



Washington State Health Care Authority
Public Employees Benefits Board

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August 20, 2015

TO: Personnel, Payroll, and Insurance Offices of Employer Groups
(Political Subdivisions)

FROM: Amy Corrigan, Manager
PEBB Outreach & Training Team

SUBJECT: Calendar Year 2016 Program Rates – Composite

The total premium due from your agency will change effective January 1, 2016. The base rate of \$840, the majority of the basis for the composite rates, will remain unchanged until July 1, 2016. However, total monthly premiums for most plans will change due to new contracts with the health plans.

Medical/Dental

The new contribution schedule is attached. Employer Groups have the option to determine how much of the total premium employees are required to pay. The Public Employees Benefits Board (PEBB) open enrollment is November 1 – 30, 2015. In October, employees will receive the *For Your Benefit* newsletter with open enrollment information (mailed to the address on record or electronically if they signed up to receive it by email). This is the only notice we send employees about the PEBB open enrollment. Details will also be available on the PEBB website at www.hca.wa.gov/pebb before the start of the PEBB 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, you may want to distribute information regarding 2016 employee premiums before the PEBB open enrollment so they can have it available when making a plan selection.

Premium Surcharges

The biennial budget approved by the Legislature that requires some members to pay tobacco and spousal premium surcharges beginning July 1, 2014 will remain in effect for 2016. The tobacco 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 registered domestic partner premium surcharge will remain at \$50 per month in addition to the monthly premium for subscribers who cover a spouse or registered domestic partner in PEBB medical insurance where the spouse or registered domestic partner has chosen not to enroll in their own employer-based group health

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insurance. Employees who cover a spouse or registered domestic partner on their 2016 medical coverage will be required to re-attest to the spouse or registered domestic partner premium surcharges during the PEBB annual open enrollment. We will share more information with you in the near future.

Life and Long Term Disability (LTD) Insurance

Employees' optional LTD rates will increase effective January 1, 2016. The increase in optional LTD is due to a need to build up the claims reserve, which prevents PEBB from subsidizing premiums at the same rate. Employee's optional life premiums will decrease effective January 1, 2016. The decrease is attributed to good claims experience. 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 these rates, please contact me at 360-725-0826, or amy.corrigan@hca.wa.gov.

Enclosures

c: Gwen Grams; Stephen Lomnicki

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2016 PEBB Rate Book

Composite Active Rates for Employer Groups

(for 1/1/2016 through 6/30/2016)

Plan Name	Total Premium: 1/1/2016 through 6/30/2016			
	Subscriber	Subscriber and Spouse	Subscriber and Child(ren)	Full Family
Group Health Classic	\$958	\$1,086	\$1,047	\$1,175
Group Health Value	\$921	\$1,012	\$982	\$1,073
Group Health CDHP	\$862	\$894	\$879	\$911
Group Health SoundChoice	\$885	\$940	\$919	\$974
Kaiser Permanente Classic	\$984	\$1,138	\$1,092	\$1,246
Kaiser CDHP	\$869	\$908	\$891	\$930
Uniform Medical Plan Classic	\$924	\$1,018	\$987	\$1,081
Uniform Medical Plan CDHP	\$861	\$892	\$877	\$908
UMP Plus	\$899	\$968	\$943	\$1,012

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

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2016 PEBB Rate Book

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

Employee Basic*	Monthly Cost:	\$3.89
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Pub No.

Retiree	Monthly Cost:	\$7.75
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51-275R, 51-403F, 51-516, 51-205, 51-575

Spouse/Child Basic	Monthly Cost:	\$0.60
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50-100

Employee/Spouse Supplemental		
Monthly Cost for Each \$1,000 of Coverage (Available in \$10,000 increments)		
Age	Non-Smoker	Smoker
<25	\$0.021	\$0.027
25-29	\$0.023	\$0.032
30-34	\$0.025	\$0.042
35-39	\$0.032	\$0.049
40-44	\$0.047	\$0.055
45-49	\$0.068	\$0.083
50-54	\$0.106	\$0.127
55-59	\$0.199	\$0.236
60-64	\$0.306	\$0.359
65-69	\$0.564	\$0.691
70+	\$0.842	\$1.124

50-100

Supplemental AD&D:		
Rate per Thousand \$	\$0.012	\$0.019

Pub No.

50-100

Employee Coverage	Employee Only Cost	Employee & Dependent(s) Cost	Spouse Only Coverage		Per Child Coverage	
			Spouse No Children	Spouse With Children	With Spouse	No Spouse
\$25,000	\$0.30	\$0.48	\$12,500	\$10,000	\$1,250	\$2,500
\$50,000	\$0.60	\$0.95	\$25,000	\$20,000	\$2,500	\$5,000
\$75,000	\$0.90	\$1.43	\$37,500	\$30,000	\$3,750	\$7,500
\$100,000	\$1.20	\$1.90	\$50,000	\$40,000	\$5,000	\$10,000
\$125,000	\$1.50	\$2.38	\$62,500	\$50,000	\$6,250	\$12,500
\$150,000	\$1.80	\$2.85	\$75,000	\$60,000	\$7,500	\$15,000
\$175,000	\$2.10	\$3.33	\$87,500	\$70,000	\$8,750	\$17,500
\$200,000	\$2.40	\$3.80	\$100,000	\$80,000	\$10,000	\$20,000
\$225,000	\$2.70	\$4.28	\$112,500	\$90,000	\$11,250	\$22,500
\$250,000	\$3.00	\$4.75	\$125,000	\$100,000	\$12,500	\$25,000

* Represents premium paid to Plan

For State Actives, Plan A 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 Plan A Basic coverage is included in the rates for the selected medical plan.

Coverage is not provided to Actives from K-12 Districts Accepting Medical Only Package.

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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	2.21%	1.75%
60 days	1.12%	0.93%
90 days	0.61%	0.51%
120 days	0.36%	0.31%
180 days	0.27%	0.24%
240 days	0.26%	0.23%
300 days	0.24%	0.21%
360 days	0.23%	0.20%

* Represents premium paid to plan only.

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

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2016 PEBB Rate Book

Additional Taxable Income for Non-Tax Qualified Dependents

Table 1: Employer Share Medical and Dental (FMV)

2016 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	\$522	\$410	\$932
All Medical Plans + Domestic Partner Surcharge, if applicable	\$572	Not Applicable	\$982

Table 2: Employer Share Dental Only (FMV)

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	\$45	\$90

2016 Monthly State Contribution for Medicare Retirees (monthly state subsidy)**

Additional taxable income for non-tax qualified domestic partners

Group Health Classic	
Group Health Value	
Group Health CDHP	
Group Health SoundChoice	
Group Health Medicare Only	\$130
Kaiser Permanente Classic	\$150
Kaiser CDHP	
Uniform Medical Plan Classic	\$150
Uniform Medical Plan CDHP	
UMP Plus	
Plan F Retired	\$104
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

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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	\$118	\$246	\$207	\$335
Group Health Value	\$81	\$172	\$142	\$233
Group Health CDHP	\$22	\$54	\$39	\$71
Group Health SoundChoice	\$45	\$100	\$79	\$134
Kaiser Permanente Classic	\$144	\$298	\$252	\$406
Kaiser CDHP	\$29	\$68	\$51	\$90
Uniform Medical Plan Classic	\$84	\$178	\$147	\$241
Uniform Medical Plan CDHP	\$21	\$52	\$37	\$68
UMP Plus	\$59	\$128	\$103	\$172

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

Plan Name	Subscriber and Spouse	Subscriber	Partner
Group Health Classic	\$246	\$118	\$128
Group Health Value	\$172	\$81	\$91
Group Health CDHP	\$54	\$22	\$32
Group Health SoundChoice	\$100	\$45	\$55
Kaiser Permanente Classic	\$298	\$144	\$154
Kaiser CDHP	\$68	\$29	\$39
Uniform Medical Plan Classic	\$178	\$84	\$94
Uniform Medical Plan CDHP	\$52	\$21	\$31
UMP Plus	\$128	\$59	\$69

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

Plan Name	Full Family	Subscriber and Child(ren)	Partner
Group Health Classic	\$335	\$207	\$128
Group Health Value	\$233	\$142	\$91
Group Health CDHP	\$71	\$39	\$32
Group Health SoundChoice	\$134	\$79	\$55
Kaiser Permanente Classic	\$406	\$252	\$154
Kaiser CDHP	\$90	\$51	\$39
Uniform Medical Plan Classic	\$241	\$147	\$94
Uniform Medical Plan CDHP	\$68	\$37	\$31
UMP Plus	\$172	\$103	\$69

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	\$335	\$118	\$217
Group Health Value	\$233	\$81	\$152
Group Health CDHP	\$71	\$22	\$49
Group Health SoundChoice	\$134	\$45	\$89
Kaiser Permanente Classic	\$406	\$144	\$262
Kaiser CDHP	\$90	\$29	\$61
Uniform Medical Plan Classic	\$241	\$84	\$157
Uniform Medical Plan CDHP	\$68	\$21	\$47
UMP Plus	\$172	\$59	\$113

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	\$207	\$118	\$89
Group Health Value	\$142	\$81	\$61
Group Health CDHP	\$39	\$22	\$17
Group Health SoundChoice	\$79	\$45	\$34
Kaiser Permanente Classic	\$252	\$144	\$108
Kaiser CDHP	\$51	\$29	\$22
Uniform Medical Plan Classic	\$147	\$84	\$63
Uniform Medical Plan CDHP	\$37	\$21	\$16
UMP Plus	\$103	\$59	\$44