



TALENT • HEALTH • RETIREMENT • INVESTMENTS

# Everett School Employee Benefit Trust

## 2015 FINAL RENEWAL REPORT

September 24, 2014

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Seattle

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# Executive Summary



## Executive Summary

### Decision Matrix

- The table below summarizes the key decisions made by the Trust for the 1/1/15 renewals:

Decision	Options/Comments	Decision
Medical insurer	WEA, GHC, Moda, UHC	UHC
Year-end reserve target	Historical target of three months of expenses	Confirmed
Employee contributions	Status quo %s vs. changes in order to achieve targeted reserves	% remain at 2014 levels
Dental	WEA or MetLife	WEA – Delta Dental and Willamette Review for 2016
Vision	WEA or MetLife	MetLife
Life and disability	MetLife or Standard	MetLife
Long Term Care	UNUM	Pending

# 2015 Final Renewal Summary

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## 2015 Final Renewal Summary

- ESEBT will offer the following health and welfare programs:

Coverage	Funding	2014 Renewal	2015 Renewal	Comments
Medical	Fully-Insured	WEA +16.4 to 17.0%	<b>UHC</b> -1 to +3%	2 <sup>nd</sup> year rate cap at 12%.
Dental	Fully-Insured	Delta Dental +0% Willamette +0%	Delta Dental +2% Willamette +0%	Will review in 2016.
Vision	Fully-Insured	Premera +3.4%	<b>MetLife</b> -5%	Three year rate guarantee through 2017.
HMO Medical	Fully-Insured	GHC +6.3%	GHC +12.4%	
Basic and Supplemental Life	Fully-Insured	MetLife +0%	MetLife +0%	Three year guarantee.
Basic AD&D	Fully-Insured	MetLife +0%	MetLife +0%	Three year guarantee.
Long-Term Disability	Fully-Insured	Standard +0%	<b>MetLife</b> -21%	Three year guarantee.
Voluntary Short-Term Disability	Fully-Insured	Standard +0%	<b>MetLife</b> +0.6%	Three year guarantee.
EAP	Service Contract	Magellan -2.4%	Magellan +0%	Last year of two-year guarantee.
Voluntary Long Term Care	Fully-Insured	UNUM +0%	UNUM +25%	Decision pending.
Health Programs	Service Contract	Alere +0%	Alere +0%	
Health Programs	Service Contract	Health Force Partners +0% (Terminate 1/1/15)	<b>Simply Engaged (UHC)</b>	Simply Engaged wellness included with UHC.

Note: Bolded items indicate a change in carrier from 2014.

# Trust Financial Projections

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# 2015 Budget — Final Scenario

## Financial Projections Comparison Final Scenario: SQ Contrib strategy, UHC January 1, 2015 - December 31, 2015

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

### Estimated Income

	1/1/2014 - 12/31/2014 Projection				1/1/2015 - 12/31/2015 Projection				1/1/2016 - 12/31/2016 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	1,900 <sup>(1)</sup>	8	\$11,672,771	\$768.00 <sup>(2)</sup>	1,900 <sup>(1)</sup>	8	\$11,672,771	0%	\$11,672,771
Employer Contributions (September through December)	\$768.00	1,900 <sup>(1)</sup>	4	\$5,836,385	\$768.00 <sup>(2)</sup>	1,900 <sup>(1)</sup>	4	\$5,836,385	0%	\$5,836,385
Additional Supplemental District Contribution				\$0				\$0	0%	\$0
Employee Contributions	n/a	n/a		\$6,083,477				\$6,191,293	10%	\$6,810,423
Investment Income <sup>(3)</sup>				\$50,000				\$50,000	0%	\$50,000
<b>Total Estimated Revenues</b>				<b>\$23,642,633</b>				<b>\$23,750,449</b>		<b>\$24,369,579</b>

### Estimated Expenses

	1/1/2014 - 12/31/2014 Projection				1/1/2015 - 12/31/2015 Projection				1/1/2016 - 12/31/2016 Projection	
	YTD Actual 1/1/14-7/31/14	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 (Remain for 2015)	\$69,868	\$5.90	1,696	\$119,900	\$5.90	1,696	12	\$120,077	0%	\$120,077
MetLife Voluntary Term Life Premiums (Remain for 2015)	\$112,334	\$16,622.63 <sup>(4)</sup>	n/a	\$195,447	\$16,623	n/a	12	\$199,472	0%	\$199,472
Standard Voluntary STD Premiums (MetLife for 2015)	\$84,150	\$12,021.37 <sup>(4)</sup>	n/a	\$144,256	\$12,021	n/a	12	\$144,256	0%	\$144,256
Standard LTD Premiums (MetLife for 2015)	\$258,608	\$20.55 <sup>(4)</sup>	1,802	\$443,763	\$16.26	1,802	12	\$351,606	0%	\$351,606
Delta Dental Premiums (Remain for 2015)	\$890,124	\$85.40 <sup>(4)</sup>	1,491	\$1,532,000	\$87.15 <sup>(5)</sup>	1,491	12	\$1,582,142	5%	\$1,661,250
Willamette Dental Premiums (Remain for 2015)	\$253,084	\$74.70 <sup>(4)</sup>	491	\$436,472	\$74.70 <sup>(5)</sup>	491	12	\$443,800	5%	\$465,990
WEA Medical Premiums (UHC for 2015)	\$7,953,412	n/a	1,128	\$13,830,148	n/a	1,128	12	\$13,931,700	12%	\$15,603,504
Premiera WEA Vision (MetLife for 2015)	\$234,830	\$16.80 <sup>(4)</sup>	1,998	\$399,146	\$15.92	1,998	12	\$387,171	0%	\$387,171
Group Health Medical Premiums <sup>(6)</sup>	\$3,764,743	n/a	509	\$6,465,113	n/a	509	12	\$7,282,166	10%	\$8,010,383
UNUM Voluntary LTC Premiums	\$6,689	\$955.50	n/a	\$11,466	\$1,194	n/a	12	\$14,333	25%	\$17,916
Wellness Program Internal Support	n/a	n/a	n/a	\$30,625	n/a	n/a	n/a	\$26,250	0%	\$26,250
Magellan EAP	\$22,153	\$1.65	1,918	\$37,976	\$1.65	1,918	12	\$37,976	5%	\$39,875
Quit for Life Tobacco Cessation	n/a	n/a	n/a	\$2,250	n/a	n/a	n/a	\$2,250	0%	\$2,250
Mind & Body	n/a	n/a	n/a	\$0	n/a	n/a	n/a	\$0	0%	\$0
Weight Watchers	n/a	n/a	n/a	\$9,852				\$30,000	0%	\$30,000
Mercer Consulting Fee	n/a	n/a	n/a	\$55,000	n/a	n/a	n/a	\$55,000	0%	\$55,000
ESEBT Administration <sup>(7)</sup>	n/a	n/a	n/a	\$155,679	n/a	n/a	n/a	\$160,349	3%	\$165,160
<b>Total Estimated Expenses</b>				<b>\$23,869,094</b>				<b>\$24,768,549</b>		<b>\$27,280,160</b>
<b>Estimated Surplus / (Deficit)</b> (based on estimated/current enrollment)				<b>(\$226,460)</b>				<b>(\$1,018,100)</b>		<b>(\$2,910,581)</b>
<b>Unallocated reserve at December 31 <sup>(8)</sup></b>				<b>\$7,811,114</b>				<b>\$6,793,013</b>		<b>\$3,882,432</b>
Months of expenses				3.9				3.3		1.7



# 2015 Budget Notes

## Notes:

- (1) Enrollment based on July 2014 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, 2014 and 2015.
- (3) Based on investment earnings plus appreciation of market value through April 2014 with assumed interest for May from ESEBT Statement of Operations and Fund Balance.
- (4) Based on current rates and July 2014 enrollment.
- (5) Based on WEA renewals effective November 1, 2014. 2015 is based on UHC Medical. Projected 2015/2016 is estimated at a 5% increase effective November 1, 2015 for dental. No change to vision. A 12% increase for UHC medical.
- (6) Based on Group Health renewal effective January 1, 2015 (12.4% increase).
- (7) Based on administrative expenses from January through April 2014 annualized from ESEBT Statement of Operations and Fund Balance. Assumes an increase of 3% for 2015.
- (8) Based on a year end fund balance at 12/31/2013 of \$8,037,574.

## 2015 Rates and Contributions — Final Scenario

	Current Enrollment by Tier	2014 Rates	2014 EE Contribs	2014 ER Contribs	2014 Aggregate EE Contribs	Projected Enrollment by Tier	UHC 2015 Rates	2015 EE Contribs	2015 ER Contribs	Aggregate EE Contribs	
WEA Plan 2											
Employee Only	104	\$795.81	\$240.36	\$555.45	\$299,969	104	\$788.06	\$237.96	\$550.10	\$296,974	
EE + Spouse	59	\$1,456.37	\$492.94	\$963.43	\$349,002	59	\$1,442.19	\$488.16	\$954.03	\$345,617	
EE + Child(ren)	57	\$1,062.41	\$342.24	\$720.17	\$234,092	57	\$1,052.07	\$338.94	\$713.13	\$231,835	
EE + Family	37	\$1,746.04	\$603.72	\$1,142.32	\$268,052	37	\$1,729.03	\$597.87	\$1,131.16	\$265,454	
Total	257	\$1,143.39				257	\$1,132.26				
WEA Plan 3											
Employee Only	165	\$712.12	\$156.67	\$555.45	\$310,207	165	\$705.26	\$155.16	\$550.10	\$307,217	
EE + Spouse	95	\$1,303.39	\$339.96	\$963.43	\$387,554	95	\$1,290.66	\$336.63	\$954.03	\$383,758	
EE + Child(ren)	94	\$950.84	\$230.67	\$720.17	\$260,196	94	\$941.53	\$228.40	\$713.13	\$257,635	
EE + Family	104	\$1,562.66	\$420.34	\$1,142.32	\$524,584	104	\$1,547.37	\$416.21	\$1,131.16	\$519,430	
Total	458	\$1,076.89				458	\$1,066.40				
WEA EasyChoice Plans											
Employee Only	104	\$508.30	\$111.83	\$396.47	\$139,564	104	\$500.58	\$110.13	\$390.45	\$137,442	
EE + Spouse	35	\$923.06	\$240.41	\$682.65	\$100,972	35	\$916.09	\$238.94	\$677.15	\$100,355	
EE + Child(ren)	43	\$674.19	\$163.26	\$510.93	\$84,242	43	\$668.28	\$162.12	\$506.16	\$83,654	
EE + Family	70	\$1,105.92	\$297.09	\$808.83	\$249,556	70	\$1,098.29	\$295.42	\$802.87	\$248,153	
Total	252	\$760.22				252	\$752.94				
WEA Plan 5											
Employee Only	59	\$930.85	\$375.40	\$555.45	\$265,783	59	\$947.13	\$397.03	\$550.10	\$281,097	
EE + Spouse	21	\$1,788.78	\$825.35	\$963.43	\$207,988	21	\$1,733.29	\$779.26	\$954.03	\$196,374	
EE + Child(ren)	26	\$1,270.08	\$549.91	\$720.17	\$171,572	26	\$1,264.43	\$551.30	\$713.13	\$172,006	
EE + Family	17	\$2,154.91	\$1,012.59	\$1,142.32	\$206,568	17	\$2,078.04	\$946.88	\$1,131.16	\$193,164	
Total	123	\$1,318.21				123	\$1,304.73				
WEA QHDHP											
Employee Only	9	\$399.60	\$87.91	\$311.69	\$9,494	9	\$391.46	\$86.12	\$305.34	\$9,301	
EE + Spouse	1	\$724.78	\$188.72	\$536.06	\$2,265	1	\$716.39	\$186.85	\$529.54	\$2,242	
EE + Child(ren)	2	\$529.67	\$128.23	\$401.44	\$3,078	2	\$522.60	\$126.77	\$395.83	\$3,042	
EE + Family	5	\$856.34	\$229.50	\$626.84	\$13,770	5	\$858.88	\$231.02	\$627.86	\$13,861	
Total	17	\$568.37				17	\$563.48				
GHC											
Employee Only	201	\$682.29	\$123.00	\$559.29	\$296,676	201	\$766.77	\$138.00	\$628.77	\$332,856	
EE + Spouse	81	\$1,289.53	\$281.00	\$1,008.53	\$273,132	81	\$1,449.20	\$315.00	\$1,134.20	\$306,180	
EE + Child(ren)	86	\$941.56	\$190.00	\$751.56	\$196,080	86	\$1,058.15	\$214.00	\$844.15	\$220,848	
EE + Family	141	\$1,541.98	\$347.00	\$1,194.98	\$587,124	141	\$1,732.91	\$389.00	\$1,343.91	\$658,188	
Total	509	\$1,060.88				509	\$1,192.23				
All Med (Actives)											
COBRA/Plan 2	\$1,173,513	\$13,805,346			\$5,441,520		\$13,670,412			\$5,566,683	
COBRA/Plan 3					\$94,901		COBRA/UHC Option 2			\$81,522	
COBRA/Plan 3					\$121,689		COBRA/Option 3			\$127,968	
COBRA/GHC					\$1,061		COBRA/GHC			\$0	
COBRA/Easy Choice					\$36,490		COBRA/UHC Option 4,5,6			\$36,141	
COBRA/Plan 5					\$23,728		COBRA/UHC Option 1			\$15,657	
COBRA/QDHP					\$0		COBRA/UHC Option 7			\$0	
COBRA/WDS					\$9,808.80		COBRA/Delta Dental			\$9,860	
COBRA/Willamette					\$0		COBRA/Willamette			\$0	
COBRA/Vision					\$3,110.40		COBRA/Vision			\$2,292	
Vol. Term Life					\$195,447		Vol. Term Life			\$195,447	
Vol. Long Term Care					\$11,466		Vol. Long Term Care			\$11,466	
Vol. Short Term Disability					\$144,256		Vol. Short Term Disability			\$144,256	
Total Contributions					\$6,083,477						\$6,191,292

<sup>[1]</sup> Enrollment as of July 2014 and provided by District.

<sup>[2]</sup> COBRA Enrollment based on July 2014 ESEBT Payments to carriers.

## Employee Contributions

	2014 Contributions	2015 Contributions	% Change
<b>WEA Plan 2</b>	<b>WEA Plan 2</b>	<b>UHC Option 2</b>	
EE	\$240.36	\$237.96	-1.0%
EE + Spouse	\$492.94	\$488.16	-1.0%
EE + Child(ren)	\$342.24	\$338.94	-1.0%
EE + Family	\$603.72	\$597.87	-1.0%
<b>WEA Plan 3</b>	<b>WEA Plan 3</b>	<b>UHC Option 3</b>	
EE	\$156.67	\$155.16	-1.0%
EE + Spouse	\$339.96	\$336.63	-1.0%
EE + Child(ren)	\$230.67	\$228.40	-1.0%
EE + Family	\$420.34	\$416.21	-1.0%
<b>WEA Plan EasyChoice</b>	<b>WEA Plan Easy Choice</b>	<b>UHC Options 4, 5, 6</b>	
EE	\$111.83	\$110.13	-1.5%
EE + Spouse	\$240.41	\$238.94	-0.6%
EE + Child(ren)	\$163.26	\$162.12	-0.7%
EE + Family	\$297.09	\$295.42	-0.6%
<b>WEA Plan 5</b>	<b>WEA Plan 5</b>	<b>UHC Option 1</b>	
EE	\$375.40	\$397.03	5.8%
EE + Spouse	\$825.35	\$779.26	-5.6%
EE + Child(ren)	\$549.91	\$551.30	0.3%
EE + Family	\$1,012.59	\$946.88	-6.5%
<b>WEA QHDHP</b>	<b>WEA QHDHP</b>	<b>UHC HDHP Option 7</b>	
EE	\$87.91	\$86.12	-2.0%
EE + Spouse	\$188.72	\$186.85	-1.0%
EE + Child(ren)	\$128.23	\$126.77	-1.1%
EE + Family	\$229.50	\$231.02	0.7%
<b>Group Health</b>	<b>Group Health</b>	<b>Group Health</b>	
EE	\$123.00	\$138.00	12.2%
EE + Spouse	\$281.00	\$315.00	12.1%
EE + Child(ren)	\$190.00	\$214.00	12.6%
EE + Family	\$347.00	\$389.00	12.1%

# Short Term Disability Policy

The background of the slide features a series of overlapping, wavy horizontal bands in various shades of blue and teal. The top band is a dark navy blue. Below it is a medium blue band. A lighter, pale blue band follows, which has a wavy, undulating shape. The bottom-most band is a bright, vibrant teal color. The overall effect is a modern, abstract design.

## Short term disability policy

- Presently, ESEBT allows employees to use their sick bank hours while out on STD to gross up the STD benefit to 100% of the pre-disability earnings.
- Common and best practice with STD is to provide an employee with a reasonable income while out on disability, but to still have an incentive to return to work.
- Generally, employers with sick leave banks require the employee to exhaust the sick leave bank prior to beginning STD benefits
  - Alternatively, you could allow sick leave through the STD waiting period, but then disallow use of sick leave while on STD
- The current process is administratively cumbersome for HR and payroll

# APPENDIX

The image consists of three horizontal bands of color. The top band is a dark navy blue and contains the word 'APPENDIX' in white, uppercase, sans-serif font. The middle band is a medium blue, and the bottom band is a light cyan blue. The bands are separated by thin white lines. The word 'APPENDIX' is positioned in the upper left area of the top band.

# 2015 Final 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, and the bottom band is a bright cyan. The boundary between the top and middle bands is a diagonal line that slopes upwards from left to right. The bottom band is a solid, horizontal rectangle at the base of the slide.

## Renewals — Medical

### UHC Medical Plans (Fully-Insured)

- UHC plans are designed to match the WEA plans
- All plans meet ACA requirements that medical and Rx must have a combined out-of-pocket maximum. This represents an expansion of benefits to members relative to WEA plans, as Rx copays will now accrue to the out-of-pocket maximum (the WEA plans will not include this provision since they renew 11/1/2015).



## Renewals — Dental

### WEA Delta Dental and Willamette Plans

#### WEA Delta Dental of WA (Fully Insured)

- 2% increase in rate effective 11/1/14.
- No plan design changes.

#### WEA Willamette Dental Plan (Fully Insured)

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

Tier	Active Enrollment	Current Rates	2015 Rates
Delta Dental of WA	1,491	\$85.40	\$87.15
Willamette	491	\$74.70	\$74.70
Total Projected Annual Cost		\$1,956,836	\$1,987,916
\$ Increase/(Decrease) Over Current			\$31,080
% Increase/(Decrease) Over Current			1.6%

## Renewals — Vision

### MetLife Vision Plan (Fully Insured)

- 5.2% decrease in rate effective 1/1/15.

	Active Enrollment	Current Rate	2015 Rate
Premera	1,998	\$16.80	\$15.92
Total Projected Annual Cost		\$402,797	\$381,698
\$ Change			(\$21,099)
% Change			-5.2%

Vision Benefits	In-Network	Out-of-Network
Exam Copay	\$5	\$0
Exam once every calendar year after copay	Paid in full	Covered up to \$45
Eyeglass lenses (pair) once every calendar year <ul style="list-style-type: none"> <li>• Single vision/Bifocal/Trifocal/Lenticular</li> <li>• Continuous blend</li> <li>• Lens tinting, coating, or oversize</li> </ul>	Paid in full Paid in full after copay Paid in full after copay	Covered up to \$30/50/65/100 Applied to allowance Applied to allowance
Frames	\$130 allowance (up to \$70 at Costco) Once every 12 months	Covered up to \$70 Once every 12 months
Contact lenses (in lieu of frames and eyeglass lenses)	Covered up to \$130 allowance Once every 12 months	Covered up to \$105 Once every 12 months

## Renewals — Other Plans

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

- Overall rate increase of 12.4%.
- Health Care Reform:
  - All cost shares will now apply to the out-of-pocket maximum including copays, deductibles, coinsurance, and pharmacy cost shares.

Tier/Cost	Active Enrollment	2014 Monthly Rates	2015 Rates	% Change
Employee	201	\$682.29	\$766.77	12.4%
Employee + Spouse	81	\$1,289.53	\$1,449.2	12.4%
Employee + Child(ren)	86	\$941.56	\$1,058.15	12.4%
Employee + Family	141	\$1,541.98	\$1,732.91	12.4%
Annual Total		\$6,479,827	\$7,282,166	12.4%
\$ Increase Over Current			\$802,339	
% Increase Over Current			12.4%	

## Renewals — Life, AD&D and Supplemental Life MetLife (Fully-Insured)

- Basic Life and Accidental Death & Dismemberment:
  - Rates shown represent no change from current. MetLife is extending current rates an additional three years through December 31, 2017.

Coverage	Enrollment	Rate (per \$1,000)
Basic Life Insurance	1,696	\$0.10
Basic AD&D Insurance	1,696	\$0.018
Combined Life and AD&D Composite Rate	1,696	\$5.90 PEPM
Projected Annual Cost		\$120,077

- Supplemental Life:
  - MetLife is extending current rates an additional three years through December 31, 2017.

Age Range	Rate (per \$1,000)	Age Range	Rate (per \$1,000)
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 — STD & LTD

### MetLife (Fully-Insured)

- Renewal Summary:
  - Three-year rate guarantee through December 31, 2017.
- Voluntary Short-Term Disability:

Age Range	Rate per \$10 of weekly benefit	Age Range	Rate per \$10 of weekly benefit
Under 25	\$0.45	45 - 49	\$0.58
25 - 29	\$0.47	50 - 54	\$0.72
30 - 34	\$0.49	55 - 59	\$0.88
35 - 39	\$0.44	60 - 64	\$1.04
40 - 44	\$0.47	65 and Over	\$1.04

- Long-Term Disability:
  - Three-year rate guarantee through December 31, 2017.

Coverage	PEPM Rate
Long-Term Disability	\$16.26

## Renewals — Other Plans

### Magellan Employee Assistance Plan (Service Contract)

- Last year of a two-year rate guarantee through December 31, 2015.

	PEPM Rate
EAP	\$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 for a 25% increase 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.
- Current enrollment is 18 employees. If ESEBT enrollment drops below 10, then the group coverage would terminate and those enrolled would be ported to individual coverage with the same rates.

## Renewals — Other Plans

### Alere Health Programs (Service Contract)

- No rate changes through December 31, 2015.

Component	Fee Per Participant
Quit for Life	\$375

### Health Force Partners

- Terminating for 2015
- Wellness services will be provided by Simply Engaged (UHC's wellness platform, included with UHC medical)

UHC Medical

The background of the slide is composed of three horizontal bands of color. The top band is a dark navy blue, the middle band is a medium teal blue, and the bottom band is a bright cyan blue. The text 'UHC Medical' is positioned in the top dark blue band.



## UHC Medical

- UnitedHealthCare (UHC) is a national Plan administrator that owns and operates its network. Typically, the network overlap between UHC and any other national carrier, including Premera, is significant, and we expect minimal provider disruption.
- UHC provided a total replacement quote comprised of seven plan options, designed to match the current WEA plans 2, 3, 5, QHDHP, and EasyChoice A, B, and C.
- ESEBT enrollees may choose from any of the seven options.
- No option was provided to match ESEBT's current GHC HMO plan offering. ESEBT has renewed the HMO product with GHC.
- A 12% renewal cap was included in the UHC proposal for 2016.

# UHC

## Plan Design Offerings

1 UHC Option 1 (WEA 5)	2 UHC Option 2 (WEA 2)	3 UHC Option 3 (WEA 3)	4 UHC Option 4 (WEA A)
Broad Network	Broad Network	Broad Network	Broad Network
\$200/\$600 deductible	\$200/\$600 deductible	\$300/\$900 deductible	\$1,000/\$3,000 deductible
90/10% coinsurance	80/20% coinsurance	80/20% coinsurance	80/20% coinsurance
\$500/\$1,500 OOP max	\$1,500/\$4,500 OOP max	\$2,750/\$8,250 OOP max	\$4,000/\$12,000 OOP max
\$15 OV	\$25 OV	\$30 OV	\$15 OV

5 UHC Option 5 (WEA B)	6 UHC Option 6 (WEA C)	7 UHC Option 7 (QHDHP)
Broad Network	Broad Network	Broad Network
\$750/\$2,250 deductible	\$100/\$300 deductible	\$1,500/\$3,000 deductible
75/25% coinsurance	65/35% coinsurance	80/20% coinsurance
\$3,500/\$10,500 OOP max	\$4,200/\$12,600 OOP max	\$4,000/\$8,000 OOP max
\$30 OV	\$35 OV	Ded/Coins. OV

# UHC

## Plan Comparison to Current Plans

	1 UHC Option 1	2 UHC Option 2	3 UHC Option 3	4 UHC Option 4	5 UHC Option 5	6 UHC Option 6	7 UHC HDHP Option 7
<b>WEA Plan 2</b> Broad Network \$200/\$600 deductible 80/20% coinsurance \$1,500/\$4,500 OOP max \$25 OV		X					
<b>WEA Plan 3</b> Broad Network \$300/\$900 deductible 80/20% coinsurance \$2,750/\$8,250 OOP max \$30 OV			X				
<b>WEA Plan 5</b> Narrow Network \$200/\$600 deductible 90/10% coinsurance \$500/\$1,500 OOP max \$15 OV	X						
<b>WEA QHDHP</b> Narrow Network \$1,500/\$3,000 deductible 80/20% coinsurance \$4,000/\$8,000 OOP max 20% OV							X
<b>WEA Easy Choice A/B/C</b> Broad/Broad/Narrow \$1,000/750/250 80/75/65% \$5,000/4,000/7,500 OOP Max \$15/30/35 OV				X	X	X	

# UHC

## Potential Savings

		Effective January 1, 2015			Effective January 1, 2015					
		2014 (CURRENT)	2015 (RENEWAL)			2015 (ALTERNATIVE)				
		WEA	WEA			UNITED HEALTHCARE (UHC)				
WEA Plan 2		Total	Total	\$ Increase	% Change	Total	\$ Increase Over Current	\$ Increase Over Renewal	% Change Over Current	% Change Over Renewal
		\$200 Ded; \$25 OVC; \$1,500 OOP; 80%; \$10/\$20/\$35 Rx	\$200 Ded; \$25 OVC; \$1,500 OOP; 80%; \$10/\$20/\$35 Rx			Option 2 \$200 Ded; \$25 OVC; \$1,500 OOP; 80%; \$10/\$20/\$35 Rx				
Employee Only	104	\$776.40	\$837.75	\$61.35	7.90%	788.06	\$11.66	(\$49.69)	1.50%	(5.93%)
Employee / Spouse	59	\$1,420.85	\$1,532.75	\$111.90	7.88%	1442.19	\$21.34	(\$90.56)	1.50%	(5.91%)
Employee / Children	57	\$1,036.50	\$1,118.25	\$81.75	7.89%	1052.07	\$15.57	(\$66.18)	1.50%	(5.92%)
Employee / Family	37	\$1,703.45	\$1,837.50	\$134.05	7.87%	1729.03	\$25.58	(\$108.47)	1.50%	(5.90%)
Annualized Total	257	\$3,440,207	\$3,711,432	\$271,225	7.88%	\$3,491,875	\$51,668	(\$219,557)	1.50%	(5.92%)
WEA Plan 3		Total	Total	\$ Increase	% Change	Total	\$ Increase Over Current	\$ Increase Over Renewal	% Change Over Current	% Change Over Renewal
		\$300 Ded; \$30 OVC; \$2,750 OOP; 80%; \$15/\$25/\$40 Rx	\$300 Ded; \$30 OVC; \$2,750 OOP; 80%; \$15/\$25/\$40 Rx			Option 3 \$300 Ded; \$30 OVC; \$2,750 OOP; 80%; \$15/\$25/\$40 Rx				
Employee Only	165	\$694.75	\$749.70	\$54.95	7.91%	\$705.26	\$10.51	(\$44.44)	1.51%	(5.93%)
Employee / Spouse	95	\$1,271.60	\$1,371.80	\$100.20	7.88%	\$1,290.66	\$19.06	(\$81.14)	1.50%	(5.91%)
Employee / Children	94	\$927.65	\$1,000.85	\$73.20	7.89%	\$941.53	\$13.88	(\$59.32)	1.50%	(5.93%)
Employee / Family	104	\$1,524.55	\$1,644.55	\$120.00	7.87%	\$1,547.37	\$22.82	(\$97.18)	1.50%	(5.91%)
Annualized Total	458	\$5,774,257	\$6,229,615	\$455,359	7.89%	\$5,860,931	\$86,674	(\$368,684)	1.50%	(5.92%)
WEA Plan 5		Total	Total	\$ Increase	% Change	Total	\$ Increase Over Current	\$ Increase Over Renewal	% Change Over Current	% Change Over Renewal
		\$200 Ded; \$15 OVC; \$500 OOP; 90%; \$10/\$15/\$30 Rx	\$200 Ded; \$15 OVC; \$500 OOP; 90%; \$10/\$15/\$30 Rx			Option 1 \$200 Ded; \$15 OVC; \$500 OOP; 90%; \$10/\$15/\$30 Rx				
Employee Only	59	\$908.15	\$979.85	\$71.70	7.90%	947.13	\$38.98	(\$32.72)	4.29%	(3.34%)
Employee / Spouse	21	\$1,745.15	\$1,882.45	\$137.30	7.87%	1733.29	(\$11.86)	(\$149.16)	(0.68%)	(7.92%)
Employee / Children	26	\$1,239.10	\$1,336.75	\$97.65	7.88%	1264.43	\$25.33	(\$72.32)	2.04%	(5.41%)
Employee / Family	17	\$2,102.35	\$2,267.65	\$165.30	7.86%	2078.04	(\$24.31)	(\$189.61)	(1.16%)	(8.36%)
Annualized Total	123	\$1,898,227	\$2,047,778	\$149,551	7.88%	\$1,925,779	\$27,553	(\$121,998)	1.45%	(5.96%)

All estimates based upon the information available at a point in time are subject to unforeseen and random events. Therefore, any projection must be interpreted as having a likely range of variability from the estimate.

# UHC

## Potential Savings

Effective January 1, 2015

Effective January 1, 2015

		2014 (CURRENT)	2015 (RENEWAL)			2015 (ALTERNATIVE)				
		WEA	WEA			UNITED HEALTHCARE (UHC)				
WEA EasyChoice*		Total	Total	\$ Increase	% Change	Total	\$ Increase Over Current	\$ Increase Over Renew al	% Change Over Current	% Change Over Renew al
		\$1,000 Ded; \$15 OVC; \$5,000 OOP; 80%; \$500-\$0/30%/30% Rx \$750 Ded; \$30 OVC; \$4,000 OOP; 75%; \$250-\$0/\$30/\$45 Rx \$0 Ded; \$35 OVC; \$7,500 OOP; 65%; \$500-\$0/\$30/\$45 Rx	\$1,000 Ded; \$15 OVC; \$4,000 OOP; 80%; \$500-\$0/30%/30% Rx \$750 Ded; \$30 OVC; \$3,500 OOP; 75%; \$250-\$0/\$30/\$45 Rx \$100 Ded; \$35 OVC; \$4,200 OOP; 65%; \$500-\$0/\$30/\$45 Rx			Option 4, 5, 6 \$1,000 Ded; \$15 OVC; \$4,000 OOP; 80%; \$500-\$0/30%/30% Rx \$750 Ded; \$30 OVC; \$3,500 OOP; 75%; \$250-\$0/\$30/\$45 Rx \$100 Ded; \$35 OVC; \$4,200 OOP; 65%; \$500-\$0/\$30/\$45 Rx				
Employee Only	104	\$495.90	\$535.25	\$39.35	7.94%	\$500.58	\$4.68	(\$34.67)	0.94%	(6.48%)
Employee / Spouse	35	\$900.55	\$971.65	\$71.10	7.90%	\$916.09	\$15.54	(\$55.56)	1.73%	(5.72%)
Employee / Children	43	\$657.75	\$709.80	\$52.05	7.91%	\$668.28	\$10.53	(\$41.52)	1.60%	(5.85%)
Employee / Family	70	\$1,078.95	\$1,164.05	\$85.10	7.89%	\$1,098.29	\$19.34	(\$65.76)	1.79%	(5.65%)
Annualized Total	252	\$2,242,831	\$2,420,144	\$177,313	7.91%	\$2,276,878	\$34,047	(\$143,266)	1.52%	(5.92%)
WEA QHDHP		Total	Total	\$ Increase	% Change	Total	\$ Increase Over Current	\$ Increase Over Renew al	% Change Over Current	% Change Over Renew al
		\$1,500 Ded; \$4,000 OOP; 80%; 20% Rx	\$1,500 Ded; \$4,000 OOP; 80%; 20% Rx			Option 7 \$1,500 Ded; \$4,000 OOP; 80%; 20% Rx				
Employee Only	9	\$389.85	\$420.90	\$31.05	7.96%	\$391.46	\$1.61	(\$29.44)	0.41%	(6.99%)
Employee / Spouse	1	\$707.10	\$763.05	\$55.95	7.91%	\$716.39	\$9.29	(\$46.66)	1.31%	(6.11%)
Employee / Children	2	\$516.75	\$557.75	\$41.00	7.93%	\$522.60	\$5.85	(\$35.15)	1.13%	(6.30%)
Employee / Family	5	\$835.45	\$901.45	\$66.00	7.90%	\$858.88	\$23.43	(\$42.57)	2.80%	(4.72%)
Annualized Total	17	\$113,118	\$122,087	\$8,969	7.93%	\$114,950	\$1,832	(\$7,137)	1.62%	(5.85%)
GHC		Total	Total	\$ Increase	% Change	Total	\$ Increase Over Current	\$ Increase Over Renew al	% Change Over Current	% Change Over Renew al
		No Ded; \$15 OV; \$2,000 OOP; No Coins; \$10/20/NC Rx	No Ded; \$15 OV; \$2,000 OOP; No Coins; \$10/20/NC Rx			GHC HMO No Ded; \$15 OV; \$2,000 OOP; No Coins; \$10/20/NC Rx				
Employee Only	201	\$682.29	\$766.77	\$84.48	12.38%	\$766.77	\$84.48	\$0.00	12.38%	0.00%
Employee / Spouse	81	\$1,289.53	\$1,449.20	\$159.67	12.38%	\$1,449.20	\$159.67	\$0.00	12.38%	0.00%
Employee / Children	86	\$941.56	\$1,058.15	\$116.59	12.38%	\$1,058.15	\$116.59	\$0.00	12.38%	0.00%
Employee / Family	141	\$1,541.98	\$1,732.91	\$190.93	12.38%	\$1,732.91	\$190.93	\$0.00	12.38%	0.00%
Annualized Total	509	\$6,479,827	\$7,282,166	\$802,339	12.38%	\$7,282,166	\$802,339	\$0	12.38%	0.00%
Combined Total		Total	Total	\$ Increase	% Change	Total	\$ Increase Over Current	\$ Increase Over Renew al	% Change Over Current	% Change Over Renew al
Annualized Total	1,616	\$19,948,466	\$21,813,222	\$1,864,756	9.35%	\$20,952,578	\$1,004,112	(\$860,643)	5.03%	(3.95%)
Annualized Savings							\$860,643			

All estimates based upon the information available at a point in time are subject to unforeseen and random events. Therefore, any projection must be interpreted as having a likely range of variability from the estimate.

# UHC

## Estimated Two-year Gain / (Loss) to ESEBT with UHC Proposal

### UHC Proposal

Current Plans		6% increase to UHC plans in 2016	8% increase to UHC plans in 2016	10% increase to UHC plans in 2016	12% increase to UHC plans in 2016
	6% increase in 2016	\$1,773,000	\$1,500,000	\$1,226,000	\$953,000
	8% increase in 2016	\$2,064,000	\$1,790,000	\$1,517,000	\$1,243,000
	10% increase in 2016	\$2,354,000	\$2,081,000	\$1,807,000	\$1,534,000
	12% increase in 2016	\$2,645,000	\$2,371,000	\$2,098,000	\$1,825,000

\* Assumes the GHC HMO plan would increase in % according to the left axis.

If current plans should renew at 6% in 2016, and UHC were to renew at the agreed cap of 12%, there would still be projected savings of \$953,000 over two years.

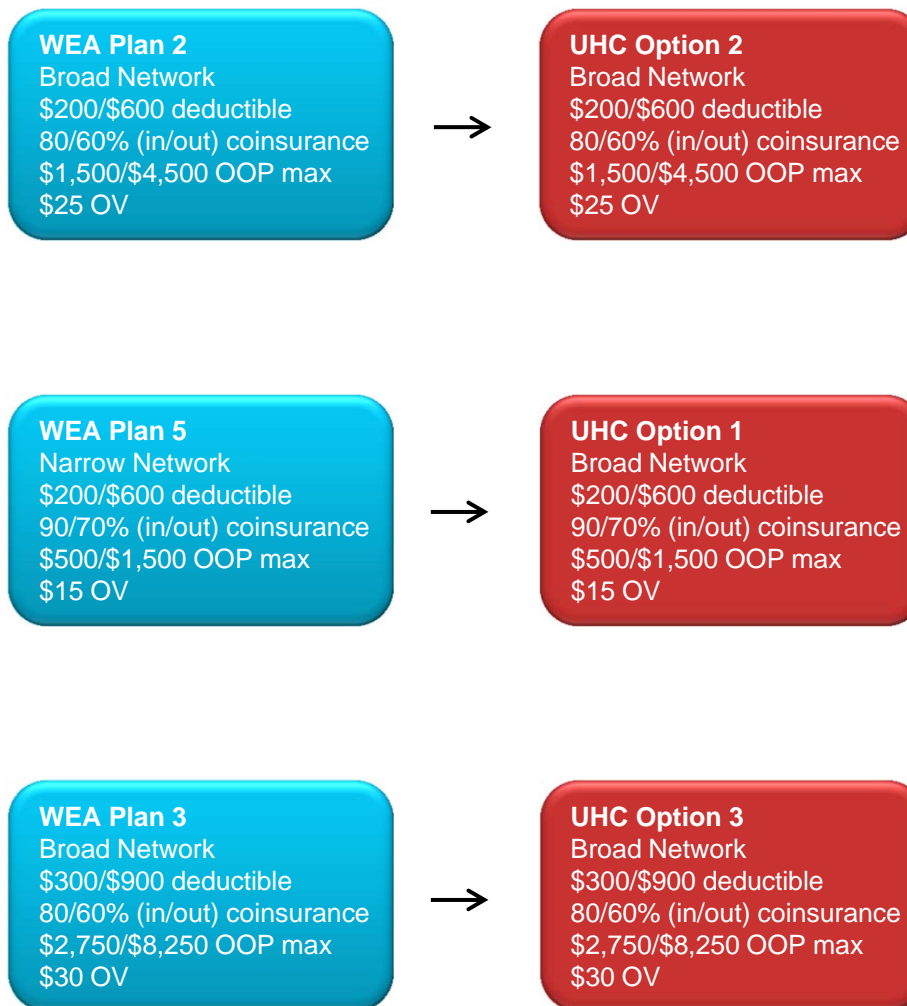
## UHC

### Simply Engaged Wellness Program

- UHC is including their Simply Engaged wellness program available to all employees enrolled in a UHC plan.
- This included service represents a savings of \$3.42 per employee per month, not including the gift cards provided. On premium basis 1-2% savings.
- This program includes:
  - Coordination of health screening events.
  - Assistance in administering incentive programs.
  - Online Health Assessments.
  - Online wellness coaching.
  - Telephonic wellness coaching.
  - Gift card incentive program:
    - Employees can earn \$175 (\$350 for EE and spouse) in gift cards at hundreds of vendors (ESEBT can choose which vendors) by utilizing health risk assessments (\$75), telephonic coaching (\$75) and online coaching (\$25). UHC pays all associated costs of gift cards.
- Onsite biometrics is included for locations with 50+ eligible and would be step 1 to the incentive program.

## UHC Plans

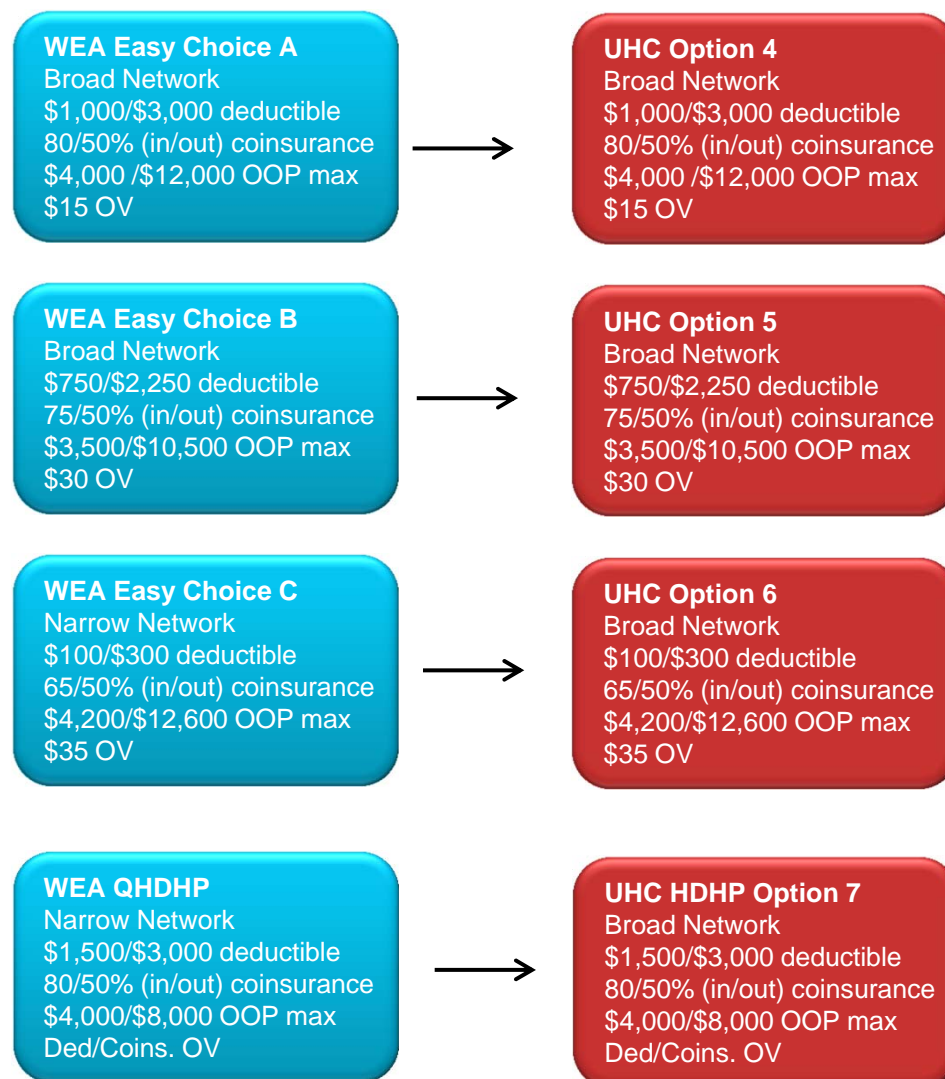
### Plan Comparison — WEA Plans 2, 5, and 3





# UHC Plans

## Plan Comparison — WEA EasyChoice and QHDHP plans



# 2015 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 bright cyan. The boundary between the top and middle bands is a diagonal line that slopes upwards from left to right. The bottom band is a solid, horizontal rectangle at the base of the slide.

# 2015 Medical Benefit Chart

## 2015 Medical Benefit Comparison Everett School Employee Benefits Trust (Effective January 1, 2015 to December 31, 2015)

Medical	UHC Option 2	UHC Option 3	UHC Option 1	UHC Option 4,5,6	UHC HDHP Option 7	GHC HMO Plan
Annual Deductible	\$200/person \$600/family	\$300/person \$900/family	\$200/person \$600/family Non-network \$350 per person	Option 4: \$1,000/\$3,000 in-network Option 5: \$750/\$2,250 in-network Option 6: \$100/\$300 in-network All Plans include out-of-network ded.	\$1,500/person \$3,000/family	No deductible
Annual out of Pocket	\$1,500/person \$4,500/family (Includes deductible & copays)	\$2,750/person \$8,250/family (Includes deductible & copays)	\$500/person \$1,500/family (Includes deductible & copays) No out-of-pocket maximum for non-network services	Option 4: \$4,000/\$12,000 in-network Option 5: \$3,500/\$10,500 in-network Option 6: \$4,200/\$12,600 in-network (includes copay, coinsurance and deductible) All Plans out-of-network: Unlimited	\$4,000/person \$8,000/family	\$2,000/person \$4,000/family
Office Visit copays	\$25 network \$30 non-network (does not accrue towards deductible)	\$30 network \$40 non-network (does not accrue towards deductible)	\$15 network 30% non-network (does not accrue towards deductible)	Option 4: \$15 in / 50% out Option 5: \$30 in / 50% out Option 6: \$35 in / 50% out	80% coinsurance	\$15 copay
Hospital Inpatient copay	\$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	\$100 per day, up to 3 days per admission
Hospital Physician Services	80% network 60% non-network	80% network 60% non-network	90% network 70% non-network	Option 4: 80% in / 50% out Option 5: 75% in / 50% out Option 6: 65% in / 50% out	80% coinsurance	100%
Preventive Care	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%	100%

## 2015 Medical Benefit Chart

Medical	UHC Option 2	UHC Option 3	UHC Option 1	UHC Option 4,5,6	UHC Option 7	GHC HMO Plan
Prescription Drug Copays	\$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): Option 4 - \$500; Option 5 - \$250; Option 6 - \$500 CY Out of pocket max/person: All plans - \$5,000 (Ded, OOP, copays)  Retail Copays: Option 4: \$0/\$30/30% Option 5 and 6: \$0/\$30/\$45  Mail Order Copays: Option 4: \$0/25%/25% Option 5 and 6: \$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
Rates						
EE	\$788.06	\$705.26	\$947.13	\$500.58	\$391.46	\$766.77
EE & Spouse	\$1,442.19	\$1,290.66	\$1,733.29	\$916.09	\$716.39	\$1,449.20
EE & Child(ren)	\$1,052.07	\$941.53	\$1,264.43	\$668.28	\$522.60	\$1,058.15
EE & Spouse & Child(ren)	\$1,729.03	\$1,547.37	\$2,078.04	\$1,098.29	\$858.88	\$1,732.91

## 2015 Dental Benefit Chart

### Delta Dental of WA Plan C (Fully-Insured)

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

## 2015 Dental Benefit Chart

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

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

## 2015 Other Benefit Charts

### Magellan (Service Contract)

#### Employee Assistance Plan

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

### UNUM (Fully-Insured)

#### Long Term Care

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

## 2015 Other Benefit Charts

### MetLife (Fully-Insured)

#### Life Insurance Programs

Coverage	Benefits
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.



## 2015 Other Benefit Charts

### MetLife (Fully-Insured)

#### Long-Term Disability Coverage


Coverage	Benefits
Benefit Waiting Period	90 days of continuous total disability
LTD Benefit	66 2/3% of basic monthly earnings
Maximum LTD Benefit	\$8,000 before reduction by deductible income
Minimum LTD Benefit	\$100 or 10% of LTD benefits before reduction by deductible income, whichever is greater
Benefit Duration (based on age at beginning of total disability) <ul style="list-style-type: none"> <li>• Under age 60</li> <li>• Age 60 through Age 64</li> <li>• Age 65 through Age 69</li> <li>• Age 70 and over</li> </ul>	<ul style="list-style-type: none"> <li>• To age 65</li> <li>• 5 years</li> <li>• To age 70</li> <li>• 1 year</li> </ul>
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

## 2015 Other Benefit Charts

### MetLife (Fully-Insured)

#### Voluntary Short-Term Disability Coverage

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



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

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