



**Washington State
Health Care Authority**

Public Employees Benefits Board

June 24, 2009 Meeting

Public Employees Benefits Board Meeting

June 24, 2009

1:00 p.m. – 3:00 p.m.

Health Care Authority
Sue Crystal Center
Lacey, Washington

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AGENDA

Public Employees Benefits Board

June 24, 2009

1:00 – 3:00 p.m.

Health Care Authority

Sue Crystal Center

Lacey, 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 April 15, 2009, and May 20, 2009, meeting minutes	Steve Hill	Action
1:10 p.m.	Annual Rule Making Brief	Mary Fliss Barb Scott	Action Information
	<ul style="list-style-type: none"> • Policy Resolutions • Employee Eligibility Recommendation 		
1:30 p.m.	2010 UMP Brief	John Williams	Information
1:40 p.m.	Procurement Update	John Williams Elin Meyer	Information
2:10 p.m.	Public Comment		
2:20 p.m.	Adjourn		

The Public Employees Benefits Board will meet Wednesday, June 24, 2009, at the Health Care Authority, Sue Crystal Center, 676 Woodland Square Loop Southeast, Lacey, Washington. The board will consider all matters on the agenda plus any items that may normally come before them.

Prior to the meeting, pursuant to RCW 42.30.110(l), the board will meet in Executive Session to "consider proprietary or confidential non published information related to the development, acquisition, or implementation of state purchased health care services as provided in RCW 41.05.026." The Executive Session will begin at 11:30 a.m. on June 24, 2009, and be concluded no later than 1:00 p.m.

No "action," as defined in RCW 42.30.020(3), will be taken at the Executive Session.

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
melissab@atg.wa.gov

*non voting members

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

April 15, 2009
Health Care Authority
Lacey, WA
1:00 p.m.

Members Present:

Steve Hill
Greg Devereux
Robert Porterfield
Eva Santos
Lee Ann Prielipp
Yvonne Tate

Members Absent:

Penny Palmer
Margaret Stanley

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. Sufficient members were present to allow a quorum. Audience and board self-introductions followed.

Approval of February 18, 2009, PEBB Meeting Minutes

It was moved, seconded, and carried to adopt the February 18, 2009, PEBB Board meeting minutes.

Annual Rule Making Brief

Ms. Mary Fliss and Ms. Barbara Scott, Public Employees Benefits Board (PEBB) Program, gave board members and overview of Health Care Authority's (HCA) annual rule making action. The board will be provided policy proposals related to implementation of state and federal legislation, technical corrections to administrative rules, domestic partner eligibility, and dependent enrollment, and asked to vote on them at the May 2009 board meeting.

Budget Impact

Mr. Richard Onizuka, HCA, presented highlights of the 2009-2011 budget proposals.

PEBB Market Focused Division Brief

John Williams, HCA, gave board members an updated on HCA's organizational changes.

Public Comment

No public comment received.

Steve Hill announced that the July 22, 2009, PEBB meeting has been moved to Monday, July 20, 2009.

The meeting was adjourned.

Respectfully submitted,

Steve Hill, Chair

DRAFT

D*R*A*F*T

Public Employees Benefits Board
Meeting Minutes

May 20, 2009
Health Care Authority
Lacey, WA
1:00 p.m.

Members Present:

Steve Hill
Greg Devereux
Phil Karlberg
Eva Santos
Lee Ann Prielipp
Yvonne Tate

Members Absent:

Robert Porterfield
Margaret Stanley
Yvonne Tate

Call to Order

Steve Hill, Chair, called the meeting to order at 1:00 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. Chair Hill announced that Dr. Penny Palmer has resigned from the board. New board member Phil Karlberg introduced himself.

Approval of February 18, 2009, PEBB Meeting Minutes

With the absence of three board members there were insufficient members to allow a quorum. Approval of the February 18, 2009, and April 15, 2009, PEBB Board meeting minutes was deferred to the June 24, 2009 meeting.

Annual Rule Making Brief

Ms. Mary Fliss, Public Employees Benefits Board (PEBB) Program, gave board members and overview of Health Care Authority's (HCA) annual rule making action. The proposed resolutions were again presented to the board members for comment. As there was not a quorum at this meeting, the vote on proposed rule making resolutions was deferred to the June 24 board meeting.

The PEBB eligibility legislation was signed May 18, 2009. Stakeholder and board comment will be gathered to present to the board at its June meeting, with a board vote anticipated at the July 8, 2009, meeting.

Steve Hill expressed appreciation to all those who worked with the Health Care Authority (HCA) on the eligibility bill. Greg Devereux commended HCA staff on their work.

UMP 2010 Update

Mr. John Williams, Health Care Authority Deputy Administrator, said HCA successfully completed contract negotiations with Aetna, who is the new Third Party Administrator for Uniform Medical Plan, beginning the 2010 plan year. He said the procurement was very competitive and appreciates all the bidders who participated. This is a four-year contract with extension provisions, or provisions to reopen for a new procurement at the end of that time.

Mr. Devereux asked if there is an opportunity for contract review during the four-year period. Mr. Williams said there is a robust process in place to evaluate Aetna's performance. In the next six months the agency will write a performance plan for the contract which extends throughout the term of the contract.

Budget Impact

Ms. Marilyn Wilfong and Ms. Kim Grindrod, HCA Finance and Contract Services, gave an update on the budget.

Procurement Update

Ms. Elin Meyer and Ms. Janet Peterson, HCA, gave a presentation on procurement for the 2010 plan year for Active and Non-Medicare Retirees, and Medicare. Two options for the Aetna Public Employees Plan were discussed, as well as two scenarios for Non-Medicare health plans. Ms. Meyer said HCA is asking the plans to re-bid against the goal of getting to a zero trend. The board will discuss the new submittals at the June 24, 2009, meeting with a board vote at the July 8, 2009, meeting. Dental plan bids came back with a positive variance, and Life and LTD rates are guaranteed with no changes.

Public Comment

No public comment received.

Steve Hill announced the Janet Peterson, Executive Director of the Uniform Medical Plan, is leaving Health Care Authority at the end of May to pursue a new opportunity with the Department of Labor and Industries. He thanked Ms. Peterson for her many contributions and extended best wishes.

The meeting was adjourned.

Respectfully submitted,

Steve Hill, Chair

PEBB Annual Rule Making

June 24, 2009

Purpose of this briefing

- Board action: Vote on resolutions of policies presented on April 15 and May 20, 2009
- Information:
 - Refresher on employee eligibility legislation discussed with Board in February.
 - Policy proposals related to employee eligibility we will ask you to take action on during the July 8 Board meeting.
 - HCA policy clarifications on employee eligibility that do not require Board action.



Policy Resolutions

(Included in briefing book)



Refresher on employee eligibility legislation

- Content
- Implications

Refresher on employee eligibility legislation

Content:

- Created eligibility standards:
 - Defines the term “employee” for purposes of benefits eligibility;
 - Defines terms such as “half-time or more” and explains applications of “8-hour rule;”
 - Revises substantially equivalent.

- Requires agencies to:
 - Determine, upon filling a position, whether that employee will be benefits eligible;
 - Inform the hired employee of that decision and his or her appeal rights;
 - Comply with HCA directives.

Refresher on employee eligibility legislation

Content continued:

- Changes relationship with K-12s
 - Changes funding to align with their fiscal year;
 - Allows districts to set employee/employer contribution;
 - Allows districts to set eligibility (similar to political subdivisions).

- Provides authority
 - Expressly provides HCA full authority to promulgate rules to implement any portion of RCW 41.05.
 - Expressly requires and authorizes HCA to develop an administrative appeals structure.

- Requires that appellants exhaust administrative remedies before being allowed to sue the state in court.

Refresher on employee eligibility legislation

Implications:

- Legislation establishes a “floor” for eligibility and the PEB Board’s authority to adopt eligibility policy.
- PEB Board’s role:
 - Policy decisions regarding retirees and dependents;
 - Appropriate expansion to and clarification of employee eligibility.
- PEBB Program’s role:
 - Implement policy;
 - Make and implement administrative decisions.

Policy proposals related to employee eligibility *(for action on July 8)*

- 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 proposals related to employee eligibility *(for action on July 8)*

- 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 proposals related to employee eligibility *(for action on July 8)*

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

Policy proposals related to employee eligibility *(for action on July 8)*

- 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.



Policy proposals related to employee eligibility *(for action on July 8)*

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

HCA policy clarifications on employee eligibility *(do not require Board action)*

- Clarify phrase: “termination of employment relationship”
- Clarify training and other periods excluded from determining eligibility
- Clarify stacking of full time faculty with part time faculty positions
- Eligibility status during drops or gains in faculty work loads
- Clarify definition of “seasonal employees”



Next Steps

- July – Board action on today's policy proposals
- 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

**Policy Clarifications
on
Employee Eligibility
DRAFT document**

Clarify phrase: “termination of employment relationship”

Why is this needed: Statute consistently refers to termination as a reason for eligibility ending. We want to make certain that the intended meaning is clear.

Important elements:

1. The employment relationship is terminated on the end date specified in an employee's letter of resignation or retirement.
2. As long as the employer has no anticipation that the employee will be rehired in a new position, the employment relationship is terminated on: a) the end date specified in any contract or hire letter, or b) the effective date of an employer-initiated termination notice.

Clarify training and other periods excluded from determining eligibility

Why is this needed: ES HB 2245 gives statutory authority to HCA to determine specific work situations that can be disregarded in determining eligibility, such as standby hours, training hours, or temporary changes in work hours. We are working with stakeholders to develop details on this that comply with federal and state regulations.

Clarify stacking of full time faculty with part time faculty positions

Why is this needed: We are clarifying stacking rules for all categories of employees as this has been a confusing issue.

Important elements: Stacking is allowed among all faculty positions, and within all state institutions of higher education. However, faculty positions still cannot stack with non-faculty positions.

Eligibility status during drops or gains in faculty work loads

Why is this needed: We are formalizing guidance that we have given historically.

Important elements:

1. Faculty who receive additional workload after the beginning of the quarter, semester or academic year, such that their workload meets the eligibility criteria, become eligible when the revision is made.
2. When there is an employer-initiated drop in workload after the beginning of the quarter, semester, or academic year such that the employee's workload does not meet the eligibility criteria, eligibility is maintained until the end of the originally anticipated work period (the quarter, semester or academic year).
3. When there is an employee-initiated drop in workload after the beginning of the quarter, semester or academic year such that the employee's work load does not meet the eligibility criteria, eligibility ceases when the revision is made.

Clarify definition of “seasonal employees”

Why is this needed: The new statute narrows the number of “eligibility categories,” which may cause confusion. We want to clarify what kinds of employees may be considered “seasonal” under the new statute.

Important elements:

Clarification of phrase: “anticipated to return”: Seasonal employees are considered “anticipated to return each season” unless there is documentation that the employer or employee anticipates that the employee will only work a single season.

**PUBLIC EMPLOYEES BENEFITS BOARD
June 24, 2009 Meeting**

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.

Materials to be distributed at meeting.

Public Employees Benefits Board

2010 Procurement

June 24, 2009

Washington State Health Care Authority

Agenda

- Purchasing Goals
- Overview of Health Plan Portfolio
- Medical Procurement
 - Active Employee and Non-Medicare Retiree Procurement Summary
 - Medicare Procurement Summary
- 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 Medical Procurement Summary

2010 Active and Non-Medicare Retiree Medical Procurement Budget Overview

Product Line	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	7.10%	\$464.29	-7.60%
Group Health Cooperative Value	\$453.84	8.00%	\$415.00	-1.20%
Kaiser Permanente Classic	\$502.94	6.90%	\$465.07	-1.20%
Kaiser Permanente Value	\$470.03	9.90%	\$434.64	1.60%
Aetna PEP	\$619.74	22.20%	\$525.00	3.50%
Uniform Medical Plan	\$450.36	6.90%	\$433.76	3.00%
Weighted Average Bid Rate Increase		8.70%		0.20%

2010 Budgeted Weighted Average Rate Increase Over 2009 Bid Rates: 0.0%

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
OOP 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, Home Health	\$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%		

Active Employee Contributions (Includes Recommended Benefit Changes)

<u>Plan Name</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>Plan Name</u>	2009 and Proposed 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	\$ 1,148	\$ 1,148
Kaiser Classic	\$ 477	\$ 472	\$ 947	\$ 937	\$ 829	\$ 820	\$ 1,300	\$ 1,285
Kaiser Value	\$ 434	\$ 441	\$ 862	\$ 876	\$ 767	\$ 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	\$ 743	\$ 766	\$ 1,164	\$ 1,199

Medicare Retiree Purchasing Summary

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 UMP/Aetna Benefit Changes*	2010 Bid Rate Increase With UMP/Aetna Benefit Changes
Group Health Classic	\$272.44	\$272.38	0.0%	\$272.38	0.0%
Group Health Value	\$241.45	\$253.99	5.2%	\$253.99	5.2%
Kaiser Classic	\$330.45	\$355.19	7.5%	\$355.19	7.5%
Kaiser Value	\$265.90	\$286.44	7.7%	\$286.44	7.7%
Secure Horizons Classic	\$360.14	\$387.15	7.5%	\$387.15	7.5%
Secure Horizons Value	\$276.99	\$296.90	7.2%	\$296.90	7.2%
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%		-1.5%
* Medicare Advantage Benefits/Rates Not Final					

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

Estimated Medicare Retiree Premium After \$182.89 Subsidy

Plan Name	2009 Retiree Only Contribution	2010 Retiree Only Contribution With UMP & Aetna Benefit Changes *
Group Health Classic	\$ 142.31	\$ 142.63
Group Health Value	\$ 126.81	\$ 133.43
Kaiser Classic	\$ 171.31	\$ 184.03
Kaiser Value	\$ 139.04	\$ 149.66
Secure Horizons Classic	\$ 186.16	\$ 210.70
Secure Horizons Value	\$ 144.58	\$ 154.89
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

* Medicare Advantage Benefits/Rates Not Final

Next Steps

1. July 8, 2009: Final Procurement Recommendations

2. July 15, 2009: Board Action on Following Resolutions
 - Benefit Designs
 - Employee Contributions
 - Medicare Employer Contribution

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