



**Healthcare Options for Actives, Non-Medicare Eligible and Medicare Eligible Retirees for 2014**

Committee of the Whole Meeting  
May 2, 2013

## Active Costs Projection Overview

### Actives: Combined Core and Buy-up Plans

Projected Budgeted Premium Required Calendar Year 2014	\$40,107,978
Current Budgeted Premium Annualized	\$40,270,466
2014 Required Medical / Rx Budget Decrease (%)	-0.4%
2014 Required Medical / Rx Budget Decrease (\$)	-\$162,488

## Actives: Benchmark & 2013 Current Rates

	EBRPSS: Buy-up Plan	EBRPSS: Core Plan	Government 500+	5,000-9,999 employees	National All
Individual coverage	\$157	\$72	\$100	\$108	\$148
Family coverage	\$693	\$496	\$328	\$361	\$544

## 2013 EBRPSS Active Current & 2014 Proposed Rates

Buy-Up Plan	EE Contribution	ER Contribution	Total Premium
Employee Only	\$157.00	\$394.00	\$551.00
Employee + Spouse	\$468.00	\$573.00	\$1,041.00
Employee + Child(ren)	\$384.00	\$525.00	\$909.00
Employee + Family	\$693.00	\$703.00	\$1,396.00

Core Plan	EE Contribution	ER Contribution	Total Premium
Employee Only	\$72.00	\$394.00	\$466.00
Employee + Spouse	\$318.00	\$573.00	\$891.00
Employee + Child(ren)	\$250.00	\$525.00	\$775.00
Employee + Family	\$496.00	\$703.00	\$1,199.00

## Non-Medicare Retiree Costs Projection Overview

Retirees Without Medicare	
Projected Budgeted Premium Required Calendar Year 2014	\$25,744,757
Current Budgeted Premium Annualized	\$23,433,704
2014 Required Medical / Rx Budget Increase (%)	10%
2014 Required Medical / Rx Budget Increase (\$)	\$2,311,053

## Non-Medicare Retirees: 2013 Current Rates

Buy-Up Plan	EE Contribution	ER Contribution	Total Premium
Retiree Only	\$259.00	\$600.00	\$859.00
Retiree and Spouse	\$556.00	\$988.00	\$1,544.00
Retiree and Children	\$471.00	\$739.00	\$1,210.00
Retiree and Family	\$748.00	\$1,126.00	\$1,874.00
Core Plan	EE Contribution	ER Contribution	Total Premium
Retiree Only	\$135.00	\$600.00	\$735.00
Retiree and Spouse	\$320.00	\$988.00	\$1,308.00
Retiree and Children	\$303.00	\$739.00	\$1,042.00
Retiree and Family	\$475.00	\$1,126.00	\$1,601.00

## Non-Medicare Retirees: 2014 Proposed Rates

Buy-Up Plan	EE Contribution	ER Contribution	Total Premium
Retiree Only	\$343.72	\$600.00	\$943.72
Retiree + Spouse	\$708.27	\$988.00	\$1,696.27
Retiree + Child(ren)	\$590.33	\$739.00	\$1,329.33
Retiree + Family	\$932.82	\$1,126.00	\$2,058.82
Core Plan	EE Contribution	ER Contribution	Total Premium
Retiree Only	\$207.49	\$600.00	\$807.49
Retiree + Spouse	\$449.00	\$988.00	\$1,437.00
Retiree + Child(ren)	\$405.76	\$739.00	\$1,144.76
Retiree + Family	\$632.89	\$1,126.00	\$1,758.89

Total Contribution % Increase over Current Rates	33%	0%	10%
--------------------------------------------------	-----	----	-----

## Medicare Eligible Retiree Costs Projection Overview

Retirees With Medicare Part A or Part A & B	
Projected Budgeted Premium Required Calendar Year 2014	\$21,738,931
Current Budgeted Premium Annualized	\$17,337,256
2014 Required Medical / Rx Budget Increase (%)	25%
2014 Required Medical / Rx Budget Increase (\$)	\$4,401,675


## Medicare Eligible Retiree: 2013 Current Rates

Buy-Up Plan	EE Contribution	ER Contribution	Total Premium
Retiree Only	\$91.00	\$355.00	\$446.00
Retiree + Spouse	\$243.00	\$564.00	\$807.00
Retiree + Child(ren)	\$298.00	\$492.00	\$790.00
Retiree + Family	\$444.00	\$703.00	\$1,147.00
Core Plan	EE Contribution	ER Contribution	Total Premium
Retiree Only	\$32.00	\$355.00	\$387.00
Retiree + Spouse	\$140.00	\$564.00	\$704.00
Retiree + Child(ren)	\$187.00	\$492.00	\$679.00
Retiree + Family	\$292.00	\$703.00	\$995.00

## Medicare Eligible Retiree: 2014 Proposed Rates

Buy-Up Plan	EE Contribution	ER Contribution	Total Premium
Retiree Only	\$204.23	\$355.00	\$559.23
Retiree + Spouse	\$447.89	\$564.00	\$1,011.89
Retiree + Child(ren)	\$498.57	\$492.00	\$990.57
Retiree + Family	\$735.21	\$703.00	\$1,438.21
Core Plan	EE Contribution	ER Contribution	Total Premium
Retiree Only	\$130.25	\$355.00	\$485.25
Retiree + Spouse	\$318.74	\$564.00	\$882.74
Retiree + Child(ren)	\$359.39	\$492.00	\$851.39
Retiree + Family	\$544.62	\$703.00	\$1,247.62

Total Contribution % Increase over Current Rates	143%	0%	25%
--------------------------------------------------	------	----	-----



**Increase (8%) absorbed across  
Actives, Non-Medicare Retirees and  
Medicare Retirees  
(ILLUSTRATIVE)**



**2014 Proposed Rates with 8% increase across all classes  
(ILLUSTRATIVE)**

<b>Actives: Buy-Up Plan</b>	<b>EE Contribution</b>	<b>ER Contribution</b>	<b>Total Premium</b>
Employee Only	\$198.33	\$394.00	\$592.33
Employee + Spouse	\$546.08	\$573.00	\$1,119.08
Employee + Child(ren)	\$452.18	\$525.00	\$977.18
Employee + Family	\$797.70	\$703.00	\$1,500.70

<b>Actives: Core Plan</b>	<b>EE Contribution</b>	<b>ER Contribution</b>	<b>Total Premium</b>
Employee Only	\$106.95	\$394.00	\$500.95
Employee + Spouse	\$384.83	\$573.00	\$957.83
Employee + Child(ren)	\$308.13	\$525.00	\$833.13
Employee + Family	\$585.93	\$703.00	\$1,288.93

<b>Total Contribution % Increase over Current Rates</b>	<b>22%</b>	<b>0%</b>	<b>8%</b>
---------------------------------------------------------	------------	-----------	-----------

## 2014 Proposed Rates with 8% increase across all classes (ILLUSTRATIVE)

<b>Non-Medicare Retirees: Buy-Up Plan</b>	<b>EE Contribution</b>	<b>ER Contribution</b>	<b>Total Premium</b>
Retiree Only	\$323.43	\$600.00	\$923.43
Retiree + Spouse	\$671.80	\$988.00	\$1,659.80
Retiree + Child(ren)	\$561.75	\$739.00	\$1,300.75
Retiree + Family	\$888.55	\$1,126.00	\$2,014.55

<b>Non-Medicare Retirees: Core Plan</b>	<b>EE Contribution</b>	<b>ER Contribution</b>	<b>Total Premium</b>
Retiree Only	\$190.13	\$600.00	\$790.13
Retiree + Spouse	\$418.10	\$988.00	\$1,406.10
Retiree + Child(ren)	\$381.15	\$739.00	\$1,120.15
Retiree + Family	\$595.08	\$1,126.00	\$1,721.08

<b>Total Contribution % Increase over Current Rates</b>	<b>25%</b>	<b>0%</b>	<b>8%</b>
-------------------------------------------------------------	------------	-----------	-----------

**2014 Proposed Rates with 8% increase across all classes  
(ILLUSTRATIVE)**

<b>Medicare Retirees: Buy-Up Plan</b>	<b>EE Contribution</b>	<b>ER Contribution</b>	<b>Total Premium</b>
Retiree Only	\$124.45	\$355.00	\$479.45
Retiree + Spouse	\$303.53	\$564.00	\$867.53
Retiree + Child(ren)	\$357.25	\$492.00	\$849.25
Retiree + Family	\$530.03	\$703.00	\$1,233.03

<b>Medicare Retirees: Core Plan</b>	<b>EE Contribution</b>	<b>ER Contribution</b>	<b>Total Premium</b>
Retiree Only	\$61.03	\$355.00	\$416.03
Retiree + Spouse	\$192.80	\$564.00	\$756.80
Retiree + Child(ren)	\$237.93	\$492.00	\$729.93
Retiree + Family	\$366.63	\$703.00	\$1,069.63

<b>Total Contribution % Increase over Current Rates</b>	<b>42%</b>	<b>0%</b>	<b>8%</b>
-------------------------------------------------------------	------------	-----------	-----------



# **2014 Medicare Advantage Rates & Contributions**

**Assumes Full Replacement- All Medicare A&B  
Retiree Members on Medicare Advantage Plan**

## Medicare Eligible Retiree: 2014 Proposed Rates- Current Plan

		EE Contribution	ER Contribution	Total Premium
<b>Buy-Up Plan</b>	Retiree Only	\$204.23	\$355.00	\$559.23
	Retiree + Spouse	\$447.89	\$564.00	\$1,011.89

		EE Contribution	ER Contribution	Total Premium
<b>Core Plan</b>	Retiree Only	\$130.25	\$355.00	\$485.25
	Retiree + Spouse	\$318.74	\$564.00	\$882.74

## Medicare Eligible Retiree: 2014 Proposed Rate- Medicare Advantage Quotes

		EE Contribution	ER Contribution	Total Premium
<b>Option 1: United Healthcare</b>	Retiree Only	\$43.18	\$129.53	\$172.71
	Retiree + Spouse	\$86.36	\$259.07	\$345.42

		EE Contribution	ER Contribution	Total Premium
<b>Option 2: Humana</b>	Retiree Only	\$103.43	\$197.33	\$300.76
	Retiree +Spouse	\$206.86	\$394.66	\$601.52

NOTE: UHC requires a minimum of 75% contribution by the employer

NOTE: Humana requires a PPO contribution by the employer equivalent to the HMO rate. Premiums above assumes 100% participation in the PPO plan. Humana also provided an HMO option that was 34% less expensive

NOTE: Quotes above assume only one carrier offered



# 2014 Medicare Advantage Savings Summary

## 2014 Medicare Advantage Savings Summary

	Status Quo	Medicare Advantage Option 1 UHC	Medicare Advantage Option 2 Humana
Budget	\$20,494,150	\$7,380,244	\$12,852,076
Employer Cost Share	\$13,987,176	\$5,535,183	\$8,432,306
Retiree Cost Share	\$6,506,974	\$1,845,061	\$4,419,771

NOTE: Medicare Advantage options include employee benefit plan designs that are similar but not exactly the same as EBRPSS active population