

HEALTH WEALTH CAREER

EVERETT SCHOOL EMPLOYEE BENEFIT TRUST

2019 FINAL DECISIONS

10-3 TRUST MEETING: UPDATED PRESENTATION WITH FINAL DECISIONS

Sean White

Nick Albert



MAKE TOMORROW, TODAY



AGENDA

01

REVIEW BUDGET SCENARIOS

02

TRUST FINANCIAL PROJECTIONS

03

NEXT STEPS

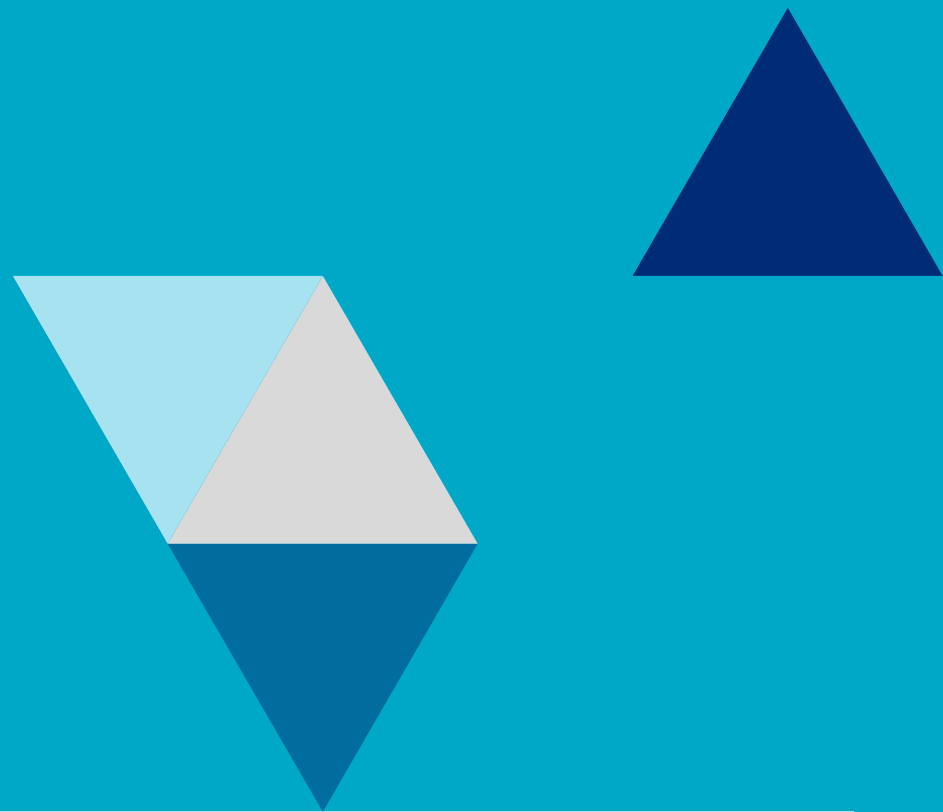
04

APPENDICES

2019 BUDGET SCENARIOS

			Sensitivity Analysis			
			Year-end Reserve			
TRUST RESERVE ESTIMATES	Year-end Reserve	Months of Expenses	10% Opt-Out Enrollment	25% Opt-Out Enrollment	50% Opt-Out Enrollment	100% Opt-Out Enrollment
Status Quo <ul style="list-style-type: none"> Aetna increases at 9.9% Kaiser increases at 0.1% HSA EE Only at \$99.75 	\$1,445,000	0.5	\$1,386,000	\$1,297,000	\$1,148,000	\$851,000
Hold Employee Contributions Flat <ul style="list-style-type: none"> Aetna / Kaiser increase at 0.0% HSA EE Only at \$99.75 	\$958,000	0.3	\$897,000	\$806,000	\$653,000	\$349,000
Target Reserve to \$500K <ul style="list-style-type: none"> Aetna / Kaiser decrease 6.5% HSA EE Only at \$99.75 	\$509,000	0.2	\$447,000	\$353,000	\$197,000	(\$115,000)
Target Reserve to \$250K <ul style="list-style-type: none"> Aetna / Kaiser decrease 10.0% HSA EE Only at \$98.26 	\$266,000	0.1	\$203,000	\$108,000	(\$50,000)	(\$365,000)
Full Buy-Down of Reserve <ul style="list-style-type: none"> Aetna / Kaiser decrease at 13.5% HSA EE Only at \$94.44 	\$22,000	0.0	(\$42,000)	(\$138,000)	(\$297,000)	(\$617,000)
Final Decision <ul style="list-style-type: none"> Aetna / Kaiser decrease at 9% HSA EE Only at \$99.35 	\$336,000	0.1	\$273,000	\$179,000	\$22,000	(\$293,000)

TRUST FINANCIAL PROJECTIONS



2019 BUDGET — FINAL DECISION

CONTRIBUTION DECREASE: 9%

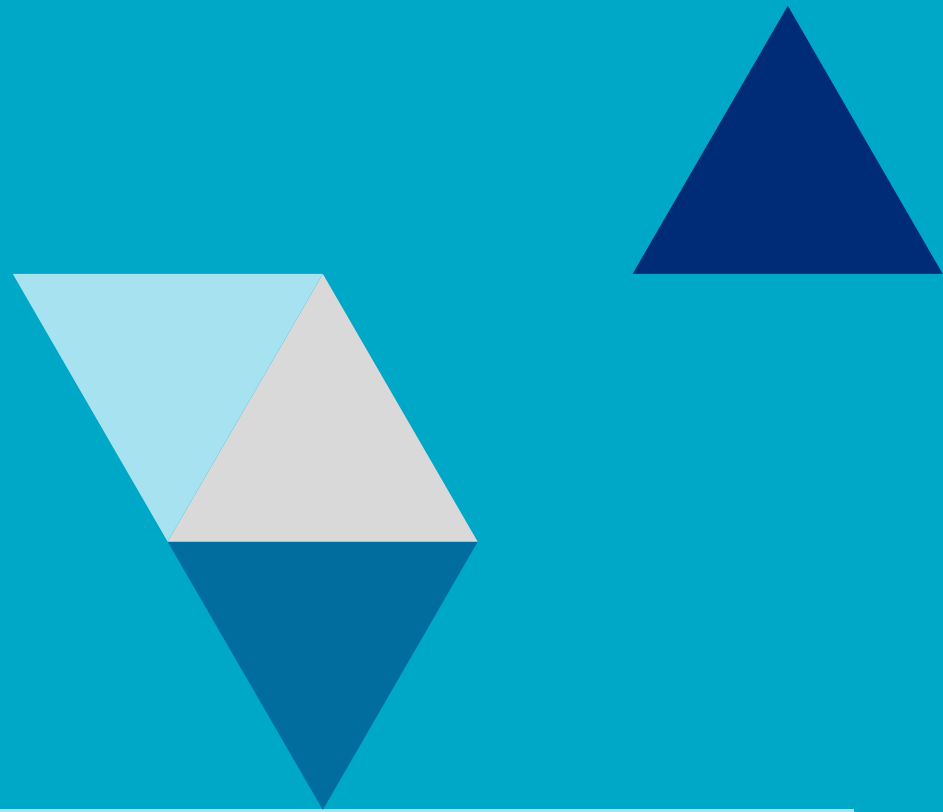
Estimated Income								
	1/1/2018 - 12/31/2018 Actual				1/1/2019 - 12/31/2019 Projection			
	PEPM or Mo. Sum	No. of Benefit FTEs	No. of Months	Estimated Total	PEPM or Mo. Sum	No. of Benefit FTEs	Number of Months	Estimated Total
Employer Contributions	\$ 824.00 ²	2,220 ¹	12	\$ 22,058,652	\$ 848.19 ⁽²⁾	2,220 ⁽¹⁾	12	\$ 22,595,778
Additional Supplemental District Contribution ³				\$ 0 ³				\$ 0
Employee Contributions	n/a	n/a		\$ 7,250,009 ⁴				\$ 6,623,263 ⁴
Investment Income ⁵				\$ 27,116				\$ 27,116
Total Estimated Revenues				\$ 29,335,777				\$ 29,246,157
Estimated Expenses								
	1/1/2018 - 12/31/2018 Actual				1/1/2019 - 12/31/2019 Projection			
	YTD Actual 1/1/17-7/31/17	PEPM or Mo. Sum	No. of Employees ¹	Estimated Total	PEPM or Mo. Sum	No. of Employees ¹	Number of Months	Estimated Total
Aetna Medical Premiums	\$ 11,960,138	n/a ¹	1,177	\$ 18,073,533	\$ 1,427.06	1,177	12	\$ 20,155,847
Kaiser Permanente Washington Medical Premiums ⁶	\$ 5,985,625	n/a ¹	588	\$ 9,008,627	\$ 1,286.19	588	12	\$ 9,075,322
Delta Dental Premiums	\$ 1,009,800	\$ 81.60 ¹	1,544	\$ 1,509,037	\$ 80.07	1,544	12	\$ 1,483,537
Willamette Dental Premiums	\$ 482,709	\$ 78.40 ¹	773	\$ 732,156	\$ 82.95	773	12	\$ 769,444
MetLife Life / AD&D Premiums	\$ 107,794	\$ 6.65 ¹	2,027	\$ 161,704	\$ 8.15	2,027	12	\$ 198,241
MetLife Voluntary Term Life Premiums	\$ 125,715	\$ 15,714.42 ¹	n/a	\$ 188,573	\$ 15,714.42	n/a	12	\$ 188,573
MetLife Vision	\$ 292,896	\$ 15.92 ¹	2,299	\$ 439,344	\$ 15.92	2,299	12	\$ 439,201
MetLife LTD Premiums	\$ 462,748	\$ 26.94 ¹	2,148	\$ 694,217	\$ 30.72	2,148	12	\$ 791,839
MetLife Voluntary STD Premiums	\$ 56,977	\$ 7,122.13 ¹	n/a	\$ 85,466	\$ 7,122.13	n/a	12	\$ 85,466
UNUM Voluntary LTC Premiums	\$ 8,082	\$ 1,010.25	n/a	\$ 12,123	\$ 1,010.25	n/a	12	\$ 12,123
Quit for Life Tobacco Cessation (Alere)	\$ 399	\$ 375.00	1	\$ 399	\$ 375.00	1	12	\$ 399
Magellan EAP	\$ 17,262	\$ 1.50	n/a	\$ 41,429	\$ 1.50	n/a	12	\$ 41,429
Weight Watchers	\$ 2,524	n/a	n/a	\$ 6,058	n/a	n/a	n/a	\$ 6,058
ESEBT Administration ⁷	\$ 20,727	n/a	n/a	\$ 42,042	n/a	n/a	n/a	\$ 43,303
Wellness Budget	\$ 30,649	n/a	n/a	\$ 73,558	n/a	n/a	n/a	\$ 73,558
Mercer Consulting Fee	\$ 5,609	n/a	n/a	\$ 13,462	n/a	n/a	n/a	\$ 45,000
Investment Consulting Fee	\$ 4,375	n/a	n/a	\$ 10,500	n/a	n/a	n/a	\$ 10,500
Total Estimated Expenses				\$ 31,092,227				\$ 33,419,839
Estimated Surplus / (Deficit) (based on estimated/current enrollment)				\$ (1,756,450)				\$ (4,173,682)
				2018				
Unallocated reserve at December 31⁸				\$ 4,509,416				
Months of expenses				1.7				

MEDICAL PLANS RATE SUMMARY

FINAL DECISION

Plan	2018			2019		EE Change from 2018	
	August '18 Enrollment	Premium Rates	Employee	Budgeted Premium Rates	Employee	\$ Inc.	% Inc.
Aetna Saver + HSA							
Employee	38	\$538.41	\$109.18	\$591.71	\$99.35	(\$9.83)	
Employee & Spouse	5	\$985.31	\$236.88	\$1,082.85	\$215.56	(\$21.32)	
Employee & Child(ren)	3	\$718.77	\$160.71	\$789.93	\$146.25	(\$14.46)	
Employee & Family	11	\$1,181.28	\$292.88	\$1,298.23	\$266.52	(\$26.36)	(9.0%)
Aetna Core							
Employee	151	\$688.49	\$150.36	\$756.65	\$136.83	(\$13.53)	
Employee & Spouse	89	\$1,259.99	\$326.22	\$1,384.73	\$296.86	(\$29.36)	
Employee & Child(ren)	57	\$919.14	\$221.34	\$1,010.13	\$201.42	(\$19.92)	
Employee & Family	86	\$1,510.58	\$403.33	\$1,660.13	\$367.03	(\$36.30)	(9.0%)
Aetna Standard							
Employee	209	\$970.00	\$211.84	\$1,066.03	\$192.77	(\$19.07)	
Employee & Spouse	120	\$1,775.16	\$459.59	\$1,950.90	\$418.23	(\$41.36)	
Employee & Child(ren)	77	\$1,294.97	\$311.83	\$1,423.17	\$283.77	(\$28.06)	
Employee & Family	100	\$2,128.24	\$568.24	\$2,338.93	\$517.10	(\$51.14)	(9.0%)
Aetna Traditional							
Employee	92	\$1,083.89	\$324.88	\$1,191.19	\$295.64	(\$29.24)	
Employee & Spouse	34	\$1,983.55	\$666.48	\$2,179.93	\$606.49	(\$59.98)	
Employee & Child(ren)	39	\$1,447.00	\$462.75	\$1,590.25	\$421.10	(\$41.65)	
Employee & Family	33	\$2,378.07	\$816.26	\$2,613.50	\$742.80	(\$73.46)	(9.0%)
Aetna Classic							
Employee	15	\$1,302.67	\$571.10	\$1,431.64	\$519.70	(\$51.40)	
Employee & Spouse	11	\$2,383.96	\$1,120.90	\$2,619.97	\$1,020.02	(\$100.88)	
Employee & Child(ren)	6	\$1,739.10	\$793.00	\$1,911.27	\$721.63	(\$71.37)	
Employee & Family	1	\$2,858.12	\$1,362.01	\$3,141.07	\$1,239.43	(\$122.58)	(9.0%)
KP WA							
Employee	245	\$850.44	\$163.83	\$851.03	\$149.09	(\$14.75)	
Employee & Spouse	120	\$1,607.33	\$373.97	\$1,608.45	\$340.31	(\$33.66)	
Employee & Child(ren)	99	\$1,173.60	\$254.06	\$1,174.42	\$231.20	(\$22.87)	
Employee & Family	124	\$1,921.99	\$461.82	\$1,923.33	\$420.26	(\$41.56)	(9.0%)

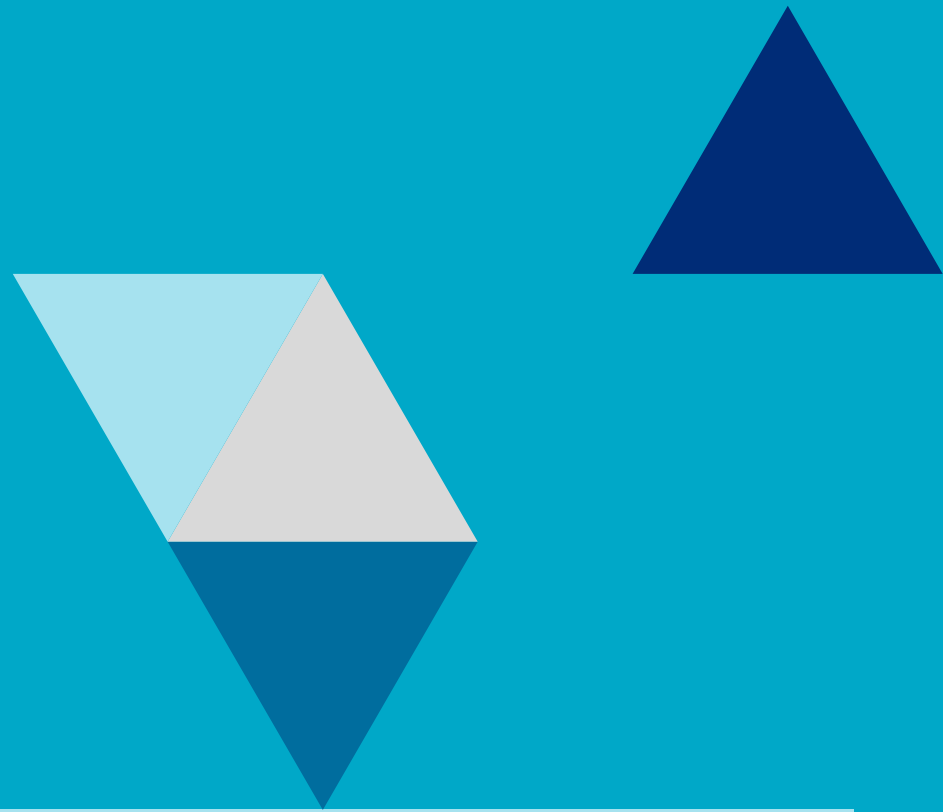
NEXT STEPS



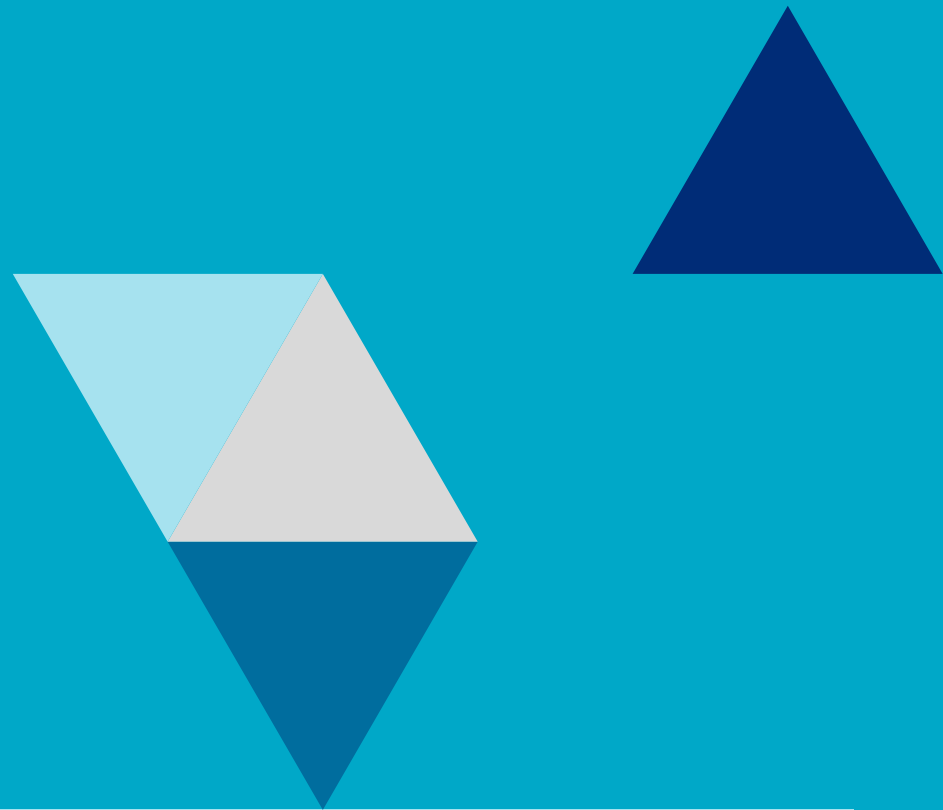
NEXT STEPS

- 1 FINALIZE COVERAGE WITH VENDORS
- 2 DELIVER RATE SHEETS BEFORE OPEN ENROLLMENT

APPENDICES



OTHER SCENARIOS



MEDICAL PLANS RATE SUMMARY

STATUS QUO

Plan	2018			2019		EE Change from 2018	
	August '18 Enrollment	Premium Rates	Employee	Budgeted Premium Rates	Employee	\$ Inc.	% Inc.
Aetna Saver + HSA							
Employee	38	\$538.41	\$109.18	\$591.71	\$99.75	(\$9.43)	
Employee & Spouse	5	\$985.31	\$236.88	\$1,082.85	\$260.33	\$23.45	
Employee & Child(ren)	3	\$718.77	\$160.71	\$789.93	\$176.62	\$15.91	
Employee & Family	11	\$1,181.28	\$292.88	\$1,298.23	\$321.87	\$28.99	9.9%
Aetna Core							
Employee	151	\$688.49	\$150.36	\$756.65	\$165.24	\$14.88	
Employee & Spouse	89	\$1,259.99	\$326.22	\$1,384.73	\$358.51	\$32.29	
Employee & Child(ren)	57	\$919.14	\$221.34	\$1,010.13	\$243.25	\$21.91	
Employee & Family	86	\$1,510.58	\$403.33	\$1,660.13	\$443.26	\$39.93	9.9%
Aetna Standard							
Employee	209	\$970.00	\$211.84	\$1,066.03	\$232.81	\$20.97	
Employee & Spouse	120	\$1,775.16	\$459.59	\$1,950.90	\$505.09	\$45.50	
Employee & Child(ren)	77	\$1,294.97	\$311.83	\$1,423.17	\$342.70	\$30.87	
Employee & Family	100	\$2,128.24	\$568.24	\$2,338.93	\$624.50	\$56.25	9.9%
Aetna Traditional							
Employee	92	\$1,083.89	\$324.88	\$1,191.19	\$357.04	\$32.16	
Employee & Spouse	34	\$1,983.55	\$666.48	\$2,179.93	\$732.45	\$65.98	
Employee & Child(ren)	39	\$1,447.00	\$462.75	\$1,590.25	\$508.56	\$45.81	
Employee & Family	33	\$2,378.07	\$816.26	\$2,613.50	\$897.07	\$80.81	9.9%
Aetna Classic							
Employee	15	\$1,302.67	\$571.10	\$1,431.64	\$627.63	\$56.54	
Employee & Spouse	11	\$2,383.96	\$1,120.90	\$2,619.97	\$1,231.87	\$110.96	
Employee & Child(ren)	6	\$1,739.10	\$793.00	\$1,911.27	\$871.50	\$78.50	
Employee & Family	1	\$2,858.12	\$1,362.01	\$3,141.07	\$1,496.84	\$134.83	9.9%
KP WA							
Employee	245	\$850.44	\$163.83	\$851.03	\$163.95	\$0.11	
Employee & Spouse	120	\$1,607.33	\$373.97	\$1,608.45	\$374.23	\$0.26	
Employee & Child(ren)	99	\$1,173.60	\$254.06	\$1,174.42	\$254.24	\$0.18	
Employee & Family	124	\$1,921.99	\$461.82	\$1,923.33	\$462.14	\$0.32	0.1%

MEDICAL PLANS RATE SUMMARY

HOLD CONTRIBUTIONS FLAT

Plan	2018			2019		EE Change from 2018	
	August '18 Enrollment	Premium Rates	Employee	Budgeted Premium Rates	Employee	\$ Inc.	% Inc.
Aetna Saver + HSA							
Employee	38	\$538.41	\$109.18	\$591.71	\$99.75	(\$9.43)	
Employee & Spouse	5	\$985.31	\$236.88	\$1,082.85	\$236.88	\$0.00	
Employee & Child(ren)	3	\$718.77	\$160.71	\$789.93	\$160.71	\$0.00	
Employee & Family	11	\$1,181.28	\$292.88	\$1,298.23	\$292.88	\$0.00	0.0%
Aetna Core							
Employee	151	\$688.49	\$150.36	\$756.65	\$150.36	\$0.00	
Employee & Spouse	89	\$1,259.99	\$326.22	\$1,384.73	\$326.22	\$0.00	
Employee & Child(ren)	57	\$919.14	\$221.34	\$1,010.13	\$221.34	\$0.00	
Employee & Family	86	\$1,510.58	\$403.33	\$1,660.13	\$403.33	\$0.00	0.0%
Aetna Standard							
Employee	209	\$970.00	\$211.84	\$1,066.03	\$211.84	\$0.00	
Employee & Spouse	120	\$1,775.16	\$459.59	\$1,950.90	\$459.59	\$0.00	
Employee & Child(ren)	77	\$1,294.97	\$311.83	\$1,423.17	\$311.83	\$0.00	
Employee & Family	100	\$2,128.24	\$568.24	\$2,338.93	\$568.24	\$0.00	0.0%
Aetna Traditional							
Employee	92	\$1,083.89	\$324.88	\$1,191.19	\$324.88	\$0.00	
Employee & Spouse	34	\$1,983.55	\$666.48	\$2,179.93	\$666.48	\$0.00	
Employee & Child(ren)	39	\$1,447.00	\$462.75	\$1,590.25	\$462.75	\$0.00	
Employee & Family	33	\$2,378.07	\$816.26	\$2,613.50	\$816.26	\$0.00	0.0%
Aetna Classic							
Employee	15	\$1,302.67	\$571.10	\$1,431.64	\$571.10	\$0.00	
Employee & Spouse	11	\$2,383.96	\$1,120.90	\$2,619.97	\$1,120.90	\$0.00	
Employee & Child(ren)	6	\$1,739.10	\$793.00	\$1,911.27	\$793.00	\$0.00	
Employee & Family	1	\$2,858.12	\$1,362.01	\$3,141.07	\$1,362.01	\$0.00	0.0%
KP WA							
Employee	245	\$850.44	\$163.83	\$851.03	\$163.83	\$0.00	
Employee & Spouse	120	\$1,607.33	\$373.97	\$1,608.45	\$373.97	\$0.00	
Employee & Child(ren)	99	\$1,173.60	\$254.06	\$1,174.42	\$254.06	\$0.00	
Employee & Family	124	\$1,921.99	\$461.82	\$1,923.33	\$461.82	\$0.00	0.0%

MEDICAL PLANS RATE SUMMARY

\$500K RESERVE

Plan	2018			2019		EE Change from 2018	
	August '18 Enrollment	Premium Rates	Employee	Budgeted Premium Rates	Employee	\$ Inc.	% Inc.
Aetna Saver + HSA							
Employee	38	\$538.41	\$109.18	\$591.71	\$99.75	(\$9.43)	
Employee & Spouse	5	\$985.31	\$236.88	\$1,082.85	\$221.48	(\$15.40)	
Employee & Child(ren)	3	\$718.77	\$160.71	\$789.93	\$150.27	(\$10.45)	
Employee & Family	11	\$1,181.28	\$292.88	\$1,298.23	\$273.84	(\$19.04)	(6.5%)
Aetna Core							
Employee	151	\$688.49	\$150.36	\$756.65	\$140.58	(\$9.77)	
Employee & Spouse	89	\$1,259.99	\$326.22	\$1,384.73	\$305.02	(\$21.20)	
Employee & Child(ren)	57	\$919.14	\$221.34	\$1,010.13	\$206.95	(\$14.39)	
Employee & Family	86	\$1,510.58	\$403.33	\$1,660.13	\$377.11	(\$26.22)	(6.5%)
Aetna Standard							
Employee	209	\$970.00	\$211.84	\$1,066.03	\$198.07	(\$13.77)	
Employee & Spouse	120	\$1,775.16	\$459.59	\$1,950.90	\$429.72	(\$29.87)	
Employee & Child(ren)	77	\$1,294.97	\$311.83	\$1,423.17	\$291.56	(\$20.27)	
Employee & Family	100	\$2,128.24	\$568.24	\$2,338.93	\$531.31	(\$36.94)	(6.5%)
Aetna Traditional							
Employee	92	\$1,083.89	\$324.88	\$1,191.19	\$303.76	(\$21.12)	
Employee & Spouse	34	\$1,983.55	\$666.48	\$2,179.93	\$623.15	(\$43.32)	
Employee & Child(ren)	39	\$1,447.00	\$462.75	\$1,590.25	\$432.67	(\$30.08)	
Employee & Family	33	\$2,378.07	\$816.26	\$2,613.50	\$763.20	(\$53.06)	(6.5%)
Aetna Classic							
Employee	15	\$1,302.67	\$571.10	\$1,431.64	\$533.97	(\$37.12)	
Employee & Spouse	11	\$2,383.96	\$1,120.90	\$2,619.97	\$1,048.04	(\$72.86)	
Employee & Child(ren)	6	\$1,739.10	\$793.00	\$1,911.27	\$741.46	(\$51.55)	
Employee & Family	1	\$2,858.12	\$1,362.01	\$3,141.07	\$1,273.48	(\$88.53)	(6.5%)
KP WA							
Employee	245	\$850.44	\$163.83	\$851.03	\$153.18	(\$10.65)	
Employee & Spouse	120	\$1,607.33	\$373.97	\$1,608.45	\$349.66	(\$24.31)	
Employee & Child(ren)	99	\$1,173.60	\$254.06	\$1,174.42	\$237.55	(\$16.51)	
Employee & Family	124	\$1,921.99	\$461.82	\$1,923.33	\$431.80	(\$30.02)	(6.5%)

MEDICAL PLANS RATE SUMMARY

\$250K RESERVE

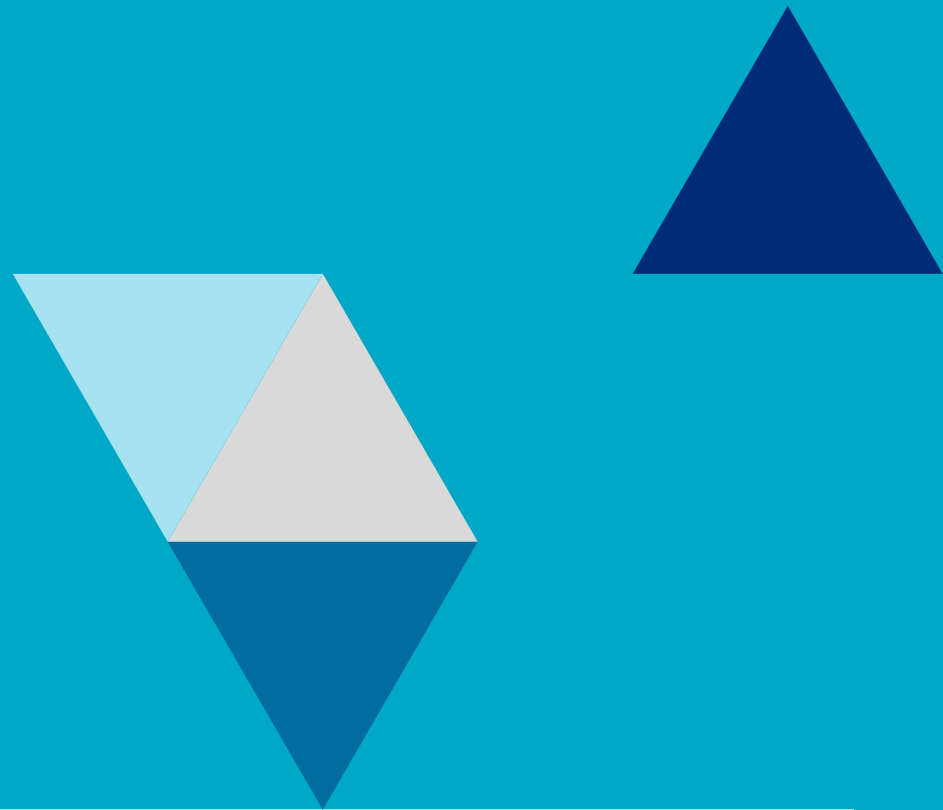
Plan	2018			2019		EE Change from 2018	
	August '18 Enrollment	Premium Rates	Employee	Budgeted Premium Rates	Employee	\$ Inc.	% Inc.
Aetna Saver + HSA							
Employee	38	\$538.41	\$109.18	\$591.71	\$98.26	(\$10.92)	
Employee & Spouse	5	\$985.31	\$236.88	\$1,082.85	\$213.19	(\$23.69)	
Employee & Child(ren)	3	\$718.77	\$160.71	\$789.93	\$144.64	(\$16.07)	
Employee & Family	11	\$1,181.28	\$292.88	\$1,298.23	\$263.59	(\$29.29)	(10.0%)
Aetna Core							
Employee	151	\$688.49	\$150.36	\$756.65	\$135.32	(\$15.04)	
Employee & Spouse	89	\$1,259.99	\$326.22	\$1,384.73	\$293.60	(\$32.62)	
Employee & Child(ren)	57	\$919.14	\$221.34	\$1,010.13	\$199.21	(\$22.13)	
Employee & Family	86	\$1,510.58	\$403.33	\$1,660.13	\$363.00	(\$40.33)	(10.0%)
Aetna Standard							
Employee	209	\$970.00	\$211.84	\$1,066.03	\$190.65	(\$21.18)	
Employee & Spouse	120	\$1,775.16	\$459.59	\$1,950.90	\$413.63	(\$45.96)	
Employee & Child(ren)	77	\$1,294.97	\$311.83	\$1,423.17	\$280.65	(\$31.18)	
Employee & Family	100	\$2,128.24	\$568.24	\$2,338.93	\$511.42	(\$56.82)	(10.0%)
Aetna Traditional							
Employee	92	\$1,083.89	\$324.88	\$1,191.19	\$292.39	(\$32.49)	
Employee & Spouse	34	\$1,983.55	\$666.48	\$2,179.93	\$599.83	(\$66.65)	
Employee & Child(ren)	39	\$1,447.00	\$462.75	\$1,590.25	\$416.47	(\$46.27)	
Employee & Family	33	\$2,378.07	\$816.26	\$2,613.50	\$734.63	(\$81.63)	(10.0%)
Aetna Classic							
Employee	15	\$1,302.67	\$571.10	\$1,431.64	\$513.99	(\$57.11)	
Employee & Spouse	11	\$2,383.96	\$1,120.90	\$2,619.97	\$1,008.81	(\$112.09)	
Employee & Child(ren)	6	\$1,739.10	\$793.00	\$1,911.27	\$713.70	(\$79.30)	
Employee & Family	1	\$2,858.12	\$1,362.01	\$3,141.07	\$1,225.81	(\$136.20)	(10.0%)
KP WA							
Employee	245	\$850.44	\$163.83	\$851.03	\$147.45	(\$16.38)	
Employee & Spouse	120	\$1,607.33	\$373.97	\$1,608.45	\$336.57	(\$37.40)	
Employee & Child(ren)	99	\$1,173.60	\$254.06	\$1,174.42	\$228.65	(\$25.41)	
Employee & Family	124	\$1,921.99	\$461.82	\$1,923.33	\$415.64	(\$46.18)	(10.0%)

MEDICAL PLANS RATE SUMMARY








ELIMINATE RESERVE

Plan	2018			2019		EE Change from 2018	
	August '18 Enrollment	Premium Rates	Employee	Budgeted Premium Rates	Employee	\$ Inc.	% Inc.
Aetna Saver + HSA							
Employee	38	\$538.41	\$109.18	\$591.71	\$94.44	(\$14.74)	
Employee & Spouse	5	\$985.31	\$236.88	\$1,082.85	\$204.90	(\$31.98)	
Employee & Child(ren)	3	\$718.77	\$160.71	\$789.93	\$139.02	(\$21.70)	
Employee & Family	11	\$1,181.28	\$292.88	\$1,298.23	\$253.34	(\$39.54)	(13.5%)
Aetna Core							
Employee	151	\$688.49	\$150.36	\$756.65	\$130.06	(\$20.30)	
Employee & Spouse	89	\$1,259.99	\$326.22	\$1,384.73	\$282.18	(\$44.04)	
Employee & Child(ren)	57	\$919.14	\$221.34	\$1,010.13	\$191.46	(\$29.88)	
Employee & Family	86	\$1,510.58	\$403.33	\$1,660.13	\$348.88	(\$54.45)	(13.5%)
Aetna Standard							
Employee	209	\$970.00	\$211.84	\$1,066.03	\$183.24	(\$28.60)	
Employee & Spouse	120	\$1,775.16	\$459.59	\$1,950.90	\$397.55	(\$62.05)	
Employee & Child(ren)	77	\$1,294.97	\$311.83	\$1,423.17	\$269.73	(\$42.10)	
Employee & Family	100	\$2,128.24	\$568.24	\$2,338.93	\$491.53	(\$76.71)	(13.5%)
Aetna Traditional							
Employee	92	\$1,083.89	\$324.88	\$1,191.19	\$281.02	(\$43.86)	
Employee & Spouse	34	\$1,983.55	\$666.48	\$2,179.93	\$576.50	(\$89.97)	
Employee & Child(ren)	39	\$1,447.00	\$462.75	\$1,590.25	\$400.28	(\$62.47)	
Employee & Family	33	\$2,378.07	\$816.26	\$2,613.50	\$706.06	(\$110.20)	(13.5%)
Aetna Classic							
Employee	15	\$1,302.67	\$571.10	\$1,431.64	\$494.00	(\$77.10)	
Employee & Spouse	11	\$2,383.96	\$1,120.90	\$2,619.97	\$969.58	(\$151.32)	
Employee & Child(ren)	6	\$1,739.10	\$793.00	\$1,911.27	\$685.95	(\$107.06)	
Employee & Family	1	\$2,858.12	\$1,362.01	\$3,141.07	\$1,178.14	(\$183.87)	(13.5%)
KP WA							
Employee	245	\$850.44	\$163.83	\$851.03	\$141.72	(\$22.12)	
Employee & Spouse	120	\$1,607.33	\$373.97	\$1,608.45	\$323.48	(\$50.49)	
Employee & Child(ren)	99	\$1,173.60	\$254.06	\$1,174.42	\$219.76	(\$34.30)	
Employee & Family	124	\$1,921.99	\$461.82	\$1,923.33	\$399.47	(\$62.35)	(13.5%)

RENEWAL RESULTS



RENEWAL OVERVIEW

	Medical	+9.9%	Aetna provided plan design options to reduce increase
	Medical	+0.1%	Small increase from current rates
	Dental (WEA)	-1.9%	Administered through WEA
	Dental	+5.8%	Administered through WEA
	Vision Life & AD&D Supp Life LTD STD	Vision: +0% Life: +22.6% Supp Life: 0% LTD: +14% STD: 0%	2019 is the second year of a two-year rate guarantee
	EAP	+0.0%	2019 is the second year of a two-year rate guarantee
	Long Term Care	+0.0%	Unum confirmed WA OIC has not approved a rate increase for 2019

RENEWAL DETAILS



- Rate Action: **9.9%**
- Calculated renewal was 17.4% before rate adjustment

Alternative Strategies

- Shown on following page

	1/1/2018- 12/31/2018	1/1/2019-12/31/2019 Projected	
AETNA CLASSIC			
• Employee Only	\$1,302.67	\$1,431.64	9.9%
• Employee / Spouse	\$2,383.96	\$2,619.97	9.9%
• Employee / Children	\$1,739.10	\$1,911.27	9.9%
• Employee / Family	\$2,858.12	\$3,141.07	9.9%
AETNA TRADITIONAL			
• Employee Only	\$1,083.89	\$1,191.19	9.9%
• Employee / Spouse	\$1,983.55	\$2,179.93	9.9%
• Employee / Children	\$1,447.00	\$1,590.25	9.9%
• Employee / Family	\$2,378.07	\$2,613.50	9.9%
AETNA STANDARD			
• Employee Only	\$970.00	\$1,066.03	9.9%
• Employee / Spouse	\$1,775.16	\$1,950.90	9.9%
• Employee / Children	\$1,294.97	\$1,423.17	9.9%
• Employee / Family	\$2,128.24	\$2,338.93	9.9%
AETNA CORE			
• Employee Only	\$688.49	\$756.65	9.9%
• Employee / Spouse	\$1,259.99	\$1,384.73	9.9%
• Employee / Children	\$919.14	\$1,010.13	9.9%
• Employee / Family	\$1,510.58	\$1,660.13	9.9%
AETNA SAVER			
• Employee Only	\$538.41	\$591.71	9.9%
• Employee / Spouse	\$985.31	\$1,082.85	9.9%
• Employee / Children	\$718.77	\$789.93	9.9%
• Employee / Family	\$1,181.28	\$1,298.23	9.9%
Estimated Yearly Cost	\$18.34M	\$20.16M	9.9%

RENEWAL DETAILS



STATUS QUO RENEWAL

Everett Aetna Plans ¹	2019 Gross Cost	2019 Net Everett Cost	2019 Renewal Increase (%)
2019 Status Quo	\$20,156,000	\$14,711,000	9.9%

2019 MEDICAL/ Rx DESIGN CONSIDERATIONS

Everett Aetna Plans ¹	2019 Gross Cost	2019 Net Everett Cost	Renewal Increase (%)	Gross	Net
				(Savings) 2019 SQ	
Eliminate Classic Plan	\$20,025,000	\$14,728,000	9.3%	(\$131,000)	\$17,000
Aetna Whole Health					
\$500 / \$1,000 Ded.	\$19,890,000	\$14,582,000	8.6%	(\$266,000)	(\$129,000)
\$750 / \$1,500 Ded.	\$19,829,000	\$14,536,000	8.3%	(\$327,000)	(\$175,000)
\$1,000 / \$2,000 Ded.	\$19,801,000	\$14,515,000	8.1%	(\$355,000)	(\$196,000)
Increase Specialist Office Visit Copay by \$5	\$20,035,000	\$14,622,000	9.3%	(\$121,000)	(\$89,000)
Increase Specialist Office Visit Copay by \$10	\$19,934,000	\$14,549,000	8.8%	(\$222,000)	(\$162,000)
Value Plus Formulary	\$19,914,000	\$14,534,000	8.7%	(\$242,000)	(\$177,000)
Adding Mandatory Generics	\$20,015,000	\$14,608,000	9.2%	(\$141,000)	(\$103,000)

¹ Some amounts and percentages may be slightly off due to rounding to the nearest thousand

What Is It?

- Patient centered care delivery model focusing on higher quality and lower costs
- Doctor-driven outreach to members who have higher risks
- Data sharing enables doctors to find gaps in care and better serve members
- Studies have shown the program drives lower costs, fewer inpatient admissions, reduced ER spend

Sample Plan Design

Medical Deductible

In: \$500 / \$1,000
Out: \$1,700 / \$3,400

Out-of-pocket max

In: \$4,000 / \$8,000
Out: \$12,000 / \$24,000

Coinsurance

In: 20%
Out: 50%

Copays

PCP / Specialist: \$20
Urgent Care: \$50
ER: \$150 + 20%

Prescription Drugs (Retail / Mail)

Generics: \$15 / \$30
Pref Brand: \$25 / \$50
Non-Pref Brand: \$40 / \$80

OTHER CHANGES



	Overview	Possible Impact																																							
Value Plus Formulary	Narrow prescription drug formulary in which more cost effective and effective drugs are placed on preferred tiers	<table><tr><th>Value Plus Formulary</th><th>Drugs Impacted</th><th>Unique Members impacted</th></tr><tr><td>Tier Impact</td><td></td><td></td></tr><tr><td>Higher Member Copays</td><td></td><td></td></tr><tr><td>• Tier 1 drugs moving to Tier 3</td><td>35</td><td>88</td></tr><tr><td>• Tier 2 drugs moving to Tier 3</td><td>10</td><td>41</td></tr><tr><td>Lower Member Copays</td><td></td><td></td></tr><tr><td>• Tier 3 drugs moving to Tier 1</td><td>0</td><td>0</td></tr><tr><td>• Tier 3 drugs moving to Tier 2</td><td>1</td><td>4</td></tr><tr><td>Drug Coverage Reviews</td><td></td><td></td></tr><tr><td>Additional Reviews</td><td></td><td></td></tr><tr><td>• Prior Authorization</td><td>3</td><td>4</td></tr><tr><td>• Step Therapy</td><td>8</td><td>11</td></tr><tr><td>• Formulary Exclusions</td><td>23</td><td>47</td></tr></table>	Value Plus Formulary	Drugs Impacted	Unique Members impacted	Tier Impact			Higher Member Copays			• Tier 1 drugs moving to Tier 3	35	88	• Tier 2 drugs moving to Tier 3	10	41	Lower Member Copays			• Tier 3 drugs moving to Tier 1	0	0	• Tier 3 drugs moving to Tier 2	1	4	Drug Coverage Reviews			Additional Reviews			• Prior Authorization	3	4	• Step Therapy	8	11	• Formulary Exclusions	23	47
		Value Plus Formulary	Drugs Impacted	Unique Members impacted																																					
		Tier Impact																																							
		Higher Member Copays																																							
		• Tier 1 drugs moving to Tier 3	35	88																																					
		• Tier 2 drugs moving to Tier 3	10	41																																					
		Lower Member Copays																																							
		• Tier 3 drugs moving to Tier 1	0	0																																					
		• Tier 3 drugs moving to Tier 2	1	4																																					
		Drug Coverage Reviews																																							
		Additional Reviews																																							
		• Prior Authorization	3	4																																					
		• Step Therapy	8	11																																					
• Formulary Exclusions	23	47																																							
Mandatory Generics	Members taking brand drugs that have a therapeutic equivalent generic alternative would be forced to switch to the generic version of the drug	<ul style="list-style-type: none">As of June, approximately 77 members would be forced to switch to a generic version of their current medicationCommon drug classes are ADHD, depression, and high cholesterol																																							
Increasing Specialist Copays	Current copays range from \$15-\$30	<ul style="list-style-type: none">Change would impact all members																																							

RENEWAL DETAILS



TIER/COST ¹	ACTIVE ENROLLMENT	2018 MONTHLY RATES	PROPOSED 2019 RATES
Employee	245	\$850.44	\$851.03
Employee + Spouse	120	\$1,607.33	\$1,608.45
Employee + Child(ren)	99	\$1,173.60	\$1,174.42
Employee + Family	124	\$1,921.99	\$1,923.33
Annual Total		\$9,069,000	\$9,075,000
\$ Increase Over Current			+\$6,000
% Increase Over Current			+0.1%

¹ Some amounts and percentages may be slightly off due to rounding to the nearest thousand

RENEWAL DETAILS



Effective November 1, 2018

Tier/Cost ¹	Active Enrollment	2017-2018 Monthly Rates	Proposed 2019 Rates	% Increase
Delta Dental of WA (Plan C)	1,544	\$81.60	\$80.07	-1.9%
Willamette (Plan 1)	773	\$78.40	\$82.95	+5.8%
Annual Total		\$2,241,000	\$2,253,000	
\$ Increase Over Current			+\$12,000	
% Increase Over Current			+0.5%	

¹ Some amounts and percentages may be slightly off due to rounding to the nearest thousand

RENEWAL DETAILS

LIFE, AD&D AND SUPPLEMENTAL LIFE



Coverage	Enrollment	2018 Rates	2019 Rates
Combined Life and AD&D Composite Rate	2,027	\$6.65 PEPM	\$8.15 PEPM
Annual Cost ¹		\$162,000	\$198,000
\$ Increase over Current			\$36,000
% Increase over Current			+22.6%

¹ 2018 and 2019 annual cost based on August 2018 enrollment and the given year's PEPM

² Annual cost based on annualized actual trust premium expenses through August 2018

Age Range	2018 Rate (Per \$1,000)	2019 Rate (Per \$1,000)
Under 30	\$0.06	\$0.06
30 – 34	\$0.08	\$0.08
35 – 39	\$0.09	\$0.09
40 – 44	\$0.13	\$0.13
45 – 49	\$0.22	\$0.22
50 – 54	\$0.37	\$0.37
55 – 59	\$0.63	\$0.63
60 – 64	\$0.84	\$0.84
65 – 69	\$1.29	\$1.29
70 – 74	\$2.06	\$2.06
75 and Over	\$3.34	\$3.34
Child(ren)	\$0.27 per employee	\$0.27 per employee
Annual Cost ²	\$189,000	\$189,000
\$ Increase over Current		\$0
% Increase over Current		0.0%

RENEWAL DETAILS LTD AND STD

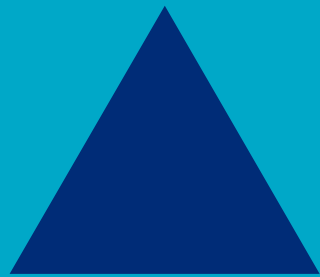


Long-term Disability ¹		Enrollment	2018 Rates	2019 Rates
LTD		2,148	\$26.94 PEPM	\$30.72 PEPM
Annual Cost ²			\$694,000	\$792,000
\$ Increase over Current				\$98,000
% Increase over Current				+14.0%
Short-term Disability ¹		Enrollment	2018 Rates	2019 Rates
STD		n/a	\$0.65 PEPM	\$0.65 PEPM
Annual Cost ¹			\$85,000	\$85,000
\$ Increase over Current				\$0
% Increase over Current				+0.0%
Vision		Enrollment	2018 Rates	2019 Rates
Vision		2,299	\$15.92 PEPM	\$15.92 PEPM
Annual Cost ²			\$439,000	\$439,000
\$ Increase over Current				\$0
% Increase over Current				+0.0%

¹ Some amounts and percentages may be slightly off due to rounding to the nearest thousand

² Annual cost based on annualized actual trust premium expenses through August 2018

2018 PLAN DESIGN FOR ALL COVERAGES



CURRENT MEDICAL PLANS

AETNA

Summary of Covered Medical Benefits Subject to Calendar Year Deductible, Unless Noted Otherwise						
Benefit	Kaiser Permanente Washington	Aetna CORE (Previously Option 4)	Aetna STANDARD (Previously Option 3)	Aetna TRADITIONAL (Previously Option 2)	Aetna CLASSIC (Previously Option 1)	Aetna SAVER + HSA (Previously Option 7)
		* The amount the plan pays for covered services is based on the usual, customary, and reasonable (UCR) amount. If a non-network provider charges more than the UCR amount, you may have to pay the difference. For example, if a non-network hospital charges \$1,500 for an overnight stay, and the UCR amount is \$1,000, you may have to pay the \$500 difference (this is balance billing).				
Calendar Year Deductible	None	In-Network: \$1,000 per person or \$3,000 per family *Out-of-Network: \$2,000 per person or \$6,000 per family (waived for office visits and in-network preventive care) There is a separate deductible for prescription drugs	Combined in-network and *out-of-network: \$300 per person or \$900 per family (waived for office visits, in-network preventive care and prescription drugs)	Combined in-network and *out-of-network: \$200 per person or \$600 per family (waived for office visits, in-network preventive care and prescription drugs)	In-Network: \$200 per person or \$600 per family *Out-of-Network: \$350 per person (waived for office visits, in-network preventive care and prescription drugs)	In-Network: \$1,500 individual or \$3,000 family *Out-of-Network: \$3,000 individual or \$6,000 family (waived for in-network preventive care)
Coinsurance	No plan coinsurance	In-Network: 80% *Out-of-Network: 50%	In-Network: 80% *Out-of-Network: 60%	In-Network: 80% *Out-of-Network: 60%	In-Network: 90% *Out-of-Network: 70%	In-Network: 80% *Out-of-Network: 50%
Annual Out-of-Pocket Maximum	\$2,000/person; \$4,000/family.	In-Network: \$4,000 per person or \$12,000 per family (includes deductible, coinsurance and copays) *Out-of-Network: Unlimited	Combined in-network and *out-of-network: \$2,750 per person or \$8,250 per family (includes deductible, coinsurance and copays)	Combined in-network and *out-of-network: \$1,500 per person or \$4,500 per family (includes deductible, coinsurance and copays)	In-Network: \$500 per person/\$1,500 family (includes deductible, coinsurance and copays) *Out-of-Network: Unlimited	In-Network: \$4,000 individual or \$8,000 family (includes deductible, coinsurance and copays) *Out-of-Network: Unlimited
Office Visit Copays / Coinsurance	Your copay for most office visits is \$15/visit.	In-Network: \$15 *Out-of-Network: 50%	In-Network: \$30 *Out-of-Network: \$40	In-Network: \$25 *Out-of-Network: \$30	In-Network: \$15 *Out-of-Network: 70%	In-Network: 80% *Out-of-Network: 50%
Ambulance	80% for emergency ground/air transport and for nonemergency ground/air interfacility transfers; 100% for hospital to hospital ground transfers.	80%	80%	80%	\$50 copay after deductible	80%
Diagnostic X-ray & Lab	100%.	In-Network: Not subject to deductible. Minor diagnostic: 100% Major diagnostic: 80% *Out-of-Network: 50%	In-Network: 80% *Out-of-Network: 60%	In-Network: 80% *Out-of-Network: 60%	In-Network: 90% *Out-of-Network: 70%	In-Network: 80% *Out-of-Network: 50%
Emergency Room	Emergency room care at GH-designated facilities subject to a \$100 copay/visit. Copay is waived if admitted directly to the hospital from the emergency department. Emergency care at non-GH-designated facilities subject to a \$100 copay (waived if admitted); if admitted, requires notification to GH within 24 hours of admission.	\$100 copay; waived if admitted In-Network: 80% *Out-of-Network: 80% (medical emergencies are always paid at the in-network benefit levels)	\$100 copay; waived if admitted In-Network: 80% *Out-of-Network: 80% (medical emergencies are always paid at the in-network benefit levels)	\$75 copay; waived if admitted In-Network: 80% *Out-of-Network: 80% (medical emergencies are always paid at the in-network benefit levels)	\$50 copay; waived if admitted In-Network: 90% *Out-of-Network: 90% (medical emergencies are always paid at the in-network benefit levels)	In-Network: 80% *Out-of-Network: 80% (medical emergencies are always paid at the in-network benefit levels)
Outpatient Surgery	100% after \$15 copay/visit.	In-Network: 80% *Out-of-Network: 50%	In-Network: 80% \$150 outpatient surgery copay *Out-of-Network: 60%	In-Network: 80% \$100 outpatient surgery copay *Out-of-Network: 60%	In-Network: 90% *Out-of-Network: 70%	In-Network: 80% *Out-of-Network: 50%

2018 DENTAL BENEFIT CHART

DELTA DENTAL OF WA PLAN C AND WILLAMETTE PLAN 1 (FULLY-INSURED)

Coverage	Delta Dental of WA	Willamette
Deductible	None	None
Annual Maximum	\$2,000/ \$1,750	Unlimited
Class I – Diagnostic & Preventive	100%	100% after \$15 copay
Class II – Restorative <ul style="list-style-type: none"> Restorations, Endodontics, Periodontics, Oral Surgery 	80%	100% after \$15 copay
Class II – Crowns & Onlays	50%	100% after \$15 copay per visit; additional \$50 copay for crowns
Class III – Major <ul style="list-style-type: none"> Dentures, Partial, Bridges, and Implants 	50%	100% after \$15 copay per visit; additional \$50 procedural copay
TMJ – Surgical and Nonsurgical <ul style="list-style-type: none"> Annual maximum Lifetime maximum 	50% \$1,000 \$5,000	100% \$1,000 \$5,000
Orthodontia	Not covered	Enhanced to provide greater discounts on orthodontia services
Rates (PEPM)	\$83.30	\$78.40

2018 VISION BENEFIT CHART

METLIFE VISION PLAN

Coverage	Metlife
Copay Amounts <ul style="list-style-type: none"> • Exam 	\$5
Exam once every calendar year after copay	Paid in full
Eyeglass lenses (pair) once every calendar year <ul style="list-style-type: none"> • Single vision • Bifocal • Trifocal • Lenticular • Continuous blend • Lens tinting, coating, or oversize 	Paid in full Paid in full Paid in full Paid in full Paid in full after copay Paid in full after copay
Frames	Covered up to \$130 allowance (up to \$70 at Costco) Once every 12 months
Contact lenses (in lieu of frames and eyeglass lenses)	Covered up to \$130 allowance Once every 12 months
Rate (PEPM)	\$15.92

2018 OTHER BENEFIT CHARTS

Magellan (Service Contract) Employee Assistance Plan

Coverage	Benefits
Employee Assistance Plan	One to five visits (per issue) model, up to 25 hours of critical incident stress management (i.e., group sessions for affected employees following a traumatic event) and up to six training/service hours

UNUM (Fully-Insured) Long Term Care

Coverage	Benefits
Covered Benefits	\$1,000 to \$3,500 monthly benefit for nursing home care, as pre-selected by the participant, and 50% of the facility benefit for home and community-based care
Waiting Period	60 days
Benefit Maximum	Plan benefits are capped through a “pool” of dollars equivalent to three or five years (36 or 60 months) times the monthly facility benefit

2018 OTHER BENEFIT CHARTS

METLIFE (FULLY-INSURED)

Life Insurance Programs

Coverage	Benefits
Basic Life & AD&D	\$50,000 ¹
Supplemental Life	
• Employee	\$10,000 units up to five times basic annual earnings to a maximum of \$250,000
• Spouse	One-half employee supplemental life coverage
• Child(ren)	\$2,000 each

¹ The Life and AD&D benefits amounts reduce 35% at age 65, and additional 20% of the original amount at age 70, an additional 15% of the original amount at age 75 and an additional 10% of the original amount at age 80

2018 OTHER BENEFIT CHARTS

METLIFE (FULLY-INSURED)

Long-Term Disability Coverage

Coverage	Benefits
Benefit Waiting Period	90 days of continuous total disability
LTD Benefit	66 2/3% of basic monthly earnings
Maximum LTD Benefit	\$8,000 before reduction by deductible income
Minimum LTD Benefit	\$100 or 10% of LTD benefits before reduction by deductible income, whichever is greater
Benefit Duration (based on age at beginning of total disability) <ul style="list-style-type: none"> • Under age 60 • Age 60 through Age 64 • Age 65 through Age 69 • Age 70 and over 	<ul style="list-style-type: none"> • To age 65 • 5 years • To age 70 • 1 year
Return to Work Provision	50% reduction after 12 months
Survivor Benefits	Three times monthly benefit
Limitations	24 months for mental illness, alcoholism and drug abuse

2018 OTHER BENEFIT CHARTS

METLIFE (FULLY-INSURED)

Voluntary Short-Term Disability Coverage

Coverage	Benefits
Benefit Waiting Period	14 days (other waiting periods apply if not enrolled when first eligible)
STD Benefit	66 2/3% of pre-disability earnings
Maximum STD Benefit	\$600/week
Minimum STD Benefit	\$15/week

ESEBT understands that Mercer is not engaged in the practice of law and this report, which may include commenting on legal issues or regulations, does not constitute and is not a substitute for legal advice. Accordingly, Mercer recommends that ESEBT secures the advice of competent legal counsel with respect to any legal matters related to this report or otherwise.

The information contained in this document and in any attachments is not intended by Mercer to be used, and it cannot be used, for the purpose of avoiding penalties under the Internal Revenue Code or imposed by any legislative body on the taxpayer or plan sponsor.



MERCER

MAKE TOMORROW, TODAY