \$40/\$80 |
| Ambulance, Hospital, SNF, Home Health | 10% | 25% |
| Plan Design Changes Result in a 2010 Bid Rate Reduction of 7.5% | | |

Increased Annual Employee Financial Exposure with Recommended Benefit Changes

| | UNIFORM MEDICAL PLAN | | | GROUP HEALTH CLASSIC | | |
|---|----------------------|---------|--------------------|----------------------|----------|--------------------|
| | Healthy | Average | High Medical Needs | Healthy | Average | High Medical Needs |
| Med. Deductible | \$ - | \$ 50 | \$ 50 | \$ - | \$ 250 | \$ 250 |
| Office Visit | \$ - | \$ 27 | \$ - | \$ - | \$ 30 | \$ - |
| Out-of-Pocket Maximum | \$ - | \$ - | \$ 500 | \$ - | \$ - | \$ 1,250 |
| Annual Premium | \$ 180 | \$ 180 | \$ 180 | \$ (432) | \$ (432) | \$ (432) |
| Increased Annual Employee Exposure | \$ 180 | \$ 257 | \$ 730 | \$ (432) | \$ (152) | \$ 1,068 |

Assumptions:

- Office Visit (calculations based on UMP 2008 avg. number of non-preventive care office visits at \$146):
 - Healthy: Preventive Care Only
 - Average: 4 Annual Non-Preventive Care Visits
 - High Medical Needs: Member Reaches Out-of-Pocket Maximum For Services
 - UMP increases from 10% to 15% coinsurance; GHC increases from \$10 to \$25/visit
- Premium Increase/Decrease: UMP + \$15/mo x 12 = \$180; GHC -\$36/mo x 12 = -\$432
- Medical Deductible Increase: UMP increases from \$200 to \$250; GHC increases from \$0 to \$250
- Out-of-Pocket Maximum: UMP increases from \$1500 to \$2000; GHC increases from \$750 to \$2000. Rx not included.

Active Employee Contributions (Includes Recommended Benefit Changes)

| <u>Product Line</u> | Employee Contribution by Family Tier | | | | | | | |
|---|--------------------------------------|----------|------------------------------|------------------------------|-----------------------|-----------------------|-------------|-------------|
| | 2009 and Proposed 2010 | | | | | | | |
| | CY 2009 | CY 2010 | CY 2009 | CY 2010 | CY 2009 | CY 2010 | CY 2009 | CY 2010 |
| | Employee | Employee | Employee & Spouse or Partner | Employee & Spouse or Partner | Employee & Child(ren) | Employee & Child(ren) | Full Family | Full Family |
| GHC Classic | \$ 107 | \$ 71 | \$ 224 | \$ 152 | \$ 187 | \$ 124 | \$ 304 | \$ 205 |
| GHC Value | \$ 25 | \$ 22 | \$ 60 | \$ 54 | \$ 44 | \$ 39 | \$ 79 | \$ 71 |
| Kaiser Classic | \$ 76 | \$ 72 | \$ 162 | \$ 154 | \$ 133 | \$ 126 | \$ 219 | \$ 208 |
| Kaiser Value | \$ 33 | \$ 42 | \$ 76 | \$ 94 | \$ 58 | \$ 74 | \$ 101 | \$ 126 |
| Aetna PEP | \$ 112 | \$ 132 | \$ 234 | \$ 274 | \$ 196 | \$ 231 | \$ 318 | \$ 373 |
| Uniform Medical Plan | \$ 26 | \$ 41 | \$ 62 | \$ 92 | \$ 46 | \$ 72 | \$ 82 | \$ 123 |
| Average Employee Contribution | | | | | | | \$ | 91 |
| Average % Employee Contribution of Required Premium | | | | | | | | 12% |
| Budget Assumption | | | | | | | | 12% |

Estimated Non-Medicare Retiree Contributions (Includes Recommended Benefit Changes)

| <u>Product Line</u> | 2009 and Recommended 2010 | | | | | | | |
|----------------------|---------------------------|---------|-----------------------------|-----------------------------|----------------------|----------------------|-------------|-------------|
| | CY 2009 | CY 2010 | CY 2009 | CY 2010 | CY 2009 | CY 2010 | CY 2009 | CY 2010 |
| | Retiree | Retiree | Retiree & Spouse or Partner | Retiree & Spouse or Partner | Retiree & Child(ren) | Retiree & Child(ren) | Full Family | Full Family |
| GHC Classic | \$ 509 | \$ 471 | \$ 1,011 | \$ 935 | \$ 885 | \$ 819 | \$ 1,388 | \$ 1,283 |
| GHC Value | \$ 426 | \$ 421 | \$ 846 | \$ 836 | \$ 741 | \$ 733 | \$ 1,161 | \$ 1,148 |
| Kaiser Classic | \$ 477 | \$ 472 | \$ 947 | \$ 937 | \$ 829 | \$ 820 | \$ 1,300 | \$ 1,285 |
| Kaiser Value | \$ 434 | \$ 441 | \$ 862 | \$ 876 | \$ 755 | \$ 767 | \$ 1,183 | \$ 1,202 |
| Aetna | \$ 513 | \$ 531 | \$ 1,021 | \$ 1,056 | \$ 894 | \$ 925 | \$ 1,401 | \$ 1,450 |
| Uniform Medical Plan | \$ 427 | \$ 440 | \$ 848 | \$ 874 | \$ 741 | \$ 766 | \$ 1,164 | \$ 1,199 |

Medicare Retiree Recommendations

2010 Medicare Medical Budget Overview

| Health Plan | 2009 Bid Rate | 2010 Bid Rate Without Benefit Changes | 2010 Bid Rate Increase Without Benefit Changes | 2010 Bid Rate With Recommended Changes* | 2010 Bid Rate Increase With Recommended Changes |
|------------------------------------|---------------|---------------------------------------|--|---|---|
| Group Health Classic | \$272.44 | \$272.38 | 0.0% | \$251.84 | -7.6% |
| Group Health Value | \$241.45 | \$253.99 | 5.2% | \$236.01 | -2.3% |
| Kaiser Classic | \$330.45 | \$355.19 | 7.5% | \$319.93 | -3.2% |
| Kaiser Value | \$265.90 | \$286.44 | 7.7% | \$258.01 | -3.0% |
| Secure Horizons Classic | \$360.14 | \$387.15 | 7.5% | \$387.15 | 7.5% |
| Secure Horizons Value | \$276.99 | \$296.90 | 7.2% | \$241.16 | -12.9% |
| Premera Med Supp E | \$132.24 | \$132.24 | 0.0% | \$132.24 | 0.0% |
| Premera Med Supp J | \$191.06 | \$191.06 | 0.0% | \$191.06 | 0.0% |
| Aetna PEP | \$379.08 | \$512.93 | 35.3% | \$453.83 | 19.7% |
| Uniform Medical Plan | \$327.87 | \$324.80 | -0.9% | \$312.85 | -4.6% |
| Weighted Average Bid Rate Increase | | | 1.0% | | -3.4% |

*No recommended changes for GHC Classic & Value Medicare Advantage Plans. Consistent with federal regulations, Durable Medical Equipment stop loss will be eliminated.

2010 Budgeted Weighted Average Rate Increase Over 2009 Bid Rates: 0.3%

Recommended 2010 Kaiser Medicare Benefit Changes

**Kaiser Senior
Advantage Classic
Plan Benefit Changes**

| SUMMARY OF CHANGE | 2009 Member Costs | 2010 Member Costs |
|-------------------------------|--------------------------|--------------------------|
| Primary/Urgent Care/ Eye Exam | \$10 | \$20 |
| Specialty/Chiro/OT,ST & PT | \$10 | \$30 |

**Kaiser Senior
Advantage Value Plan
Benefit Changes**

| SUMMARY OF CHANGE | 2009 Member Costs | 2010 Member Costs |
|---|--------------------------|--------------------------|
| Primary/Specialty/Eye Exam/Chiro/OT, ST, & PT/Urgent Care | \$15 | \$30 |

Recommended 2010 Secure Horizons Medicare Benefit Changes

**Secure Horizons
Value Plan Benefit
Changes** →

| SUMMARY OF CHANGE | 2009 Member Costs | 2010 Member Costs |
|--------------------------|----------------------------|--|
| Out-of-Pocket Limit | No Limit | \$2,000 |
| Deductible | \$0 | \$300 |
| Primary/Urgent Care | \$15 | \$20 |
| Eye Hardware | \$20 Copay/ \$150/24 mo | \$130 glasses or \$175 contacts/24 mo |
| Specialty Care | \$30 | \$35 |
| Ambulance | \$50 | \$100 |
| Inpatient Hospital | \$200/day 1-5/admit | \$250/day 1-8 |
| Lab, X-Rays, Imaging | \$0 | 20% |
| Rx Retail | \$15/\$35/\$50 | \$15/\$40/\$55 |
| Rx Mail Order | \$30/\$70/\$100 | \$30/\$80/\$110 |

Secure Horizons Classic Plan: No Recommended Benefit Changes.

Estimated Medicare Retiree Premium After \$182.89 Employer Contribution*

| <u>Product Line</u> | 2009 Retiree Only Contribution | 2010 Retiree Only Contribution |
|------------------------------------|--------------------------------------|--------------------------------------|
| Group Health Classic | \$ 142.31 | \$ 132.36 |
| Group Health Value | \$ 126.81 | \$ 124.44 |
| Kaiser Classic | \$ 171.31 | \$ 166.40 |
| Kaiser Value | \$ 139.04 | \$ 135.44 |
| Secure Horizons Classic | \$ 186.16 | \$ 210.70 |
| Secure Horizons Value | \$ 144.58 | \$ 127.02 |
| Aetna PEP | \$ 202.28 | \$ 277.38 |
| Uniform Medical Plan | \$ 170.02 | \$ 162.86 |
| Premera Med Supp E Retired | \$ 72.21 | \$ 72.56 |
| Premera Med Supp E Disability | \$ 118.49 | \$ 118.84 |
| Premera Med Supp J Retired w/ Rx | \$ 141.52 | \$ 141.87 |
| Premera Med Supp J Disabled w/ Rx | \$ 283.68 | \$ 284.03 |
| Premera Med Supp J Retired w/o Rx | \$ 101.62 | \$ 101.97 |
| Premera Med Supp J Disabled w/o Rx | \$ 168.49 | \$ 168.84 |

*Employer contribution limited to the lesser of \$182.89 or 50% of plan premium.

Next Steps

1. Resolved that the PEB Board approves the modified benefit design of the Aetna PEP Plan.
(Slide 6, Board Presentation)
2. Resolved that the PEB Board approves the modified benefit design of the Uniform Medical Plan.
(Slide 6, Board Presentation)
3. Resolved that the PEB Board approves the modified benefit designs of the Group Health Cooperative Non-Medicare Classic and Value Plans.
(Slide 7, Board Presentation)
4. Resolved that the PEB Board approves the modified benefit design of the Kaiser Non-Medicare Classic and Value Plans.
(Slide 8, Board Presentation)
5. Resolved that the PEB Board approves the 2010 Active Employee Contributions.
(Slide 10, Board Presentation)
6. Resolved that the PEB Board approves the modified benefit design of the Kaiser Medicare Senior Advantage Classic and Value Plans.
(Slide 14, Board Presentation)
7. Resolved that the PEB Board approves the modified benefit designs of the Secure Horizons Medicare Value Plan.
(Slide 15, Board Presentation)
8. Resolved that the PEB Board approves the maximum \$182.89 Employer Medicare Contribution set forth in the legislative budget appropriation.
(Slide 16, Board Presentation)

From: Hanson, Kris M. (DOC)
Sent: Friday, June 26, 2009 3:42 PM
To: HCA PEBB Board
Subject: Proposed increase in co payments, etc.

With the proposed changes where plans that don't have a deductible now will have next year as well as an increase in co payments will result in my family not getting good care as we cannot afford anymore out of pocket costs than we currently have. As it is we barely can make those expenses now. So much for good quality care for state employees. Not only do we lose on COLA raises we are now expected to cough up more money for medical care. Sounds like state workers would be better off not working and getting Medicaid coverage.

Kris Hanson
Fiscal Analyst 5
Assistant Payroll Officer
Voice (360) 413-5449
Fax (360) 407-0843

From: Ridgeway, Mary (DSHS/DCS)
Sent: Thursday, June 25, 2009 1:36 PM
To: HCA PEBB Board
Subject: higher costs for 2010

I understand that budget cuts require compromises. But quite frankly the steep costs for services and prescriptions is probably going to mean I have to make some decisions that are probably not the best way to manage my health. As a person with type 2 diabetes I need routine care and several prescriptions each month (metformin, lisprinol, simvastatin, fluoxetine, insulin, insulin needles, test strips, lancets) and these are just the prescription items. Which once should I stop taking in order to be able to continue to pay my other bills? Feed and clothe my child? Pay for daycare so I can work? Etc. Do I stop going in for my bloodwork and checkup every 3 months because the cost for my deductible and co-pays are more than I can afford? In the long run does it benefit the state and save them money when I need more intense medical care later and sooner because I couldn't afford the preventive and/or routine care that can forestall complications? Does it help the state budget when I have to miss more work due to illness because I couldn't afford health care to avoid complications? Does it benefit the state and save money when or if I end up unable to work because I couldn't afford appropriate care? I'm a single parent and the costs for everything have been soaring and my pay raises as you know are not keeping pace with inflation by a long shot. I just refinanced my home to consolidate as much as I can to keep my head above water. Then I read this news about higher costs for 2010 and I feel like a person who has fallen into the water and sheds as much clothing as possible to lighten the load so they can keep afloat only to have someone strap a weight on them.

I doubt I am the only state employee in this situation. One of the things that drew me to state service when I was young and healthy was the great medical benefits. In the private sector, we got Christmas bonuses and other perks we do not get as state employees. But the great medical benefits more than made up for it in my eyes. Please do everything you can to keep our medical benefits usable and affordable.

From: Sandlin, Gail (ECY)
Sent: Tuesday, June 30, 2009 7:44 AM
To: HCA PEBB Board
Subject: 2010 Medical cost increases

These sound like potentially costly increases e.g.

Office visit co pay increase
Deductable increase
Prescription co pay increase

What do you estimate is the range of cost increases i.e. for healthy young employees that may only use the service once a year to more senior employees with medical issues requiring weekly visits. It seems that the burden of reconciling the increased cost of medical coverage along with the budget shortfall may be placed on the latter.

Regards,

A handwritten signature in cursive script, appearing to read 'Gail', written in black ink.

Gail Sandlin
Air Quality Program
Greenhouse Gas Emissions Specialist
WA State Department of Ecology
gasa461@ecy.wa.gov
office 360-407-6860
cell 360-701-4070

From: Hamann, Ross L. (DOC)
Sent: Tuesday, June 30, 2009 8:57 AM
To: HCA PEBB Board
Subject: Input on Proposed Changes

As a 10 year dedicated State employee, these proposed changes are very drastic. For my family, these changes would require that I double the amount that I am currently paying out of pocket for just the basics. Things like the imperative prescription co-pays for my family which today runs us about \$110 per month. This plan would double our monthly amount to \$220. Office visit co-pays which are running us about \$30 per month would double to \$60. Just these two items alone will increase my family's expenses by \$1,680 per year or \$140 per month.

The information in your outline states that healthcare is rising by 8% per year. This proposal is asking my family to double our expenses? To us that is more like 100%. I am failing to understand why these changes are asking so much of us? The reality is, on top of everything else, this is just another pay cut and it is definitely felt by employees such as myself at a range 41.

I ask of the Board to consider these realities and not accept these drastic levels of change and draft something we can live with.

Sincerely,

*Ross Hamann
Human Resources
Washington State Penitentiary
1313 N. 13th Ave
Phone: 509-524-7619
Fax: 509-526-6319
rlhamann@doc1.wa.gov*

From: Ron Glowen [mailto:rpglowen@yahoo.com]
Sent: Thursday, July 02, 2009 10:11 PM
To: HCA PEBB Board
Subject: HCA proposed changes to 2010 UMP benefits and premium

PEB Board:

This is regarding your upcoming vote on the HCA . I have heard that the changes would include an increase in both premiums and deductible (to \$500 per person.) No where in the press release on 6/25/09 or on your website could I find the specific dollar amounts of these proposed changes. So, I could not confirm my information. (I find this lack of transparency troubling.) Still I would like to submit my concerns for your consideration.

The statement that “few changes” to benefit costs and “instead” increasing premiums “keeps UMP as one of the lowest-cost plans for members,” glosses over the fact that any increase to out-of-pocket costs much less a 150% increase to per person deductibles creates a significant burden for members. For my family it would be a hardship and put me in a position of possibly not seeking medical treatment because we cannot afford. Under these circumstances UMP insurance would be a low cost to my family only if we do not use it.

I understand that the current economic crisis is forcing difficult decisions for everyone including the PEBB. However, I hope you recognize that even modest changes can be significant to members and please pursue vigorously every alternative to increasing member costs.

Sincerely,
Ronald Glowen

PEBB Meeting Schedule 2009

Working Lunch 11:30 a.m. – 1:00 p.m.
Board meetings 1:00 p.m. – 3:00 p.m.

Proposed dates:

January 20, 2009

February 18, 2009

March 18, 2009

April 15, 2009

May 20, 2009

June 24, 2009

July 8, 2009

July 15, 2009

July 20, 2009

October 28, 2009 Board Retreat