

Everett School Employee Benefit Trust

2014 RENEWAL REPORT

AUGUST 28, 2013

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>
WEA Select Benefit Plans			
Medical Plans	Fully-Insured	Premera Blue Cross	+16.4% to +17.0% depending on plan and tier
Dental	Fully-Insured	Washington Dental Service	0%
Dental	Fully-Insured	Willamette Dental	0%
Vision	Fully-Insured	Premera	+3.4%
HMO Medical	Fully-Insured	Group Health Cooperative (GHC)	+6.27%
Basic Accidental Death and Dismemberment	Fully-Insured	MetLife	+0% (last year of three-year guarantee through 12/31/2014)
Basic and Supplemental Life	Fully-Insured	MetLife	+0% (last year of three-year guarantee through 12/31/2014)
Long-Term Disability	Fully-Insured	Standard Insurance Company	+0% (last year of two-year guarantee through 12/31/2014)
Voluntary Short-Term Disability	Fully-Insured	Standard Insurance Company	+0% (last year of two-year guarantee through 12/31/2014)
EAP	Service Contract	Magellan	-2.4% (first year of two-year guarantee through 12/31/2015)
Voluntary Long Term Care	Fully-Insured	UNUM	+0%, will increase 25% in 2015 and expected to increase 2016
Health Programs	Service Contract	Alere	+0%
Health Programs	Service Contract	Health Force Partners	+0%

Renewal Results

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Renewals — WEA Select Benefit Plans

WEA Premera Medical Plans (Fully-Insured)

- Plan year effective date will change from October 1 to November 1.
 - Current premium rates will be extended one month through October 31, 2013.
 - Deductible carry-over feature will be modified to carry-over deductible amounts during November and December, rather than October through December.
- 16.4-17.0% rate increase effective November 1, 2013.
- Increase in the deductible for Plans 2, 3 and 5.
- Coverage of clinical trials is being expanded to include all in-network routine services related to treatment of cancer or other life-threatening diseases.
- All plans include coverage for medically necessary transgender services (hormone treatment, counseling, psychotherapy, and surgical services).
- See the WEA renewal announcement in the Appendix for a detailed description of the changes.
- Health Care Reform:
 - All of the WEA Medical plans meet the essential coverage requirements.
 - Premera has confirmed they will be paying the PCORI Fee.
 - Premera estimates about 4% of the renewal increase is due to HCR requirements.

Renewals — WEA Select Benefit Plans

Dental Plans

WEA Washington Dental Service (Fully Insured)

- No increase in rate.
- Due to the plan year effective date changing to November 1, WDS will extend the current benefit year by one month. Enrollees receive \$170 for October in addition to the remaining balance of their 2012-13 benefit maximum. The full 2013-14 annual benefit year maximum becomes effective November 1.

WEA Willamette Dental Plan (Fully Insured)

- No increase in rate.
- No plan design changes.

<i>Tier</i>	<i>Active Enrollment</i>	<i>Current Rates</i>	<i>2013-2014 Rates</i>
WDS	1,473	\$85.40	\$85.40
Willamette	453	\$74.70	\$74.70
Total Projected Annual Cost		\$1,915,633	\$1,915,633
\$ Increase/(Decrease) Over Current			\$0
% Increase/(Decrease) Over Current			0%

Renewals — WEA Select Benefit Plans

WEA Premera Vision Plans (Fully Insured)

- Rate increase of 3.4%.
- No plan design changes.

	<i>Active Enrollment</i>	<i>Current Rate</i>	<i>Proposed Rate</i>
Premera	1,934	\$16.25	\$16.80
Total Projected Annual Cost		\$377,130	\$389,894
\$ Increase/(Decrease) Over Current			\$12,764
% Increase/(Decrease) Over Current			3.4%

Renewals — Other Plans

Group Health — HMO Plan (Fully-Insured)

- Overall rate increase of 6.27%.
- Health Care Reform:
 - Mandated comparative effectiveness fee — \$2/member/year.
 - Group Health has confirmed they will be paying the PCORI Fee.
 - Rates include a pro-rated reinsurance fee, effective in 2014.

<i>Tier/Cost</i>	<i>Active Enrollment</i>	<i>2013 Monthly Rates</i>	<i>Proposed 2014 Rates</i>	<i>% Change</i>
Employee	187	\$642.01	\$682.29	6.27%
Employee + Spouse	85	\$1,213.41	\$1,289.53	6.27%
Employee + Child(ren)	92	\$885.98	\$941.56	6.27%
Employee + Family	142	\$1,450.95	\$1,541.98	6.27%
Annual Total	506	\$6,128,889	\$6,513,386	6.27%
\$ Increase Over Current			\$384,497	
%Increase Over Current			6.27%	

Renewals — Other Plans

MetLife (Fully-Insured)

- Basic Life and Accidental Death & Dismemberment:
 - Last 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	1,641	\$0.10
Basic AD&D Insurance	1,641	\$0.018
Combined Life and AD&D Composite Rate	1,641	\$5.90 PEPM
Projected Annual Cost		\$116,183

- Supplemental Life:
 - Last 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:
 - Last year of 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)

- Rate decrease of 2.4%.
- First year of a two-year rate guarantee through December 31, 2015.
- Slight changes to the benefit design:
 - Increase CISM to 25 hours from 20 hours.
 - Decrease training hours to six from nine.

<i>PEPM Rate</i>	
<i>EAP</i>	\$1.65

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, UNUM has filed to increase the rates effective for plans after 2014.
- No changes for 2014. UNUM has filed for a 25% in 2015, which has been approved. UNUM requested a total increase of 70% over the three year period 2015-2017, the Washington Insurance Commissioner is taking a “wait and see” approach before approving the 2016-2017 increases.

Renewals — Other Plans

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, 2014.
- Previously discussed terminating the Mind & Body program for 2014; still the intent?

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

Health Force Partners

- No changes for 2014; current rates are entering last year of a multi-year guarantee period.
- Requires a \$2,500 a month minimum

<i>Component</i>	<i>Fee Per Participant Per Year</i>
Online Portal	\$5.00
Health Risk Assessment	\$5.50

ESSB 5940 Update

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	• TBD
• Offer a plan with full-time premium the same as that for state employees (15% FT contribution)	• WEA EasyChoice Plan continues to meet the intent of this requirement.	• Consider this requirement when making ESEBT subsidy decisions • Consult with counsel on interpretation of how to apply
• 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

	Status Quo	Scenario A
WEA — Employee	81%	78%
WEA — Dependent	72%	69%
GHC — Employee	85%	82%
GHC — Dependent	77%	74%
	Status Quo	Scenario A
2014 Estimated Reserve	2.7 months	3.0 months
2015 Estimated Reserve	0.5 months	1.1 months

Summary of Contribution Scenarios

Employee Contributions

Everett School Employees Benefit Trust 2014 Employee Contribution Exhibit

	2013 Contributions	2014 Contributions Status Quo	% Inc	Ratio to Single	2014 Contributions Scenario A	% Inc	Ratio to Single
WEA PPO 2							
EE	\$201.00	\$218.99	9.0%	1.00	\$240.36	19.6%	1.00
EE + Spouse	\$389.56	\$453.84	16.5%	2.07	\$492.94	26.5%	2.05
EE + Child(ren)	\$269.36	\$313.71	16.5%	1.43	\$342.24	27.1%	1.42
EE + Family	\$477.80	\$556.83	16.5%	2.54	\$603.72	26.4%	2.51
WEA PPO 3							
EE	\$115.76	\$135.30	16.9%	1.00	\$156.67	35.3%	1.00
EE + Spouse	\$258.36	\$300.86	16.4%	2.22	\$339.96	31.6%	2.17
EE + Child(ren)	\$201.00	\$202.14	0.6%	1.49	\$230.67	14.8%	1.47
EE + Family	\$320.61	\$373.45	16.5%	2.76	\$420.34	31.1%	2.68
WEA EasyChoice							
EE	\$82.69	\$96.58	16.8%	1.00	\$111.83	35.2%	1.00
EE + Spouse	\$201.00	\$212.71	5.8%	2.20	\$240.41	19.6%	2.15
EE + Child(ren)	\$122.98	\$143.03	16.3%	1.48	\$163.26	32.8%	1.46
EE + Family	\$226.62	\$263.91	16.5%	2.73	\$297.09	31.1%	2.66
WEA PPO Foundation/5							
EE	\$302.57	\$354.03	17.0%	1.00	\$375.40	24.1%	1.00
EE + Spouse	\$674.51	\$786.25	16.6%	2.22	\$825.35	22.4%	2.20
EE + Child(ren)	\$447.41	\$521.38	16.5%	1.47	\$549.91	22.9%	1.46
EE + Family	\$828.35	\$965.70	16.6%	2.73	\$1,012.59	22.2%	2.70
WEA QHDHP							
EE	\$65.05	\$75.92	n/a	1.00	\$87.91	n/a	1.00
EE + Spouse	\$143.49	\$166.97	n/a	2.20	\$188.72	n/a	2.15
EE + Child(ren)	\$96.65	\$112.34	n/a	1.48	\$128.23	n/a	1.46
EE + Family	\$175.07	\$203.81	n/a	2.68	\$229.50	n/a	2.61
Group Health Cooperative							
EE	\$96.00	\$102.00	6.3%	1.00	\$123.00	28.1%	1.00
EE + Spouse	\$227.00	\$242.00	6.6%	2.37	\$281.00	23.8%	2.28
EE + Child(ren)	\$152.00	\$162.00	6.6%	1.59	\$190.00	25.0%	1.54
EE + Family	\$282.00	\$300.00	6.4%	2.94	\$347.00	23.0%	2.82

1 Assumes 15% increase to WEA rates for November-December 2014

2014 Budget — Status Quo

Financial Projections Comparison Scenario SQ January 1, 2014 - December 31, 2014

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

Estimated Income

	1/1/2013 - 12/31/2013 Projection				1/1/2014 - 12/31/2014 Projection				1/1/2015 - 12/31/2015 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	1,832 ⁽¹⁾	8	\$11,255,808	\$768.00 ⁽²⁾	1,832 ⁽¹⁾	8	\$11,255,808	0%	\$11,255,808
Employer Contributions (September through December)	\$768.00	1,832 ⁽¹⁾	4	\$5,627,904	\$768.00 ⁽²⁾	1,832 ⁽¹⁾	4	\$5,627,904	0%	\$5,627,904
Additional Supplemental District Contribution				\$0				\$0	0%	\$0
Employee Contributions	n/a	n/a		\$5,121,330				\$5,766,987	10%	\$6,343,686
Investment Income ⁽³⁾				\$150,000				\$50,000	0%	\$50,000
Total Estimated Revenues				\$22,155,042				\$22,700,699		\$23,277,398

Estimated Expenses

	1/1/2013 - 12/31/2013 Projection				1/1/2014 - 12/31/2014 Projection				1/1/2015 - 12/31/2015 Projection	
	YTD Actual 1/1/13-8/31/13	PEPM or Mo. Sum	No. of Employees ⁽¹⁾	Estimated Total	PEPM or Mo. Sum	No. of Employees ⁽¹⁾	Number of Months	Estimated Total	Assumed % Change	Estimated Total
MetLife Life / AD&D Premiums	\$77,449	\$5.90	1,641	\$116,177	\$5.90	1,641	12	\$116,183	3%	\$119,668
MetLife Voluntary Term Life Premiums	\$125,184	\$16,351.43 ⁽⁴⁾	n/a	\$190,590	\$16,351.43	n/a	12	\$196,217	3%	\$202,104
Standard Voluntary STD Premiums	\$87,423	\$12,489.02 ⁽¹⁰⁾	n/a	\$149,868	\$12,489.02	n/a	12	\$149,868	3%	\$154,364
Standard LTD Premiums	\$287,885	\$20.55 ⁽⁴⁾	1,751	\$431,817	\$20.55	1,751	12	\$431,797	3%	\$444,751
WDS Dental Premiums	\$1,015,577	\$85.40 ⁽⁴⁾	1,481	\$1,521,486	\$85.40 ⁽⁵⁾	1,481	12	\$1,544,898	5%	\$1,622,143
Willamette Dental Premiums	\$269,172	\$74.70 ⁽⁴⁾	453	\$404,529	\$74.70 ⁽⁵⁾	453	12	\$411,145	5%	\$431,702
WEA Medical Premiums	\$8,107,901	n/a	1,111	\$12,500,907	n/a ⁽⁵⁾	1,111	12	\$14,500,185	15%	\$16,675,212
Premiera WEA Vision	\$253,874	\$16.25 ⁽⁴⁾	1,953	\$382,967	\$16.80 ⁽⁵⁾	1,953	12	\$401,202	5%	\$421,263
Group Health Medical Premiums ⁽⁶⁾	\$4,063,250	n/a	507	\$6,109,210	n/a	507	12	\$6,526,268	10%	\$7,178,895
UNUM Voluntary LTC Premiums	\$6,689	\$836.15	n/a	\$10,034	\$836.15	n/a	12	\$10,034	0%	\$10,034
Wellness Program Internal Support	n/a	n/a	n/a	\$43,000	n/a	n/a	n/a	\$35,000	0%	\$35,000
Magellan EAP	\$25,931	\$1.69	1,918	\$38,897	\$1.65	1,918	12	\$37,976	5%	\$39,875
Quit for Life Tobacco Cessation	n/a	n/a	n/a	\$1,500	n/a	n/a	n/a	\$1,500	0%	\$1,500
Mind & Body	n/a	n/a	n/a	\$1,875	n/a	n/a	n/a	\$0	0%	\$0
Weight Watchers	n/a	n/a	n/a	\$43,125				\$30,000	0%	\$30,000
HRA & Web Portal	n/a	n/a	n/a	\$30,000	n/a	n/a	n/a	\$30,000 ⁽⁷⁾	0%	\$30,000
Wellness Incentive	n/a	n/a	n/a	\$109,150 ⁽⁸⁾	n/a	n/a	n/a	\$5,000	0%	\$5,000
Mercer Consulting Fee	n/a	n/a	n/a	\$100,000	n/a	n/a	n/a	\$55,000	0%	\$55,000
ESEBT Administration ⁽⁹⁾	n/a	n/a	n/a	<u>\$177,809</u>	n/a	n/a	n/a	<u>\$183,143</u>	3%	<u>\$188,637</u>

Total Estimated Expenses

\$22,362,940

\$24,665,417

\$27,645,148

Estimated Surplus / (Deficit)

(based on estimated/current enrollment)

(\$207,898)

(\$1,964,718)

(\$4,367,751)

Unallocated reserve at December 31 ⁽¹¹⁾

Months of expenses

\$7,520,558
4.0

\$5,555,840
2.7

\$1,188,089
0.5

2014 Budget Notes

Notes:

- ⁽¹⁾ Enrollment based on August 2013 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.
- ⁽³⁾ Based on investment earnings plus appreciation of market value through May 2013 with assumed interest for June from ESEBT Statement of Operations and Fund Balance with a 50% decrease
- ⁽⁴⁾ Based on current rates and August 2013 enrollment.
- ⁽⁵⁾ Based on WEA renewals effective November 1, 2013. Total annual cost assumes a 5% increase effective November 1, 2014 for dental and vision and a 14% increase for medical.
- ⁽⁶⁾ Based on Group Health renewal effective January 1, 2014 (6.3% 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% (0 HRA completers).
Assumes incentive achievement rates of 20% for Gold (), 30% for Silver (), and 50% for Bronze ().
- ⁽⁹⁾ Based on administrative expenses from January through May 2013 annualized from ESEBT Statement of Operations and Fund Balance. Assumes an increase of 3% for 2013.
- ⁽¹⁰⁾ Based on premiums paid through July 2013 and July 2013 enrollment.
- ⁽¹¹⁾ Based on a year end fund balance at 12/31/2012 of \$7,728,456

2014 Rates — Status Quo

	Current Enrollment by Tier	2013 Rates	2013 EE Contribs	2013 ER Contribs	2013 Aggregate EE Contribs	Projected Enrollment by Tier	2014 Rates	2014 EE Contribs	2014 ER Contribs	2014 Aggregate EE Contribs
WEA Plan 2										
Employee Only	117	\$680.70	\$201.00	\$493.50	\$282,204	117	\$795.81	\$218.99	\$576.82	\$307,462
EE + Spouse	63	\$1,249.73	\$389.56	\$860.17	\$294,507	63	\$1,456.37	\$453.84	\$1,002.53	\$343,103
EE + Child(ren)	52	\$911.94	\$269.36	\$642.58	\$168,081	52	\$1,062.41	\$313.71	\$748.70	\$195,755
EE + Family	53	\$1,498.04	\$477.80	\$1,020.24	\$303,881	53	\$1,746.04	\$556.83	\$1,189.21	\$354,144
Total	285	\$1,000.67	\$1.00			285	\$1,167.18			
WEA Plan 3										
Employee Only	162	\$609.26	\$115.76	\$493.50	\$225,037	162	\$712.12	\$135.30	\$576.82	\$263,023
EE + Spouse	95	\$1,118.53	\$258.36	\$860.17	\$294,530	95	\$1,303.39	\$300.86	\$1,002.53	\$342,980
EE + Child(ren)	79	\$816.31	\$201.00	\$615.31	\$190,548	79	\$950.84	\$202.14	\$748.70	\$191,629
EE + Family	117	\$1,340.85	\$320.61	\$1,020.24	\$450,136	117	\$1,562.66	\$373.45	\$1,189.21	\$524,324
Total	453	\$941.12				453	\$1,097.42			
WEA EasyChoice Plans										
Employee Only	75	\$435.22	\$82.69	\$352.53	\$74,421	73	\$508.30	\$96.58	\$411.72	\$84,604
EE + Spouse	23	\$792.48	\$201.00	\$591.48	\$55,476	22	\$923.06	\$212.71	\$710.35	\$56,155
EE + Child(ren)	29	\$579.13	\$122.98	\$456.15	\$42,797	28	\$674.19	\$143.03	\$531.16	\$48,058
EE + Family	56	\$949.25	\$226.62	\$722.63	\$152,289	54	\$1,105.92	\$263.91	\$842.01	\$171,014
Total	183	\$660.23				177	\$768.42			
WEA Plan 5										
Employee Only	82	\$796.07	\$302.57	\$493.50	\$297,729	82	\$930.85	\$354.03	\$576.82	\$348,366
EE + Spouse	28	\$1,534.68	\$674.51	\$860.17	\$226,635	28	\$1,788.78	\$786.25	\$1,002.53	\$264,180
EE + Child(ren)	30	\$1,089.99	\$447.41	\$642.58	\$161,068	30	\$1,270.08	\$521.38	\$748.70	\$187,697
EE + Family	25	\$1,848.59	\$828.35	\$1,020.24	\$248,505	25	\$2,154.91	\$965.70	\$1,189.21	\$289,710
Total	165	\$1,134.32				165	\$1,323.58			
WEA QDHP										
Employee Only	4	\$342.35	\$65.05	\$277.30	\$3,122	2	\$399.60	\$75.92	\$323.68	\$1,822
EE + Spouse	1	\$622.48	\$143.49	\$478.99	\$1,722	1	\$724.78	\$166.97	\$557.81	\$2,004
EE + Child(ren)	0	\$455.20	\$96.65	\$358.55	\$0	1	\$529.67	\$112.34	\$417.33	\$1,348
EE + Family	1	\$735.28	\$175.07	\$560.21	\$2,101	2	\$856.34	\$203.81	\$652.53	\$4,891
Total	6	\$454.53				6	\$627.72			
GHC										
Employee Only	187	\$642.01	\$96.00	\$546.01	\$215,424	187	\$682.29	\$102.00	\$580.29	\$228,888
EE + Spouse	85	\$1,213.41	\$227.00	\$986.41	\$231,540	85	\$1,289.53	\$242.00	\$1,047.53	\$246,840
EE + Child(ren)	92	\$885.98	\$152.00	\$733.98	\$167,808	92	\$941.56	\$162.00	\$779.56	\$178,848
EE + Family	142	\$1,450.95	\$282.00	\$1,168.95	\$480,528	142	\$1,541.98	\$300.00	\$1,241.98	\$511,200
Total	506	\$952.32				506	\$1,072.69			
All Med (Actives)										
	\$1,034,121	\$12,234,058			\$4,570,090		\$14,255,362			\$5,148,045
COBRA/Plan 2					\$98,066					\$126,056
COBRA/Plan 3					\$34,822					\$52,676
COBRA/GHC					\$8,988					\$12,872
COBRA/Easy Choice					\$11,884					\$18,442
COBRA/Plan 5					\$30,627					\$47,649
COBRA/QDHP					\$5,454					
COBRA/WDS					\$8,795					\$8,198
COBRA/Willamette					\$0					\$0
COBRA/Vision					\$2,113					\$2,556
Vol. Term Life					\$190,590					\$190,590
Vol. Long Term Care					\$10,034					\$10,034
Vol. Short Term Disability					\$149,868					\$149,868
Total Contributions					\$5,121,330					\$5,766,987

^[1] Enrollment as of August 2013 and provided by District.

^[2] COBRA Enrollment based on August 2013 ESEBT Payments to carriers.

2014 Budget — Scenario A

Financial Projections Comparison Scenario A January 1, 2014 - December 31, 2014

	Employee	Dependent
WEA:	78%	69%
HMO:	82%	74%

Estimated Income

	1/1/2013 - 12/31/2013 Projection				1/1/2014 - 12/31/2014 Projection				1/1/2015 - 12/31/2015 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	1,832 ⁽¹⁾	8	\$ 11,255,808	\$768.00 ⁽²⁾	1,832 ⁽¹⁾	8	\$11,255,808	0%	\$11,255,808
Employer Contributions (September through December)	\$768.00	1,832 ⁽¹⁾	4	\$ 5,627,904	\$768.00 ⁽²⁾	1,832 ⁽¹⁾	4	\$5,627,904	0%	\$5,627,904
Additional Supplemental District Contribution				\$ -				\$0	0%	\$0
Employee Contributions	n/a	n/a		\$ 5,121,330				\$6,359,905	10%	\$6,995,896
Investment Income ⁽³⁾				\$ 150,000				\$50,000	0%	\$50,000
Total Estimated Revenues				\$ 22,155,042				\$23,293,617		\$23,929,608

Estimated Expenses

	1/1/2013 - 12/31/2013 Projection				1/1/2014 - 12/31/2014 Projection				1/1/2015 - 12/31/2015 Projection	
	YTD Actual 1/1/13-8/31/13	PEPM or Mo. Sum	No. of Employees ⁽¹⁾	Estimated Total	PEPM or Mo. Sum	No. of Employees ⁽¹⁾	Number of Months	Estimated Total	Assumed % Change	Estimated Total
MetLife Life / AD&D Premiums	\$77,449	\$5.90	1,641	\$116,177	\$5.90	1,641	12	\$116,183	3%	\$119,668
MetLife Voluntary Term Life Premiums	\$125,184	\$16,351.43 ⁽⁴⁾	n/a	\$190,590	\$16,351.43	n/a	12	\$196,217	3%	\$202,104
Standard Voluntary STD Premiums	\$87,423	\$12,489.02 ⁽¹⁰⁾	n/a	\$149,868	\$12,489.02	n/a	12	\$149,868	3%	\$154,364
Standard LTD Premiums	\$287,885	\$20.55 ⁽⁴⁾	1,751	\$431,817	\$20.55	1,751	12	\$431,797	3%	\$444,751
WDS Dental Premiums	\$1,015,577	\$85.40 ⁽⁴⁾	1,481	\$1,521,486	\$85.40 ⁽⁵⁾	1,481	12	\$1,544,898	5%	\$1,622,143
Willamette Dental Premiums	\$269,172	\$74.70 ⁽⁴⁾	453	\$404,529	\$74.70 ⁽⁵⁾	453	12	\$411,145	5%	\$431,702
WEA Medical Premiums	\$8,107,901	n/a	1,111	\$12,500,907	n/a ⁽⁵⁾	1,111	12	\$14,500,185	15%	\$16,675,212
Premiera WEA Vision	\$253,874	\$16.25 ⁽⁴⁾	1,953	\$382,967	\$16.80 ⁽⁵⁾	1,953	12	\$401,202	5%	\$421,263
Group Health Medical Premiums ⁽⁶⁾	\$4,063,250	n/a	507	\$6,109,210	n/a	507	12	\$6,526,268	10%	\$7,178,895
UNUM Voluntary LTC Premiums	\$6,689	\$836.15	n/a	\$10,034	\$836.15	n/a	12	\$10,034	0%	\$10,034
Wellness Program Internal Support	n/a	n/a	n/a	\$43,000	n/a	n/a	n/a	\$35,000	0%	\$35,000
Magellan EAP	\$25,931	\$1.69	1,918	\$38,897	\$1.65	1,918	12	\$37,976	5%	\$39,875
Quit for Life Tobacco Cessation	n/a	n/a	n/a	\$1,500	n/a	n/a	n/a	\$1,500	0%	\$1,500
Mind & Body	n/a	n/a	n/a	\$1,875	n/a	n/a	n/a	\$0	0%	\$0
Weight Watchers	n/a	n/a	n/a	\$43,125				\$30,000	0%	\$30,000
HRA & Web Portal	n/a	n/a	n/a	\$30,000	n/a	n/a	n/a	\$30,000 ⁽⁷⁾	0%	\$30,000
Wellness Incentive	n/a	n/a	n/a	\$109,150 ⁽⁸⁾	n/a	n/a	n/a	\$5,000	0%	\$5,000
Mercer Consulting Fee	n/a	n/a	n/a	\$100,000	n/a	n/a	n/a	\$55,000	0%	\$55,000
ESEBT Administration ⁽⁹⁾	n/a	n/a	n/a	<u>\$177,809</u>	n/a	n/a	n/a	<u>\$183,143</u>	3%	<u>\$188,637</u>
Total Estimated Expenses				\$22,362,940				\$24,665,417		\$27,645,148
Estimated Surplus / (Deficit) (based on estimated/current enrollment)				(\$207,898)				(\$1,371,799)		(\$3,715,541)
Unallocated reserve at December 31 ⁽¹¹⁾ Months of expenses				\$7,520,558 4.0				\$6,148,759 3.0		\$2,433,218 1.1

2014 Rates — Scenario A

	Current Enrollment by Tier	2013 Rates	2013 EE Contribs	2013 ER Contribs	2013 Aggregate EE Contribs	Projected Enrollment by Tier	2014 Rates	2014 EE Contribs	2014 ER Contribs	2014 Aggregate EE Contribs
WEA Plan 2										
Employee Only	117	\$680.70	\$201.00	\$493.50	\$282,204	117	\$795.81	\$240.36	\$555.45	\$337,465
EE + Spouse	63	\$1,249.73	\$389.56	\$860.17	\$294,507	63	\$1,456.37	\$492.94	\$963.43	\$372,663
EE + Child(ren)	52	\$911.94	\$269.36	\$642.58	\$168,081	52	\$1,062.41	\$342.24	\$720.17	\$213,558
EE + Family	53	\$1,498.04	\$477.80	\$1,020.24	\$303,881	53	\$1,746.04	\$603.72	\$1,142.32	\$383,966
Total	285	\$1,000.67				285	\$1,167.18			
WEA Plan 3										
Employee Only	162	\$609.26	\$115.76	\$493.50	\$225,037	162	\$712.12	\$156.67	\$555.45	\$304,566
EE + Spouse	95	\$1,118.53	\$258.36	\$860.17	\$294,530	95	\$1,303.39	\$339.96	\$963.43	\$387,554
EE + Child(ren)	79	\$816.31	\$201.00	\$615.31	\$190,548	79	\$950.84	\$230.67	\$720.17	\$218,675
EE + Family	117	\$1,340.85	\$320.61	\$1,020.24	\$450,136	117	\$1,562.66	\$420.34	\$1,142.32	\$590,157
Total	453	\$941.12				453	\$1,097.42			
WEA EasyChoice Plans										
Employee Only	75	\$435.22	\$82.69	\$352.53	\$74,421	73	\$508.30	\$111.83	\$396.47	\$97,963
EE + Spouse	23	\$792.48	\$201.00	\$591.48	\$55,476	22	\$923.06	\$240.41	\$682.65	\$63,468
EE + Child(ren)	29	\$579.13	\$122.98	\$456.15	\$42,797	28	\$674.19	\$163.26	\$510.93	\$54,855
EE + Family	56	\$949.25	\$226.62	\$722.63	\$152,289	54	\$1,105.92	\$297.09	\$808.83	\$192,514
Total	183	\$660.23				177	\$768.42			
WEA Plan 5										
Employee Only	82	\$796.07	\$302.57	\$493.50	\$297,729	82	\$930.85	\$375.40	\$555.45	\$369,394
EE + Spouse	28	\$1,534.68	\$674.51	\$860.17	\$226,635	28	\$1,788.78	\$825.35	\$963.43	\$277,318
EE + Child(ren)	30	\$1,089.99	\$447.41	\$642.58	\$161,068	30	\$1,270.08	\$549.91	\$720.17	\$197,968
EE + Family	25	\$1,848.59	\$828.35	\$1,020.24	\$248,505	25	\$2,154.91	\$1,012.59	\$1,142.32	\$303,777
Total	165	\$1,134.32				165	\$1,323.58			
WEA QDHP										
Employee Only	4	\$342.35	\$65.05	\$277.30	\$3,122	2	\$399.60	\$87.91	\$311.69	\$2,110
EE + Spouse	1	\$622.48	\$143.49	\$478.99	\$1,722	1	\$724.78	\$188.72	\$536.06	\$2,265
EE + Child(ren)	0	\$455.20	\$96.65	\$358.55	\$0	1	\$529.67	\$128.23	\$401.44	\$1,539
EE + Family	1	\$735.28	\$175.07	\$560.21	\$2,101	2	\$856.34	\$229.50	\$626.84	\$5,508
Total	6	\$454.53				6	\$627.72			
GHC										
Employee Only	187	\$642.01	\$96.00	\$546.01	\$215,424	187	\$682.29	\$123.00	\$559.29	\$276,012
EE + Spouse	85	\$1,213.41	\$227.00	\$986.41	\$231,540	85	\$1,289.53	\$281.00	\$1,008.53	\$286,620
EE + Child(ren)	92	\$885.98	\$152.00	\$733.98	\$167,808	92	\$941.56	\$190.00	\$751.56	\$209,760
EE + Family	142	\$1,450.95	\$282.00	\$1,168.95	\$480,528	142	\$1,541.98	\$347.00	\$1,194.98	\$591,288
Total	506	\$952.32				506	\$1,072.69			
All Med (Actives)										
COBRA/Plan 2	[2]	\$1,034,121	\$12,234,058		\$4,570,090		\$14,255,362			\$5,740,963
COBRA/Plan 3	[2]				\$98,066					\$126,056
COBRA/GHC	[2]				\$34,822					\$52,676
COBRA/Easy Choice	[2]				\$8,988					\$12,872
COBRA/Plan 5	[2]				\$11,884					\$18,442
COBRA/QDHP	[2]				\$30,627					\$47,649
COBRA/WDS	[2]				\$5,454					
COBRA/Willamette					\$8,795					\$8,198
COBRA/Vision					\$0					\$0
Vol. Term Life					\$2,113					\$2,556
Vol. Long Term Care					\$190,590					\$190,590
Vol. Short Term Disability					\$10,034					\$10,034
					\$149,868					\$149,868
Total Contributions					\$5,121,330					\$6,359,905

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