

# Everett School Employee Benefit Trust 2013 RENEWAL REPORT

August 29, 2012

Seattle

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# Renewal Summary

## ESEBT-Sponsored Plan

ESEBT currently offers the following health and welfare programs:

<i>Coverage</i>	<i>Funding Arrangement</i>	<i>Carrier/Administrator</i>	<i>Renewal Status</i>
<b>WEA Select Benefit Plans</b>			
<b>Medical Plans</b>	Fully-Insured	Premera Blue Cross	-2.5% to +7.5% depending on plan and tier
<b>Dental</b>	Fully-Insured	Washington Dental Service	-4%
<b>Dental</b>	Fully-Insured	Willamette Dental	-2.5%
<b>Vision</b>	Fully-Insured	Premera	+2.8
<b>HMO Medical</b>	Fully-Insured	Group Health Cooperative (GHC)	+8.68%
<b>Basic Accidental Death and Dismemberment</b>	Fully-Insured	MetLife	+0% (second year of three-year guarantee through 12/31/2014)
<b>Basic and Supplemental Life</b>	Fully-Insured	MetLife	+0% (second year of three-year guarantee through 12/31/2014)
<b>Long-Term Disability</b>	Fully-Insured	Standard Insurance Company	+0% (first year of two-year guarantee through 12/31/2014)
<b>Voluntary Short-Term Disability</b>	Fully-Insured	Standard Insurance Company	+0% (first year of two-year guarantee through 12/31/2014)
<b>EAP</b>	Service Contract	Magellan	+0% (last year of two-year guarantee through 12/31/2013)
<b>Voluntary Long Term Care</b>	Fully-Insured	UNUM	+0%
<b>Health Programs</b>	Service Contract	Alere	+0%

# Renewal Results

The background of the slide is composed of three distinct horizontal bands of color. The top band is a dark navy blue. The middle band is a medium teal color, separated from the top and bottom bands by diagonal lines that slope upwards from left to right. The bottom band is a bright cyan color.

# Renewals – WEA Select Benefit Plans

## WEA Premera Medical Plans (Fully-Insured)

- WEA PPO Plan 1 eliminated effective October 1, 2012
  - ESEBT can keep Plan 1 until January 1 with a 15% increase on EE only and 12.3% increase for all other tiers
  - Premera would also allow employees to change plans October 1
- Qualified High Deductible Health Plan (QHDHP) plan added
  - WEA will not automatically make an HSA available due to compliance concerns for individual school districts
- Plan 5 benefit change:
  - Implemented a 10% coinsurance with a \$500/\$1,500 OOP max (includes deductible) for the 2012-13 plan year
- See Trust Financial Projections for WEA Premera Medical Plan Rates

## Renewals – WEA Select Benefit Plans

### WEA Washington Dental Service (Fully Insured)

- Rate decrease of 4%
- No plan design changes

### WEA Willamette Dental Plan (Fully Insured)

- Rate decrease of 2.5%
- No plan design changes

<i>Tier</i>	<i>Active Enrollment</i>	<i>Current Rates</i>	<i>2012-2013 Rates</i>
<b>WDS</b>	1,455	\$88.95	\$85.40
<b>Willamette</b>	466	\$76.65	\$74.70
Total Projected Annual Cost	1,921	\$1,981,694	\$1,908,806
\$ Increase/(Decrease) Over Current			(\$72,888)
% Increase/(Decrease) Over Current			(3.67%)

## Renewals – WEA Select Benefit Plans

### WEA Premera Vision Plans (Fully Insured)

- Rate increase of 2.8%
- No plan design changes

	<i>Active Enrollment</i>	<i>Current Rate</i>	<i>Proposed Rate</i>
<b>Premera</b>	1,924	\$15.80	\$16.25
Total Projected Annual Cost		\$364,790	\$375,180
\$ Increase/(Decrease) Over Current			\$10,390
% Increase/(Decrease) Over Current			2.8%

## Renewals – Other Plans

### Group Health – HMO Plan (Fully-Insured)

- Overall rate increase of 8.68%
- As a non-grandfathered plan, benefits for Women's Preventative Service in accordance with the U.S. Department of Health and Human Services will be included
- The proposed rates reflect an adjustment to the tier ratios to match the current 2011-2012 WEA plan 3 tier ratios
  - This change was requested to facilitate the movement toward a ratio of 3 to 1 between the employee contribution for family coverage and the contribution for employee only coverage as required under ESSB 5940

<i>Tier/Cost</i>	<i>Active Enrollment</i>	<i>Current Rates</i>	<i>Proposed Rates</i>	<i>% Change</i>
Employee	182	\$486.40	\$642.01	32.0%
Employee + Spouse	81	\$972.80	\$1,213.41	24.7%
Employee + Child(ren)	84	\$972.80	\$885.98	(8.9%)
Employee + Family	145	\$1,459.20	\$1,450.95	(0.6%)
Total	492	\$5,527,450	\$5,999,305	8.54%
\$ Increase Over Current			\$471,855	
%Increase Over Current			8.54%	



## Renewals – Other Plans

### MetLife (Fully-Insured)

- Basic Life and Accidental Death & Dismemberment
  - Second year of a three-year guarantee through December 31, 2014

<i>Coverage</i>	<i>Enrollment</i>	<i>Rate (per \$1,000)</i>
Basic Life Insurance	1,630	\$0.10
Basic AD&D Insurance	1,630	\$0.018
Combined Life and AD&D Composite Rate	1,630	\$5.90 PEPM
Projected Annual Cost		\$115,404

- Supplemental Life
  - Second year of a three-year guarantee through December 31, 2014

<i>Age Range</i>	<i>Rate (per \$1,000)</i>	<i>Age Range</i>	<i>Rate (per \$1,000)</i>
Under 30	\$0.06	55 – 59	\$0.63
30 – 34	\$0.08	60 – 64	\$0.84
35 – 39	\$0.09	65 – 69	\$1.29
40 – 44	\$0.13	70 – 74	\$2.06
45 – 49	\$0.22	75 and Over	\$3.34
50 – 54	\$0.37	Child(ren)	\$0.27 per employee

# Renewals – Other Plans

## Standard Insurance Company (Fully-Insured)

- Renewal Summary
  - Plan is ending a two-year rate guarantee period
  - Experience has stabilized, and Standard has proposed no increase and included a two-year guarantee through December 31, 2014
- Voluntary Short-Term Disability
  - Rates guaranteed through December 31, 2014

<i>Age Range</i>	<i>Rate per \$10 of weekly benefit</i>	<i>Age Range</i>	<i>Rate per \$10 of weekly benefit</i>
Under 25	\$1.12	45 - 49	\$0.73
25 - 29	\$1.31	50 - 54	\$0.83
30 - 34	\$1.03	55 - 59	\$1.07
35 - 39	\$0.83	60 - 64	\$1.31
40 - 44	\$0.75	65 and Over	\$1.45

- Long-Term Disability
  - Rates guaranteed through December 31, 2014

<i>Coverage</i>	<i>PEPM Rate</i>
Long-Term Disability	\$20.55

## Renewals – Other Plans

### Magellan Employee Assistance Plan (Service Contract)

- Last year of a two-year guarantee through December 31, 2013
- No changes for plan benefits

<i>PEPM Rate</i>	
<i>EAP</i>	\$1.69

### UNUM Long Term Care Plan (Fully-Insured)

- UNUM provides LTC coverage to Trust employees on a voluntary basis
- Rates are modified only when rates change for the rating pool and when filed with the state
- No changes for 2013

### Alere Health Programs (Service Contract)

- Mind & Body program enhancements TBA
- Quit For Life-Text2Quit messaging service now available at no additional fee for participants in the smoking cessation program
- No rate changes through December 31, 2013

<i>Component</i>	<i>Fee Per Participant</i>
<i>Mind and Body</i>	\$375
<i>Quit for Life</i>	\$375

# Wellness Programs

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## Quit For Life (Alere Tobacco Cessation)

- Alere provides a smoking cessation program (Quit for Life) to employees, spouses and domestic partners
- From 2009 to 2011, 16 individuals utilized the Quit for Life program with a quit rate of 66.7%
- As of early August 2012, there have been five enrollments for the year
- In order to increase enrollment, the Trust has eliminated the \$50 copay associated with the program
- Participants receive:
  - Five outbound counseling sessions and unlimited inbound sessions
  - Nicotine replacement therapy shipped directly to participants
  - Access to Web Coach
  - Printed Quit Guides mailed directly to participants
- New Text2Quit Program allows participants to receive supportive text messages on your mobile phone

## Mind and Body (Alere Weight Management Program)

- Program will be rebranded effective 10/1/2012
- Participation in the program is dwindling
  - Three enrollments for the year through July 2012
  - 114 enrollments for the same period in 2011

# Other Wellness Programs

## EAP and Health Advocacy Services (Magellan)

- Employee Assistance Plan Services
  - Up to five face-to-face EAP sessions
- Critical Incident Stress Management Program
- Monthly Webinars and Podcasts
- Quarterly Utilization Reports
- Clinical First Answer (all incoming calls are answered by a clinician)
- Communication materials and monthly e-campaigns

## Health Force Partners

- Assumed no changes for 2013

# ESSB 5940 Update

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# ESSB 5940 Update

- The table below lists some of the primary requirements of ESSB 5940, the current status for the plans offered by ESEBT, and potential next steps

<i>Requirement</i>	<i>Current Status</i>	<i>Next Steps</i>
• Offer a plan with high deductible and health savings account	• QHDHP made available through the WEA	• How to handle HSA administration?
• Offer a plan with full-time premium the same as that for state employees	• WEA Plan 3 and EasyChoice Plans are currently at about 13%, below the State average of 15%	<ul style="list-style-type: none"> <li>• Consider this requirement when making ESEBT subsidy decisions</li> <li>• Consult with counsel on interpretation of how to apply</li> </ul>
• Must make progress toward more affordable full family insurance coverage; ratio of 3:1	• All current plans except Group Health are within the accepted range	• Make progress on the Group Health plan
• Each K-12 public school employee pays a minimum premium charge	• All plans require a contribution	• Determine whether current contributions are an appropriate “minimum contribution”
• Employee premiums are structured to ensure that employees who select richer benefit plans pay the higher premium	• Current contribution structure is in compliance	• Maintain compliance
• Follow responsible contracting standards and open competitive bidding	• Move to WEA improved affordability	• Need further guidance on frequency and plans to be included
• Promote health care innovation and cost savings and significantly reduce administrative expense	• Wellness program can provide progress toward this requirement	• Need further guidance

# Trust Financial Projections

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## Summary of Contribution Scenarios

### Employer Subsidy Percentages

	<i>Status Quo 2.1 Month Reserve</i>	<i>Scenario 1 2.5 Month Reserve</i>	<i>Scenario 2 2.5 Month Reserve</i>	<i>Scenario 3 3.0 Month Reserve</i>	<i>Scenario 4 3.0 Month Reserve</i>
WEA -Employee	89%	85%	86%	79%	81%
WEA -Dependent	84%	80%	79%	74%	72%
GHC -Employee	93%	89%	89%	84%	85%
GHC - Dependent	88%	84%	83%	79%	77%

# Summary of Contribution Scenarios

## Employee Contributions

### Everett School Employees Benefit Trust 2013 Employee Contribution Exhibit

	2012 Contributions	2013 Contributions Status Quo	% Inc	Ratio to Single	2013 Contributions Scenario 1	% Inc	Ratio to Single	2013 Contributions Scenario 2	% Inc	Ratio to Single	2013 Contributions Scenario 3	% Inc	Ratio to Single	2013 Contributions Scenario 4	% Inc	Ratio to Single
<b>WEA PPO 1</b>																
EE	\$322.01	n/a	n/a		n/a	n/a		n/a	n/a		n/a	n/a		n/a	n/a	
EE + Spouse	\$642.69	n/a	n/a		n/a	n/a		n/a	n/a		n/a	n/a		n/a	n/a	
EE + Child(ren)	\$457.59	n/a	n/a		n/a	n/a		n/a	n/a		n/a	n/a		n/a	n/a	
EE + Family	\$778.27	n/a	n/a		n/a	n/a		n/a	n/a		n/a	n/a		n/a	n/a	
<b>WEA PPO 2</b>																
EE	\$129.11	\$138.46	7.2%	1.00	\$162.83	26.1%	1.00	\$156.74	21.4%	1.00	\$199.38	54.4%	1.00	\$187.20	45.0%	1.00
EE + Spouse	\$268.56	\$279.70	4.1%	2.02	\$324.44	20.8%	1.99	\$323.45	20.4%	2.06	\$391.55	45.8%	1.96	\$389.56	45.1%	2.08
EE + Child(ren)	\$188.12	\$195.78	4.1%	1.41	\$228.43	21.4%	1.40	\$224.41	19.3%	1.43	\$277.40	47.5%	1.39	\$269.36	43.2%	1.44
EE + Family	\$327.57	\$341.26	4.2%	2.46	\$394.90	20.6%	2.43	\$396.12	20.9%	2.53	\$475.34	45.1%	2.38	\$477.80	45.9%	2.55
<b>WEA PPO 3</b>																
EE	\$62.33	\$67.02	7.5%	1.00	\$91.39	46.6%	1.00	\$85.30	36.9%	1.00	\$127.94	105.3%	1.00	\$115.76	85.7%	1.00
EE + Spouse	\$142.79	\$148.50	4.0%	2.22	\$193.24	35.3%	2.11	\$192.25	34.6%	2.25	\$260.35	82.3%	2.03	\$258.36	80.9%	2.23
EE + Child(ren)	\$96.43	\$100.15	3.9%	1.49	\$132.80	37.7%	1.45	\$128.78	33.5%	1.51	\$181.77	88.5%	1.42	\$173.73	80.2%	1.50
EE + Family	\$176.90	\$184.07	4.1%	2.75	\$237.71	34.4%	2.60	\$238.93	35.1%	2.80	\$318.15	79.8%	2.49	\$320.61	81.2%	2.77
<b>WEA EasyChoice</b>																
EE	\$47.53	\$47.87	0.7%	1.00	\$65.28	37.3%	1.00	\$60.93	28.2%	1.00	\$91.40	92.3%	1.00	\$82.69	74.0%	1.00
EE + Spouse	\$108.59	\$105.03	-3.3%	2.19	\$136.73	25.9%	2.09	\$135.95	25.2%	2.23	\$184.29	69.7%	2.02	\$182.72	68.3%	2.21
EE + Child(ren)	\$73.39	\$70.90	-3.4%	1.48	\$94.06	28.2%	1.44	\$91.15	24.2%	1.50	\$128.82	75.5%	1.41	\$122.98	67.6%	1.49
EE + Family	\$134.45	\$130.11	-3.2%	2.72	\$168.09	25.0%	2.57	\$168.88	25.6%	2.77	\$225.05	67.4%	2.46	\$226.62	68.6%	2.74
<b>WEA PPO Foundation/5</b>																
EE	\$236.94	\$253.83	7.1%	1.00	\$278.20	17.4%	1.00	\$272.11	14.8%	1.00	\$314.75	32.8%	1.00	\$302.57	27.7%	1.00
EE + Spouse	\$541.78	\$564.65	4.2%	2.22	\$609.39	12.5%	2.19	\$608.40	12.3%	2.24	\$676.50	24.9%	2.15	\$674.51	24.5%	2.23
EE + Child(ren)	\$358.83	\$373.83	4.2%	1.47	\$406.48	13.3%	1.46	\$402.46	12.2%	1.48	\$455.45	26.9%	1.45	\$447.41	24.7%	1.48
EE + Family	\$663.67	\$691.81	4.2%	2.73	\$745.45	12.3%	2.68	\$746.67	12.5%	2.74	\$825.89	24.4%	2.62	\$828.35	24.8%	2.74
<b>WEA QHDHP</b>																
EE	n/a	\$37.66	n/a	1.00	\$51.35	n/a	1.00	\$47.93	n/a	1.00	\$71.89	n/a	1.00	\$65.05	n/a	1.00
EE + Spouse	n/a	\$82.48	n/a	2.19	\$107.38	n/a	2.09	\$106.76	n/a	2.23	\$144.72	n/a	2.01	\$143.49	n/a	2.21
EE + Child(ren)	n/a	\$55.72	n/a	1.48	\$73.92	n/a	1.44	\$71.63	n/a	1.49	\$101.23	n/a	1.41	\$96.65	n/a	1.49
EE + Family	n/a	\$100.53	n/a	2.67	\$129.94	n/a	2.53	\$130.45	n/a	2.72	\$174.05	n/a	2.42	\$175.07	n/a	2.69
<b>Group Health Cooperative</b>																
EE	\$34.00	\$45.00	32.4%	1.00	\$71.00	108.8%	1.00	\$71.00	108.8%	1.00	\$103.00	202.9%	1.00	\$96.00	182.4%	1.00
EE + Spouse	\$92.00	\$114.00	23.9%	2.53	\$162.00	76.1%	2.28	\$168.00	82.6%	2.37	\$223.00	142.4%	2.17	\$227.00	146.7%	2.36
EE + Child(ren)	\$92.00	\$74.00	-19.6%	1.64	\$110.00	19.6%	1.55	\$112.00	21.7%	1.58	\$154.00	67.4%	1.50	\$152.00	65.2%	1.58
EE + Family	\$151.00	\$142.00	-6.0%	3.16	\$200.00	32.5%	2.82	\$209.00	38.4%	2.94	\$273.00	80.8%	2.65	\$282.00	86.8%	2.94

1 Assumes 10% increase to WEA rates for October-December 2013.

# 2013 Budget Notes

- (1) Enrollment based on August 2012 summary of Payments to Carriers from ESEBT.
- (2) Allocations shown as outlined Engrossed Substitute House Bill 1244 effective 5/19/2009. Assumes a 0.0% increase effective September 1, 2012 and 2013. Based on investment earnings plus appreciation of market value through May 2012 with assumed interest for June from ESEBT Statement of Operations and Fund Balance with a 50% decrease for 2013.
- (3) Fund Balance with a 50% decrease for 2013.
- (4) Based on current rates and August 2012 enrollment. Based on WEA renewals effective October 1, 2012. Total annual cost assumes a 5% increase effective October 1, 2013 for dental and vision and a 10% increase for medical.
- (5) increase for medical.
- (6) Based on Group Health renewal effective January 1, 2013 (8.7% increase).
- (7) Includes cost for Health Force Partners; excludes first year cost for Wellsource HRA and Health Coaching as those fees were prepaid in 2009 and 2010.
- (8) Based on incentive values of \$200 for Gold (8 wellness credits), \$150 for Silver (7 wellness credits), and \$100 for Bronze (5 wellness credits). Assumes incentives apply to employees only (no incentives for spouse participation) and HRA completion rate of 50% (809 HRA completers). Assumes incentive achievement rates of 20% for Gold (161), 30% for Silver (243), and 50% for Bronze (405). Based on administrative expenses from January through May 2012 annualized from ESEBT Statement of Operations and Fund Balance. Assumes an increase of 3% for 2013.
- (9) increase of 3% for 2013.
- (10) Based on premiums paid through July 2012 and July 2012 enrollment.

# 2013 Budget – Status Quo

## Financial Projections Comparison Status Quo - 2.1 Month Reserve with No Change to Subsidy Percentages January 1, 2013 - December 31, 2013

	Employee	Dependent
WEA:	89%	84%
HMO:	93%	88%

### Estimated Income

	1/1/2012 - 12/31/2012 Projection				1/1/2013 - 12/31/2013 Projection				1/1/2014 - 12/31/2014 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	Assumed % Change	Estimated Total
Employer Contributions (January through August)	\$ 768.00	1,797 <sup>(1)</sup>	8	\$ 11,040,768	\$ 768.00 <sup>(2)</sup>	1,797 <sup>(1)</sup>	8	\$ 11,040,768	0%	\$11,040,768
Employer Contributions (September through December)	\$ 768.00	1,797 <sup>(1)</sup>	4	\$ 5,520,384	\$ 768.00 <sup>(2)</sup>	1,797 <sup>(1)</sup>	4	\$ 5,520,384	0%	\$5,520,384
Additional Supplemental District Contribution				\$ -				\$ -	0%	\$0
Employee Contributions	n/a	n/a		\$ 3,622,559				\$3,743,763	10%	\$4,118,139
Investment Income <sup>(3)</sup>				\$ 298,788				\$ 150,000	0%	\$150,000
<b>Total Estimated Revenues</b>				<b>\$ 20,482,499</b>				<b>\$ 20,454,915</b>		<b>\$20,829,291</b>

### Estimated Expenses

	1/1/2012 - 12/31/2012 Projection				1/1/2013 - 12/31/2013 Projection				1/1/2014 - 12/31/2014 Projection	
	YTD Actual 1/1/12-8/31/12	PEPM or Mo. Sum	No. of Employees <sup>(1)</sup>	Estimated Total	PEPM or Mo. Sum	No. of Employees <sup>(1)</sup>	Number of Months	Estimated Total	Assumed % Change	Estimated Total
MetLife Life / AD&D Premiums	\$77,804	\$ 5.90	1,630	\$ 116,272	\$ 5.90	1,630	12	\$ 115,404	0%	\$115,404
MetLife Voluntary Term Life Premiums	\$128,847	\$16,182 <sup>(4)</sup>	n/a	\$ 193,575	\$ 16,181.91	n/a	12	\$ 194,183	0%	\$194,183
Standard Voluntary STD Premiums	\$ 93,036	\$ 13,290.81 <sup>(10)</sup>	n/a	\$ 159,490	\$ 13,290.81	n/a	12	\$ 159,490	0%	\$159,490
Standard LTD Premiums	\$283,960	\$ 20.55 <sup>(4)</sup>	1,729	\$ 426,084	\$ 20.55	1,729	12	\$ 426,371	0%	\$426,371
WDS Dental Premiums	\$1,031,820	\$ 88.95 <sup>(4)</sup>	1,455	\$ 1,534,013	\$ 85.40 <sup>(5)</sup>	1,455	12	\$1,517,120	5%	\$1,592,976
Willamette Dental Premiums	\$288,185	\$ 76.65 <sup>(4)</sup>	466	\$ 428,334	\$ 74.70 <sup>(5)</sup>	466	12	\$422,944	5%	\$444,091
WEA Medical Premiums	\$8,283,758	n/a	1,134	\$12,575,303	n/a <sup>(5)</sup>	1,134	12	\$13,341,678	10%	\$14,675,846
Premera WEA Vision	\$243,320	\$ 15.80 <sup>(4)</sup>	1,924	\$ 367,514	\$ 16.25 <sup>(5)</sup>	1,924	12	\$381,016	5%	\$400,066
Group Health Medical Premiums <sup>(6)</sup>	\$3,692,265	n/a	493	\$ 5,536,693	n/a	493	12	\$ 6,011,499	10%	\$6,612,649
UNUM Voluntary LTC Premiums	\$6,566	\$ 820.73	n/a	\$ 9,849	\$ 820.73	n/a	12	\$ 9,849	0%	\$9,849
Wellness Program Internal Support	n/a	n/a	n/a	\$ 52,625	n/a	n/a	n/a	\$ 52,625	0%	\$52,625
Magellan EAP	\$ 26,134.16	\$ 1.69	1,933	\$ 39,201	\$ 1.69	1,933	12	\$ 39,201	5%	\$41,161
Quit for Life Tobacco Cessation	n/a	n/a	n/a	\$ 3,000	n/a	n/a	n/a	\$ 9,375	0%	\$9,375
Mind & Body	n/a	n/a	n/a	\$ 2,250	n/a	n/a	n/a	\$ 18,750	0%	\$18,750
Weight Watchers	n/a	n/a	n/a	\$ 42,750				\$ 26,250	0%	\$26,250
HRA & Web Portal	n/a	n/a	n/a	\$52,990	n/a	n/a	n/a	\$52,990 <sup>(7)</sup>	0%	\$52,990
Wellness Incentive	n/a	n/a	n/a	\$109,150	n/a	n/a	n/a	\$109,150 <sup>(8)</sup>	0%	\$109,150
Mercer Consulting Fee	n/a	n/a	n/a	\$ 100,000	n/a	n/a	n/a	\$105,000	0%	\$105,000
ESEBT Administration <sup>(9)</sup>	n/a	n/a	n/a	\$ 205,391	n/a	n/a	n/a	\$ 211,553	3%	\$217,900

#### Total Estimated Expenses

\$ 21,954,484

\$ 23,204,448

\$25,264,127

#### Estimated Surplus / (Deficit)

\$ (1,471,985)

\$ (2,749,533)

(\$4,434,836)

(based on estimated/current enrollment)

#### Unallocated reserve at December 31

Months of expenses

\$ 6,879,412  
3.8

\$ 4,129,878  
2.1

\$ (304,957)  
(0.1)

# 2013 Rates – Status Quo

	Current				2012	Projected				2013	
	Enrollment	2012	2012	2012	Aggregate	Enrollment	2013	2013	2013	Aggregate	
	by Tier	Rates	EE Contribs	ER Contribs	EE Contribs	by Tier	Rates	EE Contribs	ER Contribs	EE Contribs	
WEA Plan 1 (Plan 5 for 2013)											
Employee Only	16	\$826.30	\$322.01	\$504.29	\$61,826						
EE + Spouse	6	\$1,569.43	\$642.69	\$926.74	\$46,273						
EE + Child(ren)	3	\$1,140.93	\$457.59	\$683.34	\$16,473						
EE + Family	7	\$1,884.05	\$778.27	\$1,105.79	\$65,374						
Total	32	\$1,272.13									
WEA Plan 2											
Employee Only	99	\$633.40	\$129.11	\$504.29	\$153,379	99	\$680.70	\$138.46	\$542.24	\$164,490	
EE + Spouse	63	\$1,195.30	\$268.56	\$926.74	\$203,033	63	\$1,249.73	\$279.70	\$970.03	\$211,453	
EE + Child(ren)	59	\$871.46	\$188.12	\$683.34	\$133,188	59	\$911.94	\$195.78	\$716.16	\$138,612	
EE + Family	62	\$1,433.36	\$327.57	\$1,105.79	\$243,715	62	\$1,498.04	\$341.26	\$1,156.78	\$253,897	
Total	283	\$911.98				283	\$1,034.65				
WEA Plan 3											
Employee Only	162	\$566.62	\$62.33	\$504.29	\$121,166	162	\$609.26	\$67.02	\$542.24	\$130,287	
EE + Spouse	96	\$1,069.54	\$142.79	\$926.74	\$164,500	96	\$1,118.53	\$148.50	\$970.03	\$171,072	
EE + Child(ren)	77	\$779.77	\$96.43	\$683.34	\$89,103	77	\$816.31	\$100.15	\$716.16	\$92,539	
EE + Family	138	\$1,282.69	\$176.90	\$1,105.79	\$292,944	138	\$1,340.85	\$184.07	\$1,156.78	\$304,820	
Total	473	\$848.31				473	\$959.77				
WEA EasyChoice Plans											
Employee Only	60	\$432.09	\$47.53	\$384.56	\$34,221	58	\$435.22	\$47.87	\$387.35	\$33,318	
EE + Spouse	10	\$813.70	\$108.59	\$705.11	\$13,030	9	\$792.48	\$105.03	\$687.45	\$11,343	
EE + Child(ren)	19	\$593.73	\$73.39	\$520.34	\$16,734	18	\$579.13	\$70.90	\$508.23	\$15,314	
EE + Family	44	\$975.34	\$134.45	\$840.89	\$70,989	43	\$949.25	\$130.11	\$819.14	\$67,137	
Total	133	\$667.69				128	\$653.26				
WEA Plan 5											
Employee Only	106	\$741.23	\$236.94	\$504.29	\$301,384	122	\$796.07	\$253.83	\$542.24	\$371,607	
EE + Spouse	41	\$1,468.52	\$541.78	\$926.74	\$266,554	47	\$1,534.68	\$564.65	\$970.03	\$318,463	
EE + Child(ren)	29	\$1,042.17	\$358.83	\$683.34	\$124,874	32	\$1,089.99	\$373.83	\$716.16	\$143,551	
EE + Family	29	\$1,769.46	\$663.67	\$1,105.79	\$230,958	36	\$1,848.59	\$691.81	\$1,156.78	\$298,862	
Total	205	\$1,282.55				237	\$1,142.11				
WEA QDHP											
Employee Only	0				\$0	2	\$342.35	\$37.66	\$304.69	\$904	
EE + Spouse	0				\$0	1	\$622.48	\$82.48	\$540.00	\$990	
EE + Child(ren)	0				\$0	1	\$455.20	\$55.72	\$399.48	\$669	
EE + Family	0				\$0	1	\$735.28	\$100.53	\$634.75	\$1,206	
Total	0					5	\$499.53				
GHC											
Employee Only	182	\$486.40	\$34.00	\$452.40	\$74,256	182	\$642.01	\$45.00	\$597.01	\$98,280	
EE + Spouse	81	\$972.80	\$92.00	\$880.80	\$89,424	81	\$1,213.41	\$114.00	\$1,099.41	\$110,808	
EE + Child(ren)	84	\$972.80	\$92.00	\$880.80	\$92,736	84	\$885.98	\$74.00	\$811.98	\$74,592	
EE + Family	145	\$1,459.20	\$151.00	\$1,308.20	\$262,740	145	\$1,450.95	\$142.00	\$1,308.95	\$247,080	
Total	492	\$952.32				492	\$1,016.14				
All Med (Actives)											
COBRA/Plan 1	[2]				\$0			COBRA/Plan 1		\$0	
COBRA/Plan 2	[2]				\$40,127			COBRA/Plan 2		\$62,079	
COBRA/Plan 3	[2]				\$21,208			COBRA/Plan 3		\$23,035	
COBRA/GHC	[2]				\$5,835			COBRA/GHC		\$12,194	
COBRA/Easy Choice	[2]				\$668			COBRA/Easy Ch		\$0	
COBRA/Plan 5	[2]				\$15,391			COBRA/Plan 5		\$13,705	
COBRA/WDS	[2]				\$6,673			COBRA/WDS		\$7,397	
COBRA/Willamette					\$0			COBRA/Willame		\$0	
COBRA/Vision					\$870			COBRA/Vision		\$1,146	
Vol. Term Life					\$193,575			Vol. Term Life		\$193,575	
Vol. Long Term Care					\$9,849			Vol. Long Term Care		\$9,849	
Vol. Short Term Disability					\$159,490			Vol. Short Term Disability		\$159,490	
Total Contributions					\$3,622,559	Total Contributions					\$3,743,763

[1] Enrollment as of August 2012 and provided by District.

[2] COBRA Enrollment based on August 2012 ESEBT Payments to carriers.

# 2013 Budget – Scenario 1

## Financial Projections Comparison Scenario 1 - 2.5 Month Reserve with Equal Subsidy Reductions January 1, 2013 - December 31, 2013

	Employee	Dependent
WEA:	85%	80%
HMO:	89%	84%

### Estimated Income

	1/1/2012 - 12/31/2012 Projection				1/1/2013 - 12/31/2013 Projection				1/1/2014 - 12/31/2014 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	Assumed % Change	Estimated Total
Employer Contributions (January through August)	\$ 768.00	1,797 <sup>(1)</sup>	8	\$ 11,040,768	\$ 768.00 <sup>(2)</sup>	1,797 <sup>(1)</sup>	8	\$ 11,040,768	0%	\$11,040,768
Employer Contributions (September through December)	\$ 768.00	1,797 <sup>(1)</sup>	4	\$ 5,520,384	\$ 768.00 <sup>(2)</sup>	1,797 <sup>(1)</sup>	4	\$ 5,520,384	0%	\$5,520,384
Additional Supplemental District Contribution				\$ -				\$ -	0%	\$0
Employee Contributions	n/a	n/a		\$ 3,622,559				\$4,466,084	10%	\$4,912,692
Investment Income <sup>(3)</sup>				\$ 298,788				\$ 150,000	0%	\$150,000
<b>Total Estimated Revenues</b>				<b>\$ 20,482,499</b>				<b>\$ 21,177,236</b>		<b>\$21,623,844</b>

### Estimated Expenses

	1/1/2012 - 12/31/2012 Projection				1/1/2013 - 12/31/2013 Projection				1/1/2014 - 12/31/2014 Projection	
	YTD Actual 1/1/12-8/31/12	PEPM or Mo. Sum	No. of Employees <sup>(1)</sup>	Estimated Total	PEPM or Mo. Sum	No. of Employees <sup>(1)</sup>	Number of Months	Estimated Total	Assumed % Change	Estimated Total
MetLife Life / AD&D Premiums	\$77,804	\$ 5.90	1,630	\$ 116,272	\$ 5.90	1,630	12	\$ 115,404	0%	\$115,404
MetLife Voluntary Term Life Premiums	\$128,847	\$16,182 <sup>(4)</sup>	n/a	\$ 193,575	\$ 16,181.91	n/a	12	\$ 194,183	0%	\$194,183
Standard Voluntary STD Premiums	\$ 93,036	\$ 13,290.81 <sup>(10)</sup>	n/a	\$ 159,490	\$ 13,290.81	n/a	12	\$ 159,490	0%	\$159,490
Standard LTD Premiums	\$283,960	\$ 20.55 <sup>(4)</sup>	1,729	\$ 426,084	\$ 20.55	1,729	12	\$ 426,371	0%	\$426,371
WDS Dental Premiums	\$1,031,820	\$ 88.95 <sup>(4)</sup>	1,455	\$ 1,534,013	\$ 85.40 <sup>(5)</sup>	1,455	12	\$1,517,120	5%	\$1,592,976
Willamette Dental Premiums	\$288,185	\$ 76.65 <sup>(4)</sup>	466	\$ 428,334	\$ 74.70 <sup>(5)</sup>	466	12	\$422,944	5%	\$444,091
WEA Medical Premiums	\$8,283,758	n/a	1,134	\$12,575,303	n/a <sup>(5)</sup>	1,134	12	\$13,341,678	10%	\$14,675,846
Premiera WEA Vision	\$243,320	\$ 15.80 <sup>(4)</sup>	1,924	\$ 367,514	\$ 16.25 <sup>(5)</sup>	1,924	12	\$381,016	5%	\$400,066
Group Health Medical Premiums <sup>(6)</sup>	\$3,692,265	n/a	493	\$ 5,536,693	n/a	493	12	\$ 6,011,499	10%	\$6,612,649
UNUM Voluntary LTC Premiums	\$6,566	\$ 820.73	n/a	\$ 9,849	\$ 820.73	n/a	12	\$ 9,849	0%	\$9,849
Wellness Program Internal Support	n/a	n/a	n/a	\$ 52,625	n/a	n/a	n/a	\$ 52,625	0%	\$52,625
Magellan EAP	\$ 26,134.16	\$ 1.69	1,933	\$ 39,201	\$ 1.69	1,933	12	\$ 39,201	5%	\$41,161
Quit for Life Tobacco Cessation	n/a	n/a	n/a	\$ 3,000	n/a	n/a	n/a	\$ 9,375	0%	\$9,375
Mind & Body	n/a	n/a	n/a	\$ 2,250	n/a	n/a	n/a	\$ 18,750	0%	\$18,750
Weight Watchers	n/a	n/a	n/a	\$ 42,750				\$ 26,250	0%	\$26,250
HRA & Web Portal	n/a	n/a	n/a	\$52,990	n/a	n/a	n/a	\$52,990 <sup>(7)</sup>	0%	\$52,990
Wellness Incentive	n/a	n/a	n/a	\$109,150	n/a	n/a	n/a	\$109,150 <sup>(8)</sup>	0%	\$109,150
Mercer Consulting Fee	n/a	n/a	n/a	\$ 100,000	n/a	n/a	n/a	\$105,000	0%	\$105,000
ESEBT Administration <sup>(9)</sup>	n/a	n/a	n/a	\$ 205,391	n/a	n/a	n/a	\$ 211,553	3%	\$217,900
<b>Total Estimated Expenses</b>				<b>\$ 21,954,484</b>				<b>\$ 23,204,448</b>		<b>\$25,264,127</b>

#### Estimated Surplus / (Deficit)

(based on estimated/current enrollment)

<b>Unallocated reserve at December 31</b>				\$ 6,879,412				\$ 4,852,199		\$ 1,211,916
Months of expenses				3.8				2.5		0.6



# 2013 Rates – Scenario 1

	Current Enrollment by Tier	2012 Rates	2012 EE Contribs	2012 ER Contribs	2012 Aggregate EE Contribs	Projected Enrollment by Tier	2013 Rates	2013 EE Contribs	2013 ER Contribs	2013 Aggregate EE Contribs
<b>WEA Plan 1 (Plan 5 for 2013)</b>										
Employee Only	16	\$826.30	\$322.01	\$504.29	\$61,826					
EE + Spouse	6	\$1,569.43	\$642.69	\$926.74	\$46,273					
EE + Child(ren)	3	\$1,140.93	\$457.59	\$683.34	\$16,473					
EE + Family	7	\$1,884.05	\$778.27	\$1,105.79	\$65,374					
Total	32	\$1,272.13								
<b>WEA Plan 2</b>										
Employee Only	99	\$633.40	\$129.11	\$504.29	\$153,379	99	\$680.70	\$162.83	\$517.87	\$193,442
EE + Spouse	63	\$1,195.30	\$268.56	\$926.74	\$203,033	63	\$1,249.73	\$324.44	\$925.29	\$245,277
EE + Child(ren)	59	\$871.46	\$188.12	\$683.34	\$133,188	59	\$911.94	\$228.43	\$683.51	\$161,728
EE + Family	62	\$1,433.36	\$327.57	\$1,105.79	\$243,715	62	\$1,498.04	\$394.90	\$1,103.14	\$293,806
Total	283	\$911.98				283	\$1,034.65			
<b>WEA Plan 3</b>										
Employee Only	162	\$566.62	\$62.33	\$504.29	\$121,166	162	\$609.26	\$91.39	\$517.87	\$177,662
EE + Spouse	96	\$1,069.54	\$142.79	\$926.74	\$164,500	96	\$1,118.53	\$193.24	\$925.29	\$222,612
EE + Child(ren)	77	\$779.77	\$96.43	\$683.34	\$89,103	77	\$816.31	\$132.80	\$683.51	\$122,707
EE + Family	138	\$1,282.69	\$176.90	\$1,105.79	\$292,944	138	\$1,340.85	\$237.71	\$1,103.14	\$393,648
Total	473	\$848.31				473	\$959.77			
<b>WEA EasyChoice Plans</b>										
Employee Only	60	\$432.09	\$47.53	\$384.56	\$34,221	58	\$435.22	\$65.28	\$369.94	\$45,435
EE + Spouse	10	\$813.70	\$108.59	\$705.11	\$13,030	9	\$792.48	\$136.73	\$655.75	\$14,767
EE + Child(ren)	19	\$593.73	\$73.39	\$520.34	\$16,734	18	\$579.13	\$94.06	\$485.07	\$20,317
EE + Family	44	\$975.34	\$134.45	\$840.89	\$70,989	43	\$949.25	\$168.09	\$781.16	\$86,734
Total	133	\$667.69				128	\$653.26			
<b>WEA Plan 5</b>										
Employee Only	106	\$741.23	\$236.94	\$504.29	\$301,384	122	\$796.07	\$278.20	\$517.87	\$407,285
EE + Spouse	41	\$1,468.52	\$541.78	\$926.74	\$266,554	47	\$1,534.68	\$609.39	\$925.29	\$343,696
EE + Child(ren)	29	\$1,042.17	\$358.83	\$683.34	\$124,874	32	\$1,089.99	\$406.48	\$683.51	\$156,088
EE + Family	29	\$1,769.46	\$663.67	\$1,105.79	\$230,958	36	\$1,848.59	\$745.45	\$1,103.14	\$322,034
Total	205	\$1,282.55				237	\$1,142.11			
<b>WEA QDHP</b>										
Employee Only	0		\$0		\$0	2	\$342.35	\$51.35	\$291.00	\$1,232
EE + Spouse	0		\$0		\$0	1	\$622.48	\$107.38	\$515.10	\$1,289
EE + Child(ren)	0		\$0		\$0	1	\$455.20	\$73.92	\$381.28	\$887
EE + Family	0		\$0		\$0	1	\$735.28	\$129.94	\$605.34	\$1,559
Total	0					5	\$499.53			
<b>GHC</b>										
Employee Only	182	\$486.40	\$34.00	\$452.40	\$74,256	182	\$642.01	\$71.00	\$571.01	\$155,064
EE + Spouse	81	\$972.80	\$92.00	\$880.80	\$89,424	81	\$1,213.41	\$162.00	\$1,051.41	\$157,464
EE + Child(ren)	84	\$972.80	\$92.00	\$880.80	\$92,736	84	\$885.98	\$110.00	\$775.98	\$110,880
EE + Family	145	\$1,459.20	\$151.00	\$1,308.20	\$262,740	145	\$1,450.95	\$200.00	\$1,250.95	\$348,000
Total	492	\$952.32				492	\$1,016.14			
<b>All Med (Actives)</b>										
COBRA/Plan 1	[2]				\$0	COBRA/Plan 1				\$0
COBRA/Plan 2	[2]				\$40,127	COBRA/Plan 2				\$62,079
COBRA/Plan 3	[2]				\$21,208	COBRA/Plan 3				\$23,035
COBRA/GHC	[2]				\$5,835	COBRA/GHC				\$12,194
COBRA/Easy Choice	[2]				\$668	COBRA/Easy Ch				\$0
COBRA/Plan 5	[2]				\$15,391	COBRA/Plan 5				\$13,705
COBRA/WDS	[2]				\$6,673	COBRA/WDS				\$7,397
COBRA/Willamette					\$0	COBRA/Willamette				\$0
COBRA/Vision					\$870	COBRA/Vision				\$1,146
Vol. Term Life					\$193,575	Vol. Term Life				\$193,575
Vol. Long Term Care					\$9,849	Vol. Long Term Care				\$9,849
Vol. Short Term Disability					\$159,490	Vol. Short Term Disability				\$159,490
<b>Total Contributions</b>					<b>\$3,622,559</b>					<b>\$4,466,084</b>

[1] Enrollment as of August 2012 and provided by District.

[2] COBRA Enrollment based on August 2012 ESEBT Payments to carriers.

# 2013 Budget – Scenario 2

## Financial Projections Comparison Scenario 2 - 2.5 Month Reserve with Uneven Subsidy Reductions January 1, 2013 - December 31, 2013

	Employee	Dependent
WEA:	86%	79%
HMO:	89%	83%

### Estimated Income

	1/1/2012 - 12/31/2012 Projection				1/1/2013 - 12/31/2013 Projection				1/1/2014 - 12/31/2014 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	Assumed % Change	Estimated Total
Employer Contributions (January through August)	\$ 768.00	1,797 <sup>(1)</sup>	8	\$ 11,040,768	\$ 768.00 <sup>(2)</sup>	1,797 <sup>(1)</sup>	8	\$ 11,040,768	0%	\$11,040,768
Employer Contributions (September through December)	\$ 768.00	1,797 <sup>(1)</sup>	4	\$ 5,520,384	\$ 768.00 <sup>(2)</sup>	1,797 <sup>(1)</sup>	4	\$ 5,520,384	0%	\$5,520,384
Additional Supplemental District Contribution				\$ -				\$ -	0%	\$0
Employee Contributions	n/a	n/a		\$ 3,622,559				\$4,451,062	10%	\$4,896,168
Investment Income <sup>(3)</sup>				\$ 298,788				\$ 150,000	0%	\$150,000
<b>Total Estimated Revenues</b>				<b>\$ 20,482,499</b>				<b>\$ 21,162,214</b>		<b>\$21,607,320</b>

### Estimated Expenses

	1/1/2012 - 12/31/2012 Projection				1/1/2013 - 12/31/2013 Projection				1/1/2014 - 12/31/2014 Projection	
	YTD Actual 1/1/12-8/31/12	PEPM or Mo. Sum	No. of Employees <sup>(1)</sup>	Estimated Total	PEPM or Mo. Sum	No. of Employees <sup>(1)</sup>	Number of Months	Estimated Total	Assumed % Change	Estimated Total
MetLife Life / AD&D Premiums	\$77,804	\$ 5.90	1,630	\$ 116,272	\$ 5.90	1,630	12	\$ 115,404	0%	\$115,404
MetLife Voluntary Term Life Premiums	\$128,847	\$16,182 <sup>(4)</sup>	n/a	\$ 193,575	\$ 16,181.91	n/a	12	\$ 194,183	0%	\$194,183
Standard Voluntary STD Premiums	\$ 93,036	\$ 13,290.81 <sup>(10)</sup>	n/a	\$ 159,490	\$ 13,290.81	n/a	12	\$ 159,490	0%	\$159,490
Standard LTD Premiums	\$283,960	\$ 20.55 <sup>(4)</sup>	1,729	\$ 426,084	\$ 20.55	1,729	12	\$ 426,371	0%	\$426,371
WDS Dental Premiums	\$1,031,820	\$ 88.95 <sup>(4)</sup>	1,455	\$ 1,534,013	\$ 85.40 <sup>(5)</sup>	1,455	12	\$1,517,120	5%	\$1,592,976
Willamette Dental Premiums	\$288,185	\$ 76.65 <sup>(4)</sup>	466	\$ 428,334	\$ 74.70 <sup>(5)</sup>	466	12	\$422,944	5%	\$444,091
WEA Medical Premiums	\$8,283,758	n/a	1,134	\$12,575,303	n/a <sup>(5)</sup>	1,134	12	\$13,341,678	10%	\$14,675,846
Premiera WEA Vision	\$243,320	\$ 15.80 <sup>(4)</sup>	1,924	\$ 367,514	\$ 16.25 <sup>(5)</sup>	1,924	12	\$381,016	5%	\$400,066
Group Health Medical Premiums <sup>(6)</sup>	\$3,692,265	n/a	493	\$ 5,536,693	n/a	493	12	\$ 6,011,499	10%	\$6,612,649
UNUM Voluntary LTC Premiums	\$6,566	\$ 820.73	n/a	\$ 9,849	\$ 820.73	n/a	12	\$ 9,849	0%	\$9,849
Wellness Program Internal Support	n/a	n/a	n/a	\$ 52,625	n/a	n/a	n/a	\$ 52,625	0%	\$52,625
Magellan EAP	\$ 26,134.16	\$ 1.69	1,933	\$ 39,201	\$ 1.69	1,933	12	\$ 39,201	5%	\$41,161
Quit for Life Tobacco Cessation	n/a	n/a	n/a	\$ 3,000	n/a	n/a	n/a	\$ 9,375	0%	\$9,375
Mind & Body	n/a	n/a	n/a	\$ 2,250	n/a	n/a	n/a	\$ 18,750	0%	\$18,750
Weight Watchers	n/a	n/a	n/a	\$ 42,750				\$ 26,250	0%	\$26,250
HRA & Web Portal	n/a	n/a	n/a	\$52,990	n/a	n/a	n/a	\$52,990 <sup>(7)</sup>	0%	\$52,990
Wellness Incentive	n/a	n/a	n/a	\$109,150	n/a	n/a	n/a	\$109,150 <sup>(8)</sup>	0%	\$109,150
Mercer Consulting Fee	n/a	n/a	n/a	\$ 100,000	n/a	n/a	n/a	\$105,000	0%	\$105,000
ESEBT Administration <sup>(9)</sup>	n/a	n/a	n/a	\$ 205,391	n/a	n/a	n/a	\$ 211,553	3%	\$217,900

<b>Total Estimated Expenses</b>				<b>\$ 21,954,484</b>				<b>\$ 23,204,448</b>		<b>\$25,264,127</b>
<b>Estimated Surplus / (Deficit)</b> (based on estimated/current enrollment)				<b>\$ (1,471,985)</b>				<b>\$ (2,042,235)</b>		<b>(\$3,656,807)</b>

<b>Unallocated reserve at December 31</b> Months of expenses				\$ 6,879,412 3.8				\$ 4,837,177 2.5		\$ 1,180,370 0.6
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# 2013 Rates – Scenario 2

	Current Enrollment by Tier	2012 Rates	2012 EE Contribs	2012 ER Contribs	2012 Aggregate EE Contribs	Projected Enrollment by Tier	2013 Rates	2013 EE Contribs	2013 ER Contribs	2013 Aggregate EE Contribs
<b>WEA Plan 1 (Plan 5 for 2013)</b>										
Employee Only	16	\$826.30	\$322.01	\$504.29	\$61,826					
EE + Spouse	6	\$1,569.43	\$642.69	\$926.74	\$46,273					
EE + Child(ren)	3	\$1,140.93	\$457.59	\$683.34	\$16,473					
EE + Family	7	\$1,884.05	\$778.27	\$1,105.79	\$65,374					
Total	32	\$1,272.13								
<b>WEA Plan 2</b>										
Employee Only	99	\$633.40	\$129.11	\$504.29	\$153,379	99	\$680.70	\$156.74	\$523.96	\$186,207
EE + Spouse	63	\$1,195.30	\$268.56	\$926.74	\$203,033	63	\$1,249.73	\$323.45	\$926.28	\$244,528
EE + Child(ren)	59	\$871.46	\$188.12	\$683.34	\$133,188	59	\$911.94	\$224.41	\$687.53	\$158,882
EE + Family	62	\$1,433.36	\$327.57	\$1,105.79	\$243,715	62	\$1,498.04	\$396.12	\$1,101.92	\$294,713
Total	283	\$911.98				283	\$1,034.65			
<b>WEA Plan 3</b>										
Employee Only	162	\$566.62	\$62.33	\$504.29	\$121,166	162	\$609.26	\$85.30	\$523.96	\$165,823
EE + Spouse	96	\$1,069.54	\$142.79	\$926.74	\$164,500	96	\$1,118.53	\$192.25	\$926.28	\$221,472
EE + Child(ren)	77	\$779.77	\$96.43	\$683.34	\$89,103	77	\$816.31	\$128.78	\$687.53	\$118,993
EE + Family	138	\$1,282.69	\$176.90	\$1,105.79	\$292,944	138	\$1,340.85	\$238.93	\$1,101.92	\$395,668
Total	473	\$848.31				473	\$959.77			
<b>WEA EasyChoice Plans</b>										
Employee Only	60	\$432.09	\$47.53	\$384.56	\$34,221	58	\$435.22	\$60.93	\$374.29	\$42,407
EE + Spouse	10	\$813.70	\$108.59	\$705.11	\$13,030	9	\$792.48	\$135.95	\$656.53	\$14,683
EE + Child(ren)	19	\$593.73	\$73.39	\$520.34	\$16,734	18	\$579.13	\$91.15	\$487.98	\$19,688
EE + Family	44	\$975.34	\$134.45	\$840.89	\$70,989	43	\$949.25	\$168.88	\$780.37	\$87,142
Total	133	\$667.69				128	\$653.26			
<b>WEA Plan 5</b>										
Employee Only	106	\$741.23	\$236.94	\$504.29	\$301,384	122	\$796.07	\$272.11	\$523.96	\$398,369
EE + Spouse	41	\$1,468.52	\$541.78	\$926.74	\$266,554	47	\$1,534.68	\$608.40	\$926.28	\$343,138
EE + Child(ren)	29	\$1,042.17	\$358.83	\$683.34	\$124,874	32	\$1,089.99	\$402.46	\$687.53	\$154,545
EE + Family	29	\$1,769.46	\$663.67	\$1,105.79	\$230,958	36	\$1,848.59	\$746.67	\$1,101.92	\$322,561
Total	205	\$1,282.55				237	\$1,142.11			
<b>WEA QDHP</b>										
Employee Only	0				\$0	2	\$342.35	\$47.93	\$294.42	\$1,150
EE + Spouse	0				\$0	1	\$622.48	\$106.76	\$515.72	\$1,281
EE + Child(ren)	0				\$0	1	\$455.20	\$71.63	\$383.57	\$860
EE + Family	0				\$0	1	\$735.28	\$130.45	\$604.83	\$1,565
Total	0					5	\$499.53			
<b>GHC</b>										
Employee Only	182	\$486.40	\$34.00	\$452.40	\$74,256	182	\$642.01	\$71.00	\$571.01	\$155,064
EE + Spouse	81	\$972.80	\$92.00	\$880.80	\$89,424	81	\$1,213.41	\$168.00	\$1,045.41	\$163,296
EE + Child(ren)	84	\$972.80	\$92.00	\$880.80	\$92,736	84	\$885.98	\$112.00	\$773.98	\$112,896
EE + Family	145	\$1,459.20	\$151.00	\$1,308.20	\$262,740	145	\$1,450.95	\$209.00	\$1,241.95	\$363,660
Total	492	\$952.32				492	\$1,016.14			
<b>All Med (Actives)</b>										
COBRA/Plan 1	[2]				\$0	COBRA/Plan 1				\$0
COBRA/Plan 2	[2]				\$40,127	COBRA/Plan 2				\$62,079
COBRA/Plan 3	[2]				\$21,208	COBRA/Plan 3				\$23,035
COBRA/GHC	[2]				\$5,835	COBRA/GHC				\$12,194
COBRA/Easy Choice	[2]				\$668	COBRA/Easy Ch				\$0
COBRA/Plan 5	[2]				\$15,391	COBRA/Plan 5				\$13,705
COBRA/WDS	[2]				\$6,673	COBRA/WDS				\$7,397
COBRA/Willamette					\$0	COBRA/Willamette				\$0
COBRA/Vision					\$870	COBRA/Vision				\$1,146
Vol. Term Life					\$193,575	Vol. Term Life				\$193,575
Vol. Long Term Care					\$9,849	Vol. Long Term Care				\$9,849
Vol. Short Term Disability					\$159,490	Vol. Short Term Disability				\$159,490
<b>Total Contributions</b>					\$3,622,559					\$4,451,062

[1] Enrollment as of August 2012 and provided by District.

[2] COBRA Enrollment based on August 2012 ESEBT Payments to carriers.

# 2013 Budget – Scenario 3

## Financial Projections Comparison Scenario 3 - 3 Month Reserve with Equal Subsidy Reductions January 1, 2013 - December 31, 2013

	Employee	Dependent
WEA:	79%	74%
HMO:	84%	79%

### Estimated Income

	1/1/2012 - 12/31/2012 Projection				1/1/2013 - 12/31/2013 Projection				1/1/2014 - 12/31/2014 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	Assumed % Change	Estimated Total
Employer Contributions (January through August)	\$ 768.00	1,797 <sup>(1)</sup>	8	\$ 11,040,768	\$ 768.00 <sup>(2)</sup>	1,797 <sup>(1)</sup>	8	\$ 11,040,768	0%	\$11,040,768
Employer Contributions (September through December)	\$ 768.00	1,797 <sup>(1)</sup>	4	\$ 5,520,384	\$ 768.00 <sup>(2)</sup>	1,797 <sup>(1)</sup>	4	\$ 5,520,384	0%	\$5,520,384
Additional Supplemental District Contribution				\$ -				\$ -	0%	\$0
Employee Contributions	n/a	n/a		\$ 3,622,559				\$5,489,058	10%	\$6,037,964
Investment Income <sup>(3)</sup>				\$ 298,788				\$ 150,000	0%	\$150,000
<b>Total Estimated Revenues</b>				<b>\$ 20,482,499</b>				<b>\$ 22,200,210</b>		<b>\$22,749,116</b>

### Estimated Expenses

	1/1/2012 - 12/31/2012 Projection				1/1/2013 - 12/31/2013 Projection				1/1/2014 - 12/31/2014 Projection	
	YTD Actual 1/1/12-8/31/12	PEPM or Mo. Sum	No. of Employees <sup>(1)</sup>	Estimated Total	PEPM or Mo. Sum	No. of Employees <sup>(1)</sup>	Number of Months	Estimated Total	Assumed % Change	Estimated Total
MetLife Life / AD&D Premiums	\$77,804	\$ 5.90	1,630	\$ 116,272	\$ 5.90	1,630	12	\$ 115,404	0%	\$115,404
MetLife Voluntary Term Life Premiums	\$128,847	\$16,182 <sup>(4)</sup>	n/a	\$ 193,575	\$ 16,181.91	n/a	12	\$ 194,183	0%	\$194,183
Standard Voluntary STD Premiums	\$ 93,036	\$ 13,290.81 <sup>(10)</sup>	n/a	\$ 159,490	\$ 13,290.81	n/a	12	\$ 159,490	0%	\$159,490
Standard LTD Premiums	\$283,960	\$ 20.55 <sup>(4)</sup>	1,729	\$ 426,084	\$ 20.55	1,729	12	\$ 426,371	0%	\$426,371
WDS Dental Premiums	\$1,031,820	\$ 88.95 <sup>(4)</sup>	1,455	\$ 1,534,013	\$ 85.40 <sup>(5)</sup>	1,455	12	\$1,517,120	5%	\$1,592,976
Willamette Dental Premiums	\$288,185	\$ 76.65 <sup>(4)</sup>	466	\$ 428,334	\$ 74.70 <sup>(5)</sup>	466	12	\$422,944	5%	\$444,091
WEA Medical Premiums	\$8,283,758	n/a	1,134	\$12,575,303	n/a <sup>(5)</sup>	1,134	12	\$13,341,678	10%	\$14,675,846
Premiera WEA Vision	\$243,320	\$ 15.80 <sup>(4)</sup>	1,924	\$ 367,514	\$ 16.25 <sup>(5)</sup>	1,924	12	\$381,016	5%	\$400,066
Group Health Medical Premiums <sup>(6)</sup>	\$3,692,265	n/a	493	\$ 5,536,693	n/a	493	12	\$ 6,011,499	10%	\$6,612,649
UNUM Voluntary LTC Premiums	\$6,566	\$ 820.73	n/a	\$ 9,849	\$ 820.73	n/a	12	\$ 9,849	0%	\$9,849
Wellness Program Internal Support	n/a	n/a	n/a	\$ 52,625	n/a	n/a	n/a	\$ 52,625	0%	\$52,625
Magellan EAP	\$ 26,134.16	\$ 1.69	1,933	\$ 39,201	\$ 1.69	1,933	12	\$ 39,201	5%	\$41,161
Quit for Life Tobacco Cessation	n/a	n/a	n/a	\$ 3,000	n/a	n/a	n/a	\$ 9,375	0%	\$9,375
Mind & Body	n/a	n/a	n/a	\$ 2,250	n/a	n/a	n/a	\$ 18,750	0%	\$18,750
Weight Watchers	n/a	n/a	n/a	\$ 42,750				\$ 26,250	0%	\$26,250
HRA & Web Portal	n/a	n/a	n/a	\$52,990	n/a	n/a	n/a	\$52,990 <sup>(7)</sup>	0%	\$52,990
Wellness Incentive	n/a	n/a	n/a	\$109,150	n/a	n/a	n/a	\$109,150 <sup>(8)</sup>	0%	\$109,150
Mercer Consulting Fee	n/a	n/a	n/a	\$ 100,000	n/a	n/a	n/a	\$105,000	0%	\$105,000
ESEBT Administration <sup>(9)</sup>	n/a	n/a	n/a	\$ 205,391	n/a	n/a	n/a	\$ 211,553	3%	\$217,900

#### Total Estimated Expenses

\$ 21,954,484

\$ 23,204,448

\$25,264,127

#### Estimated Surplus / (Deficit)

\$ (1,471,985)

\$ (1,004,238)

(\$2,515,010)

(based on estimated/current enrollment)

#### Unallocated reserve at December 31

\$ 6,879,412

\$ 5,875,174

\$ 3,360,163

Months of expenses

3.8

3.0

1.6

# 2013 Rates – Scenario 3

	Current Enrollment by Tier	2012 Rates	2012 EE Contribs	2012 ER Contribs	2012 Aggregate EE Contribs	Projected Enrollment by Tier	2013 Rates	2013 EE Contribs	2013 ER Contribs	2013 Aggregate EE Contribs
<b>WEA Plan 1 (Plan 5 for 2013)</b>										
Employee Only	16	\$826.30	\$322.01	\$504.29	\$61,826					
EE + Spouse	6	\$1,569.43	\$642.69	\$926.74	\$46,273					
EE + Child(ren)	3	\$1,140.93	\$457.59	\$683.34	\$16,473					
EE + Family	7	\$1,884.05	\$778.27	\$1,105.79	\$65,374					
Total	32	\$1,272.13								
<b>WEA Plan 2</b>										
Employee Only	99	\$633.40	\$129.11	\$504.29	\$153,379	99	\$680.70	\$199.38	\$481.32	\$236,863
EE + Spouse	63	\$1,195.30	\$268.56	\$926.74	\$203,033	63	\$1,249.73	\$391.55	\$858.18	\$296,012
EE + Child(ren)	59	\$871.46	\$188.12	\$683.34	\$133,188	59	\$911.94	\$277.40	\$634.54	\$196,399
EE + Family	62	\$1,433.36	\$327.57	\$1,105.79	\$243,715	62	\$1,498.04	\$475.34	\$1,022.70	\$353,653
Total	283	\$911.98				283	\$1,034.65			
<b>WEA Plan 3</b>										
Employee Only	162	\$566.62	\$62.33	\$504.29	\$121,166	162	\$609.26	\$127.94	\$481.32	\$248,715
EE + Spouse	96	\$1,069.54	\$142.79	\$926.74	\$164,500	96	\$1,118.53	\$260.35	\$858.18	\$299,923
EE + Child(ren)	77	\$779.77	\$96.43	\$683.34	\$89,103	77	\$816.31	\$181.77	\$634.54	\$167,955
EE + Family	138	\$1,282.69	\$176.90	\$1,105.79	\$292,944	138	\$1,340.85	\$318.15	\$1,022.70	\$526,856
Total	473	\$848.31				473	\$959.77			
<b>WEA EasyChoice Plans</b>										
Employee Only	60	\$432.09	\$47.53	\$384.56	\$34,221	58	\$435.22	\$91.40	\$343.82	\$63,614
EE + Spouse	10	\$813.70	\$108.59	\$705.11	\$13,030	9	\$792.48	\$184.29	\$608.19	\$19,903
EE + Child(ren)	19	\$593.73	\$73.39	\$520.34	\$16,734	18	\$579.13	\$128.82	\$450.31	\$27,825
EE + Family	44	\$975.34	\$134.45	\$840.89	\$70,989	43	\$949.25	\$225.05	\$724.20	\$116,126
Total	133	\$667.69				128	\$653.26			
<b>WEA Plan 5</b>										
Employee Only	106	\$741.23	\$236.94	\$504.29	\$301,384	122	\$796.07	\$314.75	\$481.32	\$460,794
EE + Spouse	41	\$1,468.52	\$541.78	\$926.74	\$266,554	47	\$1,534.68	\$676.50	\$858.18	\$381,546
EE + Child(ren)	29	\$1,042.17	\$358.83	\$683.34	\$124,874	32	\$1,089.99	\$455.45	\$634.54	\$174,893
EE + Family	29	\$1,769.46	\$663.67	\$1,105.79	\$230,958	36	\$1,848.59	\$825.89	\$1,022.70	\$356,784
Total	205	\$1,282.55				237	\$1,142.11			
<b>WEA QDHP</b>										
Employee Only	0				\$0	2	\$342.35	\$71.89	\$270.46	\$1,725
EE + Spouse	0				\$0	1	\$622.48	\$144.72	\$477.76	\$1,737
EE + Child(ren)	0				\$0	1	\$455.20	\$101.23	\$353.97	\$1,215
EE + Family	0				\$0	1	\$735.28	\$174.05	\$561.23	\$2,089
Total	0					5	\$499.53			
<b>GHC</b>										
Employee Only	182	\$486.40	\$34.00	\$452.40	\$74,256	182	\$642.01	\$103.00	\$539.01	\$224,952
EE + Spouse	81	\$972.80	\$92.00	\$880.80	\$89,424	81	\$1,213.41	\$223.00	\$990.41	\$216,756
EE + Child(ren)	84	\$972.80	\$92.00	\$880.80	\$92,736	84	\$885.98	\$154.00	\$731.98	\$155,232
EE + Family	145	\$1,459.20	\$151.00	\$1,308.20	\$262,740	145	\$1,450.95	\$273.00	\$1,177.95	\$475,020
Total	492	\$952.32				492	\$1,016.14			
<b>All Med (Actives)</b>										
COBRA/Plan 1	[2]				\$0	COBRA/Plan 1				\$0
COBRA/Plan 2	[2]				\$40,127	COBRA/Plan 2				\$62,079
COBRA/Plan 3	[2]				\$21,208	COBRA/Plan 3				\$23,035
COBRA/GHC	[2]				\$5,835	COBRA/GHC				\$12,194
COBRA/Easy Choice	[2]				\$668	COBRA/Easy Ch				\$0
COBRA/Plan 5	[2]				\$15,391	COBRA/Plan 5				\$13,705
COBRA/WDS	[2]				\$6,673	COBRA/WDS				\$7,397
COBRA/Willamette					\$0	COBRA/Willamette				\$0
COBRA/Vision					\$870	COBRA/Vision				\$1,146
Vol. Term Life					\$193,575	Vol. Term Life				\$193,575
Vol. Long Term Care					\$9,849	Vol. Long Term Care				\$9,849
Vol. Short Term Disability					\$159,490	Vol. Short Term Disability				\$159,490
<b>Total Contributions</b>					\$3,622,559					\$5,489,058

[1] Enrollment as of August 2012 and provided by District.

[2] COBRA Enrollment based on August 2012 ESEBT Payments to carriers.

# 2013 Budget – Scenario 4

## Financial Projections Comparison Scenario 4 - 3 Month Reserve with Uneven Subsidy Reductions January 1, 2013 - December 31, 2013

	Employee	Dependent
WEA:	81%	72%
HMO:	85%	77%

### Estimated Income

	1/1/2012 - 12/31/2012 Projection				1/1/2013 - 12/31/2013 Projection				1/1/2014 - 12/31/2014 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	Assumed % Change	Estimated Total
Employer Contributions (January through August)	\$ 768.00	1,797 <sup>(1)</sup>	8	\$ 11,040,768	\$ 768.00 <sup>(2)</sup>	1,797 <sup>(1)</sup>	8	\$ 11,040,768	0%	\$11,040,768
Employer Contributions (September through December)	\$ 768.00	1,797 <sup>(1)</sup>	4	\$ 5,520,384	\$ 768.00 <sup>(2)</sup>	1,797 <sup>(1)</sup>	4	\$ 5,520,384	0%	\$5,520,384
Additional Supplemental District Contribution				\$ -				\$ -	0%	\$0
Employee Contributions	n/a	n/a		\$ 3,622,559				\$5,414,257	10%	\$5,955,683
Investment Income <sup>(3)</sup>				\$ 298,788				\$ 150,000	0%	\$150,000
<b>Total Estimated Revenues</b>				<b>\$ 20,482,499</b>				<b>\$ 22,125,409</b>		<b>\$22,666,835</b>

### Estimated Expenses

	1/1/2012 - 12/31/2012 Projection				1/1/2013 - 12/31/2013 Projection				1/1/2014 - 12/31/2014 Projection	
	YTD Actual 1/1/12-8/31/12	PEPM or Mo. Sum	No. of Employees <sup>(1)</sup>	Estimated Total	PEPM or Mo. Sum	No. of Employees <sup>(1)</sup>	Number of Months	Estimated Total	Assumed % Change	Estimated Total
MetLife Life / AD&D Premiums	\$77,804	\$ 5.90	1,630	\$ 116,272	\$ 5.90	1,630	12	\$ 115,404	0%	\$115,404
MetLife Voluntary Term Life Premiums	\$128,847	\$16,182 <sup>(4)</sup>	n/a	\$ 193,575	\$ 16,181.91	n/a	12	\$ 194,183	0%	\$194,183
Standard Voluntary STD Premiums	\$ 93,036	\$ 13,290.81 <sup>(10)</sup>	n/a	\$ 159,490	\$ 13,290.81	n/a	12	\$ 159,490	0%	\$159,490
Standard LTD Premiums	\$283,960	\$ 20.55 <sup>(4)</sup>	1,729	\$ 426,084	\$ 20.55	1,729	12	\$ 426,371	0%	\$426,371
WDS Dental Premiums	\$1,031,820	\$ 88.95 <sup>(4)</sup>	1,455	\$ 1,534,013	\$ 85.40 <sup>(5)</sup>	1,455	12	\$1,517,120	5%	\$1,592,976
Willamette Dental Premiums	\$288,185	\$ 76.65 <sup>(4)</sup>	466	\$ 428,334	\$ 74.70 <sup>(5)</sup>	466	12	\$422,944	5%	\$444,091
WEA Medical Premiums	\$8,283,758	n/a	1,134	\$12,575,303	n/a <sup>(5)</sup>	1,134	12	\$13,341,678	10%	\$14,675,846
Premiera WEA Vision	\$243,320	\$ 15.80 <sup>(4)</sup>	1,924	\$ 367,514	\$ 16.25 <sup>(5)</sup>	1,924	12	\$381,016	5%	\$400,066
Group Health Medical Premiums <sup>(6)</sup>	\$3,692,265	n/a	493	\$ 5,536,693	n/a	493	12	\$ 6,011,499	10%	\$6,612,649
UNUM Voluntary LTC Premiums	\$6,566	\$ 820.73	n/a	\$ 9,849	\$ 820.73	n/a	12	\$ 9,849	0%	\$9,849
Wellness Program Internal Support	n/a	n/a	n/a	\$ 52,625	n/a	n/a	n/a	\$ 52,625	0%	\$52,625
Magellan EAP	\$ 26,134.16	\$ 1.69	1,933	\$ 39,201	\$ 1.69	1,933	12	\$ 39,201	5%	\$41,161
Quit for Life Tobacco Cessation	n/a	n/a	n/a	\$ 3,000	n/a	n/a	n/a	\$ 9,375	0%	\$9,375
Mind & Body	n/a	n/a	n/a	\$ 2,250	n/a	n/a	n/a	\$ 18,750	0%	\$18,750
Weight Watchers	n/a	n/a	n/a	\$ 42,750				\$ 26,250	0%	\$26,250
HRA & Web Portal	n/a	n/a	n/a	\$52,990	n/a	n/a	n/a	\$52,990 <sup>(7)</sup>	0%	\$52,990
Wellness Incentive	n/a	n/a	n/a	\$109,150	n/a	n/a	n/a	\$109,150 <sup>(8)</sup>	0%	\$109,150
Mercer Consulting Fee	n/a	n/a	n/a	\$ 100,000	n/a	n/a	n/a	\$105,000	0%	\$105,000
ESEBT Administration <sup>(9)</sup>	n/a	n/a	n/a	\$ 205,391	n/a	n/a	n/a	\$ 211,553	3%	\$217,900

<b>Total Estimated Expenses</b>				<b>\$ 21,954,484</b>				<b>\$ 23,204,448</b>		<b>\$25,264,127</b>
<b>Estimated Surplus / (Deficit)</b> (based on estimated/current enrollment)				<b>\$ (1,471,985)</b>				<b>\$ (1,079,039)</b>		<b>(\$2,597,292)</b>

<b>Unallocated reserve at December 31</b> Months of expenses				\$ 6,879,412 3.8				\$ 5,800,373 3.0		\$ 3,203,081 1.5
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# 2013 Rates – Scenario 4

	Current Enrollment by Tier	2012 Rates	2012 EE Contribs	2012 ER Contribs	2012 Aggregate EE Contribs	Projected Enrollment by Tier	2013 Rates	2013 EE Contribs	2013 ER Contribs	2013 Aggregate EE Contribs
<b>WEA Plan 1 (Plan 5 for 2013)</b>										
Employee Only	16	\$826.30	\$322.01	\$504.29	\$61,826					
EE + Spouse	6	\$1,569.43	\$642.69	\$926.74	\$46,273					
EE + Child(ren)	3	\$1,140.93	\$457.59	\$683.34	\$16,473					
EE + Family	7	\$1,884.05	\$778.27	\$1,105.79	\$65,374					
Total	32	\$1,272.13								
<b>WEA Plan 2</b>										
Employee Only	99	\$633.40	\$129.11	\$504.29	\$153,379	99	\$680.70	\$187.20	\$493.50	\$222,394
EE + Spouse	63	\$1,195.30	\$268.56	\$926.74	\$203,033	63	\$1,249.73	\$389.56	\$860.17	\$294,507
EE + Child(ren)	59	\$871.46	\$188.12	\$683.34	\$133,188	59	\$911.94	\$269.36	\$642.58	\$190,707
EE + Family	62	\$1,433.36	\$327.57	\$1,105.79	\$243,715	62	\$1,498.04	\$477.80	\$1,020.24	\$355,483
Total	283	\$911.98				283	\$1,034.65			
<b>WEA Plan 3</b>										
Employee Only	162	\$566.62	\$62.33	\$504.29	\$121,166	162	\$609.26	\$115.76	\$493.50	\$225,037
EE + Spouse	96	\$1,069.54	\$142.79	\$926.74	\$164,500	96	\$1,118.53	\$258.36	\$860.17	\$297,631
EE + Child(ren)	77	\$779.77	\$96.43	\$683.34	\$89,103	77	\$816.31	\$173.73	\$642.58	\$160,527
EE + Family	138	\$1,282.69	\$176.90	\$1,105.79	\$292,944	138	\$1,340.85	\$320.61	\$1,020.24	\$530,930
Total	473	\$848.31				473	\$959.77			
<b>WEA EasyChoice Plans</b>										
Employee Only	60	\$432.09	\$47.53	\$384.56	\$34,221	58	\$435.22	\$82.69	\$352.53	\$57,552
EE + Spouse	10	\$813.70	\$108.59	\$705.11	\$13,030	9	\$792.48	\$182.72	\$609.76	\$19,734
EE + Child(ren)	19	\$593.73	\$73.39	\$520.34	\$16,734	18	\$579.13	\$122.98	\$456.15	\$26,564
EE + Family	44	\$975.34	\$134.45	\$840.89	\$70,989	43	\$949.25	\$226.62	\$722.63	\$116,936
Total	133	\$667.69				128	\$653.26			
<b>WEA Plan 5</b>										
Employee Only	106	\$741.23	\$236.94	\$504.29	\$301,384	122	\$796.07	\$302.57	\$493.50	\$442,962
EE + Spouse	41	\$1,468.52	\$541.78	\$926.74	\$266,554	47	\$1,534.68	\$674.51	\$860.17	\$380,424
EE + Child(ren)	29	\$1,042.17	\$358.83	\$683.34	\$124,874	32	\$1,089.99	\$447.41	\$642.58	\$171,805
EE + Family	29	\$1,769.46	\$663.67	\$1,105.79	\$230,958	36	\$1,848.59	\$828.35	\$1,020.24	\$357,847
Total	205	\$1,282.55				237	\$1,142.11			
<b>WEA QDHP</b>										
Employee Only	0				\$0	2	\$342.35	\$65.05	\$277.30	\$1,561
EE + Spouse	0				\$0	1	\$622.48	\$143.49	\$478.99	\$1,722
EE + Child(ren)	0				\$0	1	\$455.20	\$96.65	\$358.55	\$1,160
EE + Family	0				\$0	1	\$735.28	\$175.07	\$560.21	\$2,101
Total	0					5	\$499.53			
<b>GHC</b>										
Employee Only	182	\$486.40	\$34.00	\$452.40	\$74,256	182	\$642.01	\$96.00	\$546.01	\$209,664
EE + Spouse	81	\$972.80	\$92.00	\$880.80	\$89,424	81	\$1,213.41	\$227.00	\$986.41	\$220,644
EE + Child(ren)	84	\$972.80	\$92.00	\$880.80	\$92,736	84	\$885.98	\$152.00	\$733.98	\$153,216
EE + Family	145	\$1,459.20	\$151.00	\$1,308.20	\$262,740	145	\$1,450.95	\$282.00	\$1,168.95	\$490,680
Total	492	\$952.32				492	\$1,016.14			
<b>All Med (Actives)</b>										
COBRA/Plan 1	[2]				\$0	COBRA/Plan 1				\$0
COBRA/Plan 2	[2]				\$40,127	COBRA/Plan 2				\$62,079
COBRA/Plan 3	[2]				\$21,208	COBRA/Plan 3				\$23,035
COBRA/GHC	[2]				\$5,835	COBRA/GHC				\$12,194
COBRA/Easy Choice	[2]				\$668	COBRA/Easy Ch				\$0
COBRA/Plan 5	[2]				\$15,391	COBRA/Plan 5				\$13,705
COBRA/WDS	[2]				\$6,673	COBRA/WDS				\$7,397
COBRA/Willamette					\$0	COBRA/Willamette				\$0
COBRA/Vision					\$870	COBRA/Vision				\$1,146
Vol. Term Life					\$193,575	Vol. Term Life				\$193,575
Vol. Long Term Care					\$9,849	Vol. Long Term Care				\$9,849
Vol. Short Term Disability					\$159,490	Vol. Short Term Disability				\$159,490
<b>Total Contributions</b>					<b>\$3,622,559</b>					<b>\$5,414,257</b>

[1] Enrollment as of August 2012 and provided by District.

[2] COBRA Enrollment based on August 2012 ESEB Payments to carriers.

# APPENDIX





# 2012-13 Plan Design for All Coverages

The background of the slide is composed of three distinct horizontal bands of color. The top band is a dark navy blue, the middle band is a medium teal, and the bottom band is a lighter, vibrant cyan. The bands are separated by diagonal lines that slope upwards from left to right, creating a sense of movement and depth.

# 2013 Medical Benefit Chart

2013 Medical Benefit Comparison  
ESEBT (Effective January 1, 2013 to December 31, 2013)

<i>Medical</i>	<i>WEA Plan 2</i>	<i>WEA Plan 3</i>	<i>WEA Plan 5</i>	<i>WEA EasyChoice</i>	<i>WEA QHDHP</i>	<i>Group Health HMO</i>
<b>Annual Deductible</b>	\$100/person \$300/family	\$200/person \$600/family	\$100/person \$300/family	Plan A: \$1,000/\$3,000 in network Plan B: \$750/\$2,250 in network Plan C: none in network All Plans include non network ded.	\$1,500/person \$3,000/family	\$200/person \$600/family
<b>Annual out of Pocket</b>	\$1,375 network \$3,667 non network (coinsurance only)	\$2,500 network \$6,667 non network (coinsurance only)	\$500/person \$1,500/ family (Includes deductible)	Plan A: \$5,000/\$15,000 in network Plan B: \$4,000/\$12,000 in network Plan C: \$7,500/\$22,500 in network (includes coinsurance and deductible) All Plans non network: Unlimited	\$4,000/person \$8,000/family	\$1,000/person \$3000/family
<b>Office Visit copays</b>	\$25 network \$30 non-network	\$30 network \$40 non-network	\$15 network 30% non-network	Plan A: \$15 in network Plan B: \$30 in network Plan C: \$35 in network All plans non network: 50%	80% coinsurance	\$20 copay
<b>Hospital Inpatient copay</b>	\$150/day to \$450 maximum/ person/calendar year	\$300/day to \$900 maximum/ person/calendar year	\$200 per admission \$600/person; \$1,000/family/ per calendar year 90% coinsurance	None Deductible and coinsurance apply	80% coinsurance	\$300/admission
<b>Hospital Physician Services</b>	80% network 60% non-network	80% network 60% non-network	90% network 70% non-network	Plan A: 80% in network Plan B: 75% in network Plan C: 65% in network All plans non network: 50%	80% coinsurance	\$20 copay; ded and 80% coinsurance apply

# 2013 Medical Benefit Chart

<i>Medical</i>	<i>WEA Plan 2</i>	<i>WEA Plan 3</i>	<i>WEA Plan 5</i>	<i>WEA EasyChoice</i>	<i>WEA QHDHP</i>	<i>Group Health HMO</i>
<b>Preventive Care</b>	100% network 80% non-network	100% network 80% non-network	100% network 70% non-network (exams/immunizations non-network are not covered)	100% network 50% non-network (exams/immunizations non-network are not covered)	100%	\$20 copay
<b>Prescription Drug Copays</b>	\$10 generic \$20 preferred brand \$35 non preferred brand Mail order: \$10 generic \$20 preferred brand \$35 non preferred brand	\$15 generic \$25 preferred brand \$40 non preferred brand Mail order: \$15 generic \$25 preferred brand \$40 non preferred brand	\$10 generic \$15 preferred brand \$30 non preferred brand Mail order: \$10 generic \$30 preferred brand \$60 non preferred brand	CY Deductible (per person): Plan A - \$500; B - \$250; C-\$500 CY Out of pocket max/person: All plans - \$5,000 (Ded, OOP, copays) Retail Copays: Plan A: \$0/\$30/30% Plan B and C: \$0/\$30/\$45 Mail Order Copays: Plan A: \$0/25%/25% Plans B and C: \$0/\$75/\$112 Special Drugs All Plans: 30%	Subject to deductible and coinsurance. (Certain generics are covered at 100%; not subject to deductible)	Retail: \$10 generic \$20 preferred brand Mail order: \$20 generic \$40 preferred brand

## 2013 Dental Benefit Chart

### Washington Dental Services Plan C (Fully-Insured)

<i>Coverage</i>	<i>Benefits</i>
Deductible	None
Annual Maximum	\$1,750 (\$2,000 if you see a Delta Dental PPO dentist)
Class I – Diagnostic & Preventive	100%
Class II – Restorative Restorations, Endodontics, Periodontics, Oral Surgery	80%
Class II – Crowns & Onlays	50%
Class III – Major Dentures, Partials, Bridges, and Implants	50%
TMJ – Surgical and Nonsurgical	50%
Annual maximum	\$1,000
Lifetime maximum	\$5,000
Orthodontia	Not covered

## 2013 Dental Benefit Chart

### Willamette Dental Plan 1 (Fully-Insured)

<i>Coverage</i>	<i>Benefits</i>
Deductible	None
Annual Maximum	Unlimited
Class I – Diagnostic & Preventive	100% after \$15 copay
Class II – Restorative Restorations, Endodontics, Periodontics, Oral Surgery	100% after \$15 copay
Class II – Crowns & Onlays	100% after \$15 copay per visit; additional \$50 copay for crowns
Class III – Major Dentures, Partials, Bridges, and Implants	100% after \$15 copay per visit; additional \$50 procedural copay
Orthodontia	Not covered

## 2013 Vision Benefit Chart

### Premera Vision Plan A (Fully-Insured)

<i>Network</i>	<i>Premera Blue Cross</i>	<i>Other Licensed Vision Providers</i>
Copay Amounts Exam	\$5	\$0
Exam once every calendar year after copay	Paid in full	\$48
Eyeglass lenses (pair) once every calendar year		
Single vision	Paid in full	\$45
Bifocal	Paid in full	\$74
Trifocal	Paid in full	\$87
Lenticular	Paid in full	\$122
Continuous blend	\$125	\$125
Lens tinting, coating, or oversize	Not covered	Not covered
Frames once every two calendar years	\$80	\$45
Contact lenses once every two calendar years (in lieu of frames and eyeglass lenses)	\$130	\$130

# 2013 Other Benefit Chart

## MetLife (Fully-Insured)

### Life Insurance programs

<i>Coverage</i>	<i>Benefits</i>
Basic Life & AD&D	\$50,000 <sup>1</sup>
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

<sup>1</sup> 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.

# 2013 Other Benefit Chart

## Standard Insurance Company (Fully-Insured)

### Long-Term Disability Coverage

<i>Coverage</i>	<i>Benefits</i>
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) Under age 60 Age 60 through Age 64 Age 65 through Age 69 Age 70 and over	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



## 2013 Other Benefit Chart

### Standard Insurance Company (Fully-Insured)

#### Voluntary Short-Term Disability Coverage

<i>Coverage</i>	<i>Benefits</i>
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

## 2013 Other Benefit Charts

### Magellan (Service Contract) Employee Assistance Plan

<i>Coverage</i>	<i>Benefits</i>
Employee Assistance Plan	One to five visits (per issue) model, up to 20 hours of critical incident stress management (i.e., group sessions for affected employees following a traumatic event) and up to nine training/service hours

### UNUM (Fully-Insured) Long Term Care

<i>Coverage</i>	<i>Benefits</i>
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

# WEA Select Benefit Plans Renewal Summary

# 2012-13 WEA Select Benefit Plans Renewal Summary



**WEA**  
WASHINGTON  
EDUCATION  
ASSOCIATION

**SELECT**

# Important Renewal Information—Please Read!

## Introduction

TO: WEA Leaders  
School District Administration/Personnel/  
Payroll/HR

The WEA Benefit Services Advisory Board (BSAB) and Board of Directors are pleased to announce the 2012-13 WEA Select Benefit Plan renewals.

With the passage of Senate Bill (SB) 5940, significant time was spent making sure the programs will comply with provisions outlined in that legislation. At the same time WEA is very sensitive to the fact that with no increase in the State Fringe Benefit Allocation for the second straight year, employees will be looking for ways to mitigate any needed rate increases.

The good news, however, is that most all of the sponsored programs remain in solid financial position, and many plan participants will see rate reductions for specific plans in which they are currently enrolled. For example, the dental plan rates will decrease for the third year in a row.

## Changes Due To SB 5940

As required by the new legislation, the 2012-13 Medical Plan renewal will include:

### 1) A Qualified High Deductible Health Plan (QHDHP) —

It will be automatically added to the menu of WEA plan offerings. Details are provided on page 6. Due to the complexity and variety of interested providers who may make a Health Savings Account (HSA) available to complement the WEA QHDHP, school districts will be able to decide how they would like to set up the HSA banking arrangement. For example, the WEA Select Section 125 plan provider, American Fidelity, already has a HSA banking arrangement in place which districts may utilize if they choose.

**2) Progress toward 3:1** — The new legislation requires that school districts “Make progress toward...” a dependent out-of-pocket cost ratio that is not more than three times the cost as compared to employee-only purchasers. Last year, before “progress” was mandated, WEA took action to significantly reduce the out-of-pocket cost ratio for families. This was done by providing a larger rate reduction or smaller needed rate increase for those covering dependents, as compared to employee-only purchasers. **This year’s medical plan renewal includes further progress in that direction.**

### 3) Low Cost Plan Offering as compared to State

**Benchmark Plan** — Another requirement is that school districts offer at least one health benefit plan in which the employee share of the premium for a full-time employee does not exceed the share of premiums paid by state employees during the state benefits plan year that started prior to the school year. The plan cannot be a Qualified High Deductible Health Plan and the calculation of the employee’s premium cost includes employee only coverage or coverage that includes dependents. For the purposes of the WEA Plan, the premiums for the plan year beginning October 1, 2012 will be compared to the state employee benefits plan year that began on January 1, 2012.

On May 16, 2012 the Office of Superintendent of Public Instruction and the Office of the Insurance Commissioner issued guidance in the form of Frequently Asked Questions (FAQs). Question #7 clarified that this requirement applied to the portion of full plan premium costs paid by employees over all coverage tiers. That is the blended payroll contribution split over all four employee and dependent coverage tiers. The benchmark from the state employee plan for the 2012 and 2013 plan years is 15% contribution from full-time employees and 85% paid by the employer.

# Important Renewal Information—Please Read!

In light of that official guidance, WEA's actuarial resources believe that the WEA Select EasyChoice Plan meets the intent of the requirements. Based on the 2012-13 rates and statewide average enrollment mix in the EasyChoice Plan, the 2012-13 fringe benefit funding amount covers more than 85% of the composite costs for the WEA Select EasyChoice Plan, and therefore, the plan meets or exceeds this requirement.

## Medical Plan

Overall, the WEA Select Medical Plan has continued to perform well and observed claims trends that remain below national and local industry benchmarks.

Each year the benefit levels and experience are reviewed to ensure that the rates are set appropriately. This includes analyzing enrollment patterns; in particular the nearly 7,000 employees who "did the math" and voluntarily migrated out of Plan 1 into the lower cost options. Historical claims loss ratios (claims vs. premiums) are carefully reviewed — how each plan compares with all of the WEA plans as well as projecting that experience into the future.

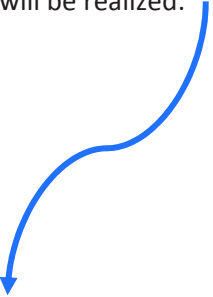
Although it's not intended that each plan option stand on its own, the loss ratios for the various plans need to be maintained within an acceptable range. When they consistently fall outside of this range, adjustments need to be made to protect the financial viability of the plan and the overall risk profile of the statewide pool.

When this analysis was done last year, it was evident that Plans 1 and 5 needed, and therefore, received higher rate increases than the other plans.

## Plan 1 No Longer Offered

This year's analysis revealed that Plan 5's experience improved/stabilized and its loss ratio is now within tolerable levels. However, Plan 1's loss ratio has increased substantially over the past year and it's projected to soon reach levels that are unsustainable from a premium perspective. As a result, WEA has made the decision to eliminate Plan 1. This decision did not come lightly or without considerable debate and consideration of those who are currently enrolled in Plan 1 that have ongoing health care needs.

The good news is that all Plan 1 employees will see a rate decrease as they move to other comprehensive plan alternatives, which for most people will result in a net overall savings. This is true even after taking into consideration higher copayments and cost-shares. Using the 2011-12 Plan 1 premiums as compared to the 2012-13 premiums for Plans 2 and 5, the premium savings noted below will be realized:



Dependent Tier vs. Current Plan 1 Premiums	If move to Plan 2		If move to Plan 5	
	Monthly	Annually	Monthly	Annually
Employee	(\$142)	(\$1,705)	(\$30)	(\$354)
Employee + Spouse	(\$312)	(\$3,743)	(\$34)	(\$407)
Employee, Spouse and Child(ren)	(\$377)	(\$4,519)	(\$35)	(\$415)
Employee + Child(ren)	(\$223)	(\$2,681)	(\$50)	(\$596)

# Important Renewal Information—Please Read!

## Plan 5 Changes

In anticipation that some of Plan 1 enrollment will shift to Plan 5, two changes are being made to Plan 5 to better align it with the market and to ensure that it's positioned to accept the enrollment and corresponding claims experience from Plan 1 (see page 6 for details).

## Rate Stabilization Fund

The WEA Rate Stabilization Fund (RSF) is continually being used to benefit plan participants through premium rate subsidies. Many of this year's plan renewals include premium subsidies.

### WEA SELECT Service Team Contact Information

#### **Aon Hewitt**

1420 Fifth Avenue, Suite 1200  
Seattle, WA 98101

Team Service Line: 206.467.4646

Team Fax: 206.467.4641

Email: [wea.select@aonhewitt.com](mailto:wea.select@aonhewitt.com)



# Important Renewal Information—Please Read!

## Section 1—WEA Select 2012-13 Renewal

### Rate Action Summary

All rate and benefit changes will be effective October 1, 2012. The 2012-13 WEA Select Medical, Dental, Vision, and Life Plan rates are attached to this notice.

**Renewal Rates** (a summary of benefits and eligibility changes can be found on pages 5-9)

Group Basic Benefit Plans	Rate Action
<b>Medical</b> —Premera Blue Cross	(2.5%) decrease to +7.5% depending on plan and tier
<b>Core Dental</b> —Washington Dental Service (WDS)	~(4%) decrease
<b>Managed Dental</b> —Willamette Dental	~(2.5%) decrease
<b>Managed Dental</b> —WDS	(5.2%) decrease
<b>Orthodontia</b> —WDS	(5%) decrease
<b>Orthodontia</b> —Willamette Dental	(3.7%) decrease
<b>Vision</b> —Premera Blue Cross and VSP	+1.9% to +10.3% depending on plan
<b>Long-Term Disability (LTD)</b> —Unum	0%
<b>CorePlus LTD</b> (including voluntary feature)—Unum	0%
<b>Group Life</b> (includes AD&D)—Unum	(30%) decrease to billed rates
Voluntary Benefit Plans	Rate Action
<b>Short-Term Disability (STD)</b> —American Fidelity Assurance (AFA) Certificated/Administrative/Clerical Employees Non-Clerical Educational Support Personnel	+15% 0%
<b>Long-Term Disability (LTD)</b> —AFA Certificated/Administrative/Clerical Employees Non-Clerical Educational Support Personnel	+20% (subsidy removed) +17%
<b>Term Life and AD&amp;D (VTL)</b> —Unum	(25%) decrease to billed rates
<b>Accidental Death &amp; Dismemberment (AD&amp;D)</b> —AFA	0%
<b>Employee Assistance Program (EAP)</b> —OptumHealth Behavioral Solutions	0%
<b>Section 125</b> —AFA	N/A See important information on page 9
<b>Long Term Care (LTC)</b> —Premera Blue Cross	See below*
<b>Retiree Dental</b> —WDS	(5%) decrease

\* The WEA Select LTC Plan through Premera Blue Cross is currently not accepting new groups or enrollment.



# Important Renewal Information—Please Read!

## Section 2—WEA Select 2012-13 Renewal

### Benefit Change Summary

The following is a brief summary of benefit modifications/enhancements only for those plans with changes. Refer to plan booklets for a full description of benefits, limitations, and exclusions.

### Group Basic Benefit Plans with Changes

#### New Underwriting Rules

In order to protect the plans from adverse selection, as well as the financial integrity and stability of the statewide risk pools, any group that leaves a WEA plan cannot rejoin the WEA plan for two years.

#### A. WEA Select Medical Plan—Premera Blue Cross (All Plans)

The WEA Select Medical Plan renewal includes a multi-faceted approach, which supports the long term financial viability of the plans and continues to offer a wide variety of options to meet the various needs of plan participants.

WEA's dependent eligibility verification project results exceeded initial projections (see pages 7-8). These additional savings have been used to reduce this year's needed rate increase.

As part of WEA's RSF strategy, rates will be subsidized by nearly 1% out of the Rate Stabilization Fund. As was the case last year, the needed rate increase will vary by plan and by premium tier (employee only; employee + spouse; etc.) as noted below:

- ▣ Plans 2, 3, and 5: +4.5% to +7.5%, depending on plan and tier
- ▣ EasyChoice: (2.5%) to +0.7%, depending on tier

Please see page 12 for the 2012-13 medical plan rates.

#### Elimination of Plan 1

As explained on page 2, WEA has made the difficult decision to eliminate Plan 1. All Plan 1 employees will see a premium reduction as they move to other comprehensive plan options. An announcement will be sent in July to all impacted local leaders, school districts and enrollees notifying them that Plan 1 will no longer be offered. It will address any potential concerns about continuity of care, access to providers, and information regarding the plan they would be automatically enrolled in — should they not make a proactive change to another plan.

# Important Renewal Information—Please Read!

## Plan 5 Only

**General Benefits (In-Network Only)**—A 10% coinsurance (Premera pays 90%) with a \$500 out-of-pocket maximum, which includes the deductible, will be added to the General Benefits provision of the plan. This amount is capped at \$1,500 for a family.

**Note:** There is no change to the out-of-network provisions of the plan.

## Women's Health Care (All Plans)

All women's health care services, as required by Federal Healthcare Reform, will be covered under the "Preventive Care" benefits. These services will be covered at 100% of Premera's allowed amount. This includes such services as oral contraceptives and sterilization services. Any plan specific requirements for use of in-network providers will still apply. A list of all services included in this mandate will be available on Premera's website prior to open enrollment.

## Oral Chemotherapy Medications (All Plans)

As required by a state mandate, all medically necessary self-administered oral medications that can be used to eradicate or slow the growth of cancerous cells will be covered at 100% of Premera's allowed amount for all covered health conditions.

## Outpatient Rehabilitative Benefits (All Plans)

Providers will be required to submit a copy of the physician's prescription, therapy treatment goals and progress notes with any claim for physical therapy, occupational therapy or speech therapy services.

## Qualified High Deductible Health Plan

As required by SB 5940, the WEA Select Medical Plan offering will now include a Qualified High Deductible Health Plan (QHDHP). The new plan will utilize Premera's Foundation network and meets the minimum plan design requirements as set forth by the IRS. Key features include:

QHDHP	In-Network
Calendar Year Deductible ("aggregate")*	\$1,500 per individual / \$3,000 per family
Coinsurance	80%
Out-of-Pocket Maximum (includes deductible and coinsurance)	\$4,000 per individual / \$8,000 per family
Preventive Care	100%; not subject to deductible
Prescription Drugs	Subject to deductible and coinsurance (certain generics are covered at 100%; not subject to deductible)
Annual Maximum	\$2,000,000

\* *Aggregate Deductible: The individual deductible is applicable to an employee-only purchaser. The family deductible applies to anyone covering a dependent and must be met before any benefits are payable for any covered family member.*

# Important Renewal Information—Please Read!

Many educational tools will be made available to employees considering this plan as there are several features/provisions of qualified high deductible health plans that operate very differently than traditional PPO and HMO plans.

**Note:** *The 10% discount rules will still apply. In order to protect the plan from adverse selection and maintain the integrity of the risk pool, if a group or district offers another Qualified High Deductible Health Plan (QHDHP) alongside the WEA plan it will negate the group's 10% discount.*

WEA will not designate a Health Savings Account (HSA) banking arrangement at this time for the following reasons:

- **Potential Compliance Issues** — Many school districts have a non-October 1 plan year for their Section 125 Flexible Spending Accounts (FSA). Contributions to a FSA and a HSA at the same time are not permissible under IRS regulations. Automatically including a HSA with WEA's QHDHP at this time could cause compliance issues for some employees and school districts.
  - Please note that districts have the ability to set up a "limited purpose" FSA that is used for dental and vision services only.
- **Existing Relationships** — Many Section 125 vendors, including American Fidelity, offer HSAs. This may provide an easy and permissible transition from a FSA to a HSA.

Please be aware that the IRS has strict eligibility and participation requirements for a HSA. For instance, the following requirements must be met to be eligible to contribute to a HSA:

- Be covered under a qualified high deductible health plan
- Have no other health coverage except what is permitted under "Other health coverage" (Worker's compensation, specific illness, etc.) — **no double coverage is allowed**
- Cannot be enrolled in Medicare
- Cannot be claimed as a dependent on someone else's tax return

Additional information about the qualified high deductible health plan and HSAs will be forthcoming.

## Dependent Eligibility Verification Review

WEA wishes to thank everyone for their efforts to verify eligible dependents enrolled on the WEA Select Medical Plan. The dependent eligibility review resulted in ~5,400 ineligible dependents disenrolling from the plan, and an overall **\$19 million savings to the plan** — which far exceeded initial projections.

# Important Renewal Information—Please Read!

WEA will be continuing the dependent verification project to ensure that dependents enrolled meet the eligibility criteria of the plan. There will be two phases to this, which will coincide with the implementation of the online enrollment system:

- 1) A “gap” project will be conducted, which will include any dependents that have been added to the plan since the original project start date.
- 2) Any newly added dependents going forward will be verified at the time of enrollment.

This will be expanded to include the dental and vision plans, which have the same eligibility provisions as the medical plans. Additional information regarding this process will be provided this fall. Information will also be included in the training sessions for the new online enrollment system.

**Note:** *Information and updates regarding the implementation of the new online enrollment system will continue to be sent out periodically.*

## B. Eligibility Clarifications (Medical, Dental and Vision Plans)

- ☐ Legally separated spouses are considered to be eligible dependents.
- ☐ Employees can only be covered once as a subscriber (this does not impact an employee covered as a subscriber and dependent).

## C. WEA Select Voluntary Disability Plans—AFA

New rates will be communicated to participating school districts and any plan participants later this summer. Below are plan modifications for the 2012-13 plan year.

### New Enrollment Provisions

The WEA Select Voluntary STD and LTD plans have new enrollment/underwriting provisions that will be communicated to participating school districts later this summer.

### WEA Select Voluntary STD Plans Only

Two benefit modifications will be made to the WEA Select Voluntary STD Plans:

- ☐ The plans will include a limitation to offset with other sources of income. Participants will be eligible to receive up to 70% of their monthly earnings, which includes other income received, such as sick pay or unemployment compensation.
- ☐ The hospital confinement benefit will be removed from the plan and will be offered as an option for participants to purchase.

Enrolled participants will receive a new certificate, which describes this in more detail. These changes will not apply to any employee currently out on disability.

# Important Renewal Information—Please Read!

Additionally, a **NEW** option will be available for employees that wish to purchase STD coverage but do not currently have a “group” LTD plan.

## D. WEA Select Section 125 Plan

Changes that impact the WEA Select Section 125 Plan this year are:

- Health Care Reform includes a provision that limits the amount an employee can set aside in their Flexible Spending Account (for health care expenses) to \$2,500. This change is effective for taxable years beginning on or after January 1, 2013. For example, a plan with an October 1 plan year will have to comply with the limit beginning October 1, 2013. This amount will be indexed to the Consumer Price Index (CPI) beginning in 2014.
- As a result of a recent review, AFA has identified a number of school districts that do not currently have their Section 125 plan year coinciding with their health plan renewals (medical, dental and vision). While this is not out of compliance with IRS regulations, the difference in plan years for the Section 125 **Premium Only Plan** and health plan could possibly create difficulties for both employers and employees who want to make changes during the health plan’s open enrollment period. The misalignment limits the school district’s ability to hold a “true” open enrollment and only allows changes for employees experiencing a qualifying event.

IRS rules stipulate that a participant cannot make changes to any pre-tax deduction after the Section 125 Plan year has begun unless the participant experiences a “qualified election change event” as defined by the IRS. Therefore:

- AFA will work with participating school districts to align the plan year for their Section 125 Premium Only Plan with the health plan’s renewal, so that starting this fall there will be one common open enrollment period. This will allow employees to make changes during the health plan’s renewal without any potential IRS compliance issues that may exist today.
- Extended open enrollments that allow employees to make changes after the beginning of the plan year (10/1) are in conflict with IRS regulations, and therefore, can no longer continue. For example, some districts accept changes that are effective October 1<sup>st</sup> and November 1<sup>st</sup>, depending upon when the enrollment form was received. The only acceptable changes after October 1<sup>st</sup> are for a “qualified election change event” as defined by the IRS.

**Note:** *These changes may not apply if your district is already fully compliant.*

# Important Renewal Information—Please Read!

## Section 3—2012-13 State Fringe Benefit Allocation

The monthly state allocation for employee benefits per FTE will remain at \$768.00. The Health Care Authority remittance for retired school employees will be \$65.17, a decrease of \$0.84 (-1.27%) over last year. However, this amount does not have to be deducted from the state-provided funding.

## Section 4—What's Coming in the Summer Brochure Mailing...

- New summary of benefits/rates and brochures for all the WEA endorsed programs
- Given that there is no increase in the State Fringe Benefit Allocation for the second year in a row, it's more important than ever that employees evaluate lower cost options. Employees may be able to mitigate or even reduce their out-of-pocket co-premiums by moving to a lower cost plan.
  - To assist your employees, a Plan Evaluation Worksheet will be included so employees can plan/project their personal medical expenses compared to different plan benefit/rate options. For example did you know...
    - An employee only purchaser on WEA Medical Plan 5 can save almost \$60 per month and over \$700 per year in premiums and totally eliminate the rate increase, just by moving to Plan 2.
    - Employees covering full families on Plan 2 would save \$90 per month and almost \$1,100 per year, just by switching to Plan 3.
    - Employees covering full families on Plan 3 would save \$325 per month with an annual savings of nearly \$4,000, by moving to any of the EasyChoice plans.
- More detailed information regarding the WEA Select Qualified High Deductible Health Plan
- General information about Health Savings Accounts

## Section 5—Key Plan Features/Highlights

The WEA Select Plans include:

- Very large purchasing pools, blending all claims statewide, many of which cover over 122,000 total plan participants
- Favorable funding and financial arrangements, which result in very low plan administrative expenses (less than 6% of premium for the medical plan)
- For most “Basic Benefit” programs, we have negotiated with our chosen vendors to refund 100% of premiums in excess of claims and administrative expenses to WEA’s RSF Trust. These excess funds are held in the RSF, which is a formal 501 (c) (9) IRS Trust Account. By contract, these funds can only be used to benefit plan participants, usually by subsidizing rates.
  - When there is no money in the RSF and the claims and administrative expenses exceed premium, our vendors must continue to pay claims and carry the deficit on their books until it can be offset by future gains.



# Important Renewal Information—Please Read!

- In many ways the plans operate as if they were self-insured plans. By allowing the plan to carry forward a deficit, the WEA Select Plans include a feature that is even more advantageous than being self-insured. A self-insured plan would need to make up the deficit between claims and stop-loss insurance immediately, either from a mid-year rate increase, or from a pre-funded reserve account.
- ▣ The sophistication of our plan participants results in favorable health care behaviors, such as “embracing” generic prescriptions—*without* requiring the use of them, and increased participation in the Health Management Program.

# Important Renewal Information—Please Read!

## Section 6—2012-13 Monthly Renewal Rates

(Effective October 1, 2012)

WEA Select Medical Plans (-2.5% decrease to +7.5% — depending on Plan and Tier)

Premera Blue Cross	10% Discount	Full Rate
<b>Plan 5/Foundation</b> +4.5% to +7.5%		
Employee only	\$776.65	\$862.85
Employee + spouse	\$1,497.25	\$1,662.50
Employee, spouse + child(ren)	\$1,803.50	\$2,002.60
Employee + child(ren)	\$1,063.40	\$1,181.30
<b>Plan 2</b> +4.5% to +7.5%		
Employee only	\$664.10	\$734.05
Employee + spouse	\$1,219.25	\$1,351.25
Employee, spouse + child(ren)	\$1,461.50	\$1,620.35
Employee + child(ren)	\$889.70	\$984.75
<b>Plan 3</b> +4.5% to +7.5%		
Employee only	\$594.40	\$657.50
Employee + spouse	\$1,091.25	\$1,209.40
Employee, spouse + child(ren)	\$1,308.15	\$1,450.20
Employee + child(ren)	\$796.40	\$881.90
<b>EasyChoice Plan</b> (-2.5%) to +0.7%		
Employee only	\$424.60	\$469.35
Employee + spouse	\$773.15	\$856.60
Employee, spouse + child(ren)	\$926.10	\$1,026.40
Employee + child(ren)	\$565.00	\$625.20
<b>QHDHP</b>		
Employee only	\$334.00	\$369.10
Employee + spouse	\$607.30	\$672.70
Employee, spouse + child(ren)	\$717.35	\$794.95
Employee + child(ren)	\$444.10	\$491.30

**Note:** Rates and benefits are intended to be guaranteed for 12 months (October 1, 2012 through September 30, 2013). However, any mid-year benefit changes and/or interpretation/guidance on health care reform (Federal or State) could result in a mid-year adjustment.



# Important Renewal Information—Please Read!

## WEA Select Dental Plans

Core Dental Plans (WDS) ~(-4%)	
Plan A	\$ 106.40
Plan B	\$ 97.20
Plan C	\$ 85.40
PPO Plan*	\$ 101.45
Managed Dental Plans	
WDS (-5.2%)	
DeltaCare Plan	\$ 65.25
Willamette Dental ~(-2.5%)	
Plan 1	\$ 74.70
Plan 2	\$ 64.35

## WEA Select Orthodontia Plans

WDS Orthodontia Plans (-5%)	
Plan A	\$ 14.90
Plan B	\$ 10.05
Plan C*	\$ 6.00
Plan D*	\$ 16.70
Plan E*	\$ 11.35
Plan F	\$ 17.85
Plan G	\$ 12.00
Plan H	\$ 20.65
Plan I	\$ 13.70
Willamette Dental Orthodontia Plans (-3.7%)	
Plan 1	\$ 9.45
Plan 2	\$ 7.60
Plan 3	\$ 3.85
Plan 4	\$ 11.05
Plan 5	\$ 8.80
Plan 6	\$ 4.45

\* Rates for existing groups only. Plans are no longer available to new groups.

**Note:** Percentage may vary slightly by plan option.

## WEA Select Vision Plans

Vision Plans		+1.9% to +10.3%
Plan	Renewal Rate	Provider Network
A	\$ 16.25	Premiera Blue Cross
B	\$ 26.80	VSP
C	\$29.95	VSP
D*	\$ 23.75	None
E	\$ 19.75	VSP
F	\$ 11.45	VSP

## WEA Select Group Life Plans

Unum	Includes 50% Subsidy
\$10,000	\$ 1.00
\$15,000	\$ 1.30
\$25,000	\$ 2.20
\$30,000	\$ 2.40
\$50,000	\$ 4.10
\$75,000	\$ 6.00

## WEA Select VTL Plan

Unum	Includes 50% Subsidy
Age Bands	Per \$1,000
34 and Under	\$ 0.05
35-39	\$ 0.06
40-44	\$ 0.08
45-49	\$ 0.11
50-54	\$ 0.16
55-59	\$ 0.26
60-64	\$ 0.38
65-69	\$ 0.64
70 and Over	\$ 1.03
Dependent Child(ren)	\$ 0.20 (per month)

# Benchmarking



# Employee contributions for ESEBT Medical/Dental

	<i>School Boards and other 500+</i>		<i>1,000-4,999 Employees</i>		<i>ESEBT 2012</i>	
	<i>Average monthly \$ amount</i>	<i>Average contribution as a % of premium</i>	<i>Average monthly \$ amount</i>	<i>Average contribution as a % of premium</i>	<i>Monthly \$ amount<sup>1</sup></i>	<i>Contribution as a % of premium</i>
<b>PPO</b>						
Employee-only	\$146	23%	\$107	22%	\$322/129/62/48/237 <sup>1</sup>	39/20/11/11/32%
Family	\$474	38%	\$367	29%	\$778/328/177/134/664 <sup>1</sup>	41/23/14/14/38%
<b>HMO</b>						
Employee-only	\$111	21%	\$101	22%	\$34	7%
Family	\$476	38%	\$350	27%	\$151	10%
<b>HDHP</b>						
Employee-only	\$18	7%	\$53	17%	N/A	N/A
Family	\$427	41%	\$216	23%	N/A	N/A
<b>Dental<sup>2</sup></b>						
Employee-only	\$23	68%	\$17	48%	\$0	0%
Family	\$72	73%	\$56	55%	\$0	0%

<sup>1</sup>WEA Premiera Plan 1 / Plan 2 / Plan 3 / EasyChoice/ Plan 5

# PREFERRED PROVIDER ORGANIZATION (PPO) / POINT-OF-SERVICE PLANS (POS)





# Employee cost-sharing requirements for PPO

## Most prevalent plan, WEA Plan 3

	<i>School Boards and Other 500+ In-network</i>	<i>1,000-4,999 Employees In-network</i>	<i>ESEBT 2012 In-network</i>
<b>Deductible</b>			
Require deductible	65%	82%	Yes
Individual amount (median)	\$500	\$420	\$200
Family amount (median)	\$1,000	\$1,000	\$600
<b>Primary care physician's office visit</b>			
Require copay	83%	82%	Yes
Copay amount (median)	\$20	\$20	\$30
Require coinsurance	17%	22%	Yes
Coinsurance amount (median)	20%	20%	20%
<b>Specialist's office visit</b>			
Require higher copay for specialist visit	41%	52%	No
Copay amount, when higher (median)	\$35	\$35	N/A
<b>Lab tests / X-rays</b>			
Require copay	18%	16%	N/A
Require coinsurance	45%	61%	Yes
Coinsurance amount (median)	20%	20%	20%

## Employee cost-sharing requirements for PPO, continued

### Most prevalent plan, WEA Plan 3

	<i>School Boards and Other 500+ In-network</i>	<i>1,000-4,999 Employees In-network</i>	<i>ESEBT 2012 In-network</i>
<b>Out-of-pocket maximum</b>			
Individual OOP max (median)	\$2,000	\$2,750	\$2,750
<b>Hospitalization</b>			
Require per-admission copay	16%	19%	Yes
Copay amount (median)	\$250	\$250	\$300/day
Require coinsurance	53%	74%	Yes
Coinsurance amount (median)	20%	20%	N/A
<b>Emergency room visits</b>			
Require separate copay	82%	80%	Yes
Copay amount (median)	\$100	\$100	\$100



# HEALTH MAINTENANCE ORGANIZATION (HMO) – PLAN DESIGN AND EMPLOYEE CONTRIBUTIONS



# Employee cost-sharing requirements for HMOs

## Most prevalent plan

	<i>School Boards and Other 500+</i>	<i>1,000 – 4,999 Employees</i>	<i>ESEBT 2012</i>
<b>Doctor's office visit</b>			
% requiring copay	95%	97%	Yes
% requiring coinsurance	0%	0%	No
Median copay for physician visit	\$15	\$20	\$15
% requiring higher copay for specialist visit	40%	51%	No
Median copay for specialist visit, when higher than PCP	\$30	\$35	N/A
<b>Hospitalization</b>			
Employers requiring deductible	28%	ID	Yes
Median deductible	\$250	\$250	\$100/day Max \$300
<b>Emergency room copayment</b>			
Require per-admission copay	81%	88%	Yes
Median copayment	\$100	\$100	\$100



# DENTAL BENEFITS – PLAN DESIGN AND EMPLOYEE CONTRIBUTIONS



# Dental plan design<sup>1</sup>

	<i>School Boards and Other 500+ In-network</i>	<i>1,000-4,999 Employees In-network</i>	<i>ESEBT 2012 In-network</i>
<b>Deductible</b>			
Require deductible	60%	83%	No
Individual amount (median)	\$50	\$50	N/A
<b>Annual benefit maximum</b>			
Plan includes annual benefit maximum	90%	94%	Yes/No <sup>2</sup>
Individual maximum (median)	\$1,250	\$1,500	\$2,000/unlimited
<b>Orthodontia</b>			
Plan includes separate max for orthodontic	79%	91%	No
Individual ortho lifetime max (median)	\$1,250	\$1,500	N/A

<sup>1</sup> Based on dental PPOs and fee-for-service plans

<sup>2</sup> WDS/Willamette



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