



North Carolina
State Health Plan
FOR TEACHERS AND STATE EMPLOYEES



2017 Premium Contribution Rates

Board of Trustees Meeting

August 5, 2016

A Division of the Department of State Treasurer

Presentation Overview

- 2016 Rate Structure for Permanent Employees and Retirees
- Proposed rates for self-funded plans (CDHP 85/15, Enhanced 80/20, and Traditional 70/30)
- Proposed rates for Medicare Advantage Prescription Drug Programs (MA)
- Proposed rates for member groups not eligible for full employer share (100% contributory, 50% contributory, etc.)
- Proposed rate policies for member groups with unusual circumstances
- Proposed rates for High Deductible Health Plan (HDHP) for non-permanent employees

Current 2016 Premium Rate Structure

Permanent Employees and Retirees

Employee/Retiree Premiums										
Active Employees and Non-Medicare Retirees										
		Participation in Wellness Activities								
Wellness Activities		All Three	Two Activities Completed			One Activity Completed		None		
Tobacco Attestation		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
PCP + Learning Module		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
HA Completion		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Wellness Plans		Employer Share*	Employee/Retiree Share							
Enhanced 80/20 Plan		\$463.68	\$14.20	\$39.20	\$39.20	\$54.20	\$64.20	\$79.20	\$79.20	\$104.20
Consumer-Directed Health Plan		\$463.68	\$0.00	\$20.00	\$20.00	\$40.00	\$40.00	\$60.00	\$60.00	\$80.00
Alternate Plan		Employer Share*	Employee/Retiree							
Traditional 70/30 Plan		\$463.68	\$0.00							
Medicare Retirees		Employer Share*	Retiree Share							
Medicare Advantage Plans										
MA-PDP Base Plan		\$360.24	\$0.00							
MA-PDP Enhanced Plan		\$360.24	\$66.00							
Traditional 70/30 Plan		\$360.24	\$0.00							

Total Employee/Retiree Contribution =

Employee/Retiree Share
of the Employee/Retiree Premium

+

Dependent Premium

Dependent Premiums						
Dependent Group	All Dependents are Non-Medicare			One or More Medicare Dependents		
	Non-Medicare Plan			Medicare Plan		
	Enhanced 80/20	CDHP	Traditional 70/30	MA-PDP Base	MA-PDP Enhanced	Traditional 70/30
Employee/Retiree + Child(ren)	\$280.52	\$189.82	\$210.92	\$132.00	\$198.00	\$150.06
Employee/Retiree + Spouse	\$646.32	\$489.14	\$543.46	\$132.00	\$198.00	\$394.56
Employee/Retiree + Family	\$685.22	\$520.96	\$578.86	\$264.00	\$396.00	\$429.92

Proposed 2017 Rates for Traditional Plans: *CDHP 85/15, Enhanced 80/20 and 70/30*

- Staff recommends 3.43% increases in:
 - The base employee premium on the Enhanced 80/20 Plan
 - Dependent rates in:
 - CDHP 85/15
 - Enhanced 80/20 Plan
 - Traditional 70/30 Plan (Medicare and non-Medicare dependent rates)
- The staff recommendation allows the Plan to:
 - Maintain the existing coverage tiers and rate structure
 - Be consistent with increases in the employer contribution for the 2015-17 Fiscal Biennium

Proposed 2017 Rates for Medicare Advantage Plans

- For Medicare Advantage plans, staff recommends:
 - Maintaining the \$0 retiree premium for Base MA plan
 - A slightly lower buy-up cost for Enhanced MA plan (\$64 instead of \$66)
 - Decreasing dependent premiums to reflect 2017 negotiated rates
 - Increasing the per member per month administrative fee for dependent coverage from \$4.00 to \$4.15

Recommended 2017 Medicare Advantage Rates

Coverage Tier	Base Plan			Enhanced Plan		
	2016	2017	% Chg	2016	2017	% Chg
Retiree Only	\$0	\$0	--	\$66.00	\$64.00	-3.0%
Retiree + Spouse	\$132.00	\$124.80	-5.5%	\$264.00	\$252.80	-4.2%
Retiree + Children	\$132.00	\$124.80	-5.5%	\$264.00	\$252.80	-4.2%
Retiree + Family	\$264.00	\$249.60	-5.5%	\$462.00	\$441.60	-4.4%

2017 Premium Rates Permanent Employees and Retirees: Staff Recommendation

Employee/Retiree Premiums										
Active Employees and Non-Medicare Retirees										
		Participation in Wellness Activities								
Wellness Activities		All Three	Two Activities Completed			One Activity Completed		None		
Tobacco Attestation		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
PCP Selection		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
HA Completion		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Wellness Plans		Employer Share	Employee/Retiree Share							
Enhanced 80/20 Plan		\$479.48	\$15.04	\$40.04	\$40.04	\$55.04	\$65.04	\$80.04	\$80.04	\$105.04
Consumer-Directed Health Plan		\$479.48	\$0.00	\$20.00	\$20.00	\$40.00	\$40.00	\$60.00	\$60.00	\$80.00
Traditional 70/30 Plan		Completed Tobacco Attestation		Employee/Retiree Share						
		Employer Share	Yes	No						
Active Employees		\$479.48	\$0.00	\$40.00						
Non-Medicare Retirees		\$479.48	-Not required-	\$0.00						
Medicare Retirees										
Medicare Advantage Plans		Employer Share	Retiree Share							
MA-PDP Base Plan		\$372.56	\$0.00							
MA-PDP Enhanced Plan		\$372.56	\$64.00							
Traditional 70/30 Plan		\$372.56	\$0.00							

Total Employee/Retiree Contribution =

Employee/Retiree Share
of the Employee/Retiree Premium

+

Dependent Premium

Dependent Premiums						
Dependent Group	All Dependents are Non-Medicare			One or More Medicare Dependents		
	Non-Medicare Plan			Medicare Plan		
	Enhanced 80/20	CDHP	Traditional 70/30	MA-PDP Base	MA-PDP Enhanced	Traditional 70/30
Employee/Retiree + Child(ren)	\$290.14	\$196.32	\$218.14	\$124.80	\$188.80	\$155.20
Employee/Retiree + Spouse	\$668.48	\$505.90	\$562.10	\$124.80	\$188.80	\$408.08
Employee/Retiree + Family	\$708.72	\$538.82	\$598.70	\$249.60	\$377.60	\$444.66

Premium Rate Comparison: 2016 vs. 2017

Permanent Employees and Retirees

Employee/Retiree Premiums									
Active Employees and Non-Medicare Retirees									
		Participation in Wellness Activities							
Wellness Activities		All Three	Two Activities Completed			One Activity Completed		None	
Tobacco Attestation		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
PCP Selection		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
HA Completion		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Wellness Plans		Employer Share	Employee/Retiree Share						
Enhanced 80/20 Plan		\$15.80	\$0.84	\$0.84	\$0.84	\$0.84	\$0.84	\$0.84	\$0.84
Consumer-Directed Health Plan		\$15.80	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Traditional 70/30 Plan		Employer Share	Completed Tobacco Attestation		Employee/Retiree Share				
			Yes	No					
Active Employees		\$15.80	\$0.00	\$40.00					
Non-Medicare Retirees		\$15.80	-Not required-	\$0.00					
Medicare Retirees									
Medicare Advantage Plans									
MA-PDP Base Plan		Employer Share	Retiree Share						
		\$12.32	\$0.00						
MA-PDP Enhanced Plan		\$12.32	(\$2.00)						
Traditional 70/30 Plan		\$12.32	\$0.00						

Total Employee/Retiree Contribution =

Employee/Retiree Share
of the Employee/Retiree Premium

+

Dependent Premium

Dependent Premiums						
Dependent Group	All Dependents are Non-Medicare			One or More Medicare Dependents		
	Non-Medicare Plan			Medicare Plan		
	Enhanced 80/20	CDHP	Traditional 70/30	MA-PDP Base	MA-PDP Enhanced	Traditional 70/30
Employee/Retiree + Child(ren)	\$9.62	\$6.50	\$7.22	(\$7.20)	(\$9.20)	\$5.14
Employee/Retiree + Spouse	\$22.16	\$16.76	\$18.64	(\$7.20)	(\$9.20)	\$13.52
Employee/Retiree + Family	\$23.50	\$17.86	\$19.84	(\$14.40)	(\$18.40)	\$14.74

2017 Active Employee Premium Rates: Staff Recommendation

Wellness Activities	Participation in Wellness Activities							
	All 3	Two Activities Completed			One Activity Completed			None
Tobacco Attestation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PCP Selection	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
HA Completion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Wellness Plans

Enhanced 80/20 Plan

Employee Only	\$15.04	\$40.04	\$40.04	\$55.04	\$65.04	\$80.04	\$80.04	\$105.04
Employee + Child(ren)	\$305.18	\$330.18	\$330.18	\$345.18	\$355.18	\$370.18	\$370.18	\$395.18
Employee + Spouse	\$683.52	\$708.52	\$708.52	\$723.52	\$733.52	\$748.52	\$748.52	\$773.52
Employee + Family	\$723.76	\$748.76	\$748.76	\$763.76	\$773.76	\$788.76	\$788.76	\$813.76

Consumer-Directed Health Plan

Employee Only	\$0.00	\$20.00	\$20.00	\$40.00	\$40.00	\$60.00	\$60.00	\$80.00
Employee + Child(ren)	\$196.32	\$216.32	\$216.32	\$236.32	\$236.32	\$256.32	\$256.32	\$276.32
Employee + Spouse	\$505.90	\$525.90	\$525.90	\$545.90	\$545.90	\$565.90	\$565.90	\$585.90
Employee + Family	\$538.82	\$558.82	\$558.82	\$578.82	\$578.82	\$598.82	\$598.82	\$618.82

Alternate Plan

Tobacco Attestation	
Yes	No

Traditional 70/30 Plan

Employee Only	\$0.00	\$40.00
Employee + Child(ren)	\$218.14	\$258.14
Employee + Spouse	\$562.10	\$602.10
Employee + Family	\$598.70	\$638.70

2017 Non-Medicare Retiree Premium Rates

CDHP 85/15 Subscribers: **Staff Recommendation**

Wellness Activities	Participation in Wellness Activities							
	All 3	Two Activities Completed			One Activity Completed			None
Tobacco Attestation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PCP + Learning Module	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
HA Completion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Non-Medicare for Retiree and Dependent(s)

Retiree Only	\$0.00	\$20.00	\$20.00	\$40.00	\$40.00	\$60.00	\$60.00	\$80.00
Retiree + Child(ren)	\$196.32	\$216.32	\$216.32	\$236.32	\$236.32	\$256.32	\$256.32	\$276.32
Retiree + Spouse	\$505.90	\$525.90	\$525.90	\$545.90	\$545.90	\$565.90	\$565.90	\$585.90
Retiree + Family	\$538.82	\$558.82	\$558.82	\$578.82	\$578.82	\$598.82	\$598.82	\$618.82

Medicare Primary for One or More Dependent(s)

Medicare Advantage Base Plan for Medicare Primary Dependents

Retiree + Child(ren)	\$124.80	\$144.80	\$144.80	\$164.80	\$164.80	\$184.80	\$184.80	\$204.80
Retiree + Spouse	\$124.80	\$144.80	\$144.80	\$164.80	\$164.80	\$184.80	\$184.80	\$204.80
Retiree + Family	\$249.60	\$269.60	\$269.60	\$289.60	\$289.60	\$309.60	\$309.60	\$329.60

Medicare Advantage Enhanced Plan for Medicare Primary Dependents

Retiree + Child(ren)	\$188.80	\$208.80	\$208.80	\$228.80	\$228.80	\$248.80	\$248.80	\$268.80
Retiree + Spouse	\$188.80	\$208.80	\$208.80	\$228.80	\$228.80	\$248.80	\$248.80	\$268.80
Retiree + Family	\$377.60	\$397.60	\$397.60	\$417.60	\$417.60	\$437.60	\$437.60	\$457.60

Traditional 70/30 Plan for Medicare Primary Dependents

Retiree + Child(ren)	\$155.20	\$175.20	\$175.20	\$195.20	\$195.20	\$215.20	\$215.20	\$235.20
Retiree + Spouse	\$408.08	\$428.08	\$428.08	\$448.08	\$448.08	\$468.08	\$468.08	\$488.08
Retiree + Family	\$444.66	\$464.66	\$464.66	\$484.66	\$484.66	\$504.66	\$504.66	\$524.66

2017 Enhanced 80/20 Plan Subscribers

Non-Medicare Retiree Premium Rates: **Staff Recommendation**

Wellness Activities	Participation in Wellness Activities							
	All 3	Two Activities Completed			One Activity Completed			None
Tobacco Attestation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>			
PCP + Learning Module	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		
HA Completion	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	

Non-Medicare for Retiree and Dependent(s)

Retiree Only	\$15.04	\$40.04	\$40.04	\$55.04	\$65.04	\$80.04	\$80.04	\$105.04
Retiree + Child(ren)	\$305.18	\$330.18	\$330.18	\$345.18	\$355.18	\$370.18	\$370.18	\$395.18
Retiree + Spouse	\$683.52	\$708.52	\$708.52	\$723.52	\$733.52	\$748.52	\$748.52	\$773.52
Retiree + Family	\$723.76	\$748.76	\$748.76	\$763.76	\$773.76	\$788.76	\$788.76	\$813.76

Medicare Primary for One or More Dependent(s)

Medicare Advantage Base Plan for Medicare Primary Dependents

Retiree + Child(ren)	\$139.89	\$164.89	\$164.89	\$179.89	\$189.89	\$204.89	\$204.89	\$229.89
Retiree + Spouse	\$139.89	\$164.89	\$164.89	\$179.89	\$189.89	\$204.89	\$204.89	\$229.89
Retiree + Family	\$264.74	\$289.74	\$289.74	\$304.74	\$314.74	\$329.74	\$329.74	\$354.74

Medicare Advantage Enhanced Plan for Medicare Primary Dependents

Retiree + Child(ren)	\$203.89	\$228.89	\$228.89	\$243.89	\$253.89	\$268.89	\$268.89	\$293.89
Retiree + Spouse	\$203.89	\$228.89	\$228.89	\$243.89	\$253.89	\$268.89	\$268.89	\$293.89
Retiree + Family	\$392.74	\$417.74	\$417.74	\$432.74	\$442.74	\$457.74	\$457.74	\$482.74

Traditional 70/30 Plan for Medicare Primary Dependents

Retiree + Child(ren)	\$170.24	\$195.24	\$195.24	\$210.24	\$220.24	\$235.24	\$235.24	\$260.24
Retiree + Spouse	\$423.12	\$448.12	\$448.12	\$463.12	\$473.12	\$488.12	\$488.12	\$513.12
Retiree + Family	\$459.70	\$484.70	\$484.70	\$499.70	\$509.70	\$524.70	\$524.70	\$549.70

2017 Traditional 70/30 Plan Subscribers

Non-Medicare Retiree Premium Rates: **Staff Recommendation**

Non-Medicare for Retiree and Dependent(s)

Retiree Only	\$0.00
Retiree + Child(ren)	\$218.14
Retiree + Spouse	\$562.10
Retiree + Family	\$598.70

Medicare Primary for One or More Dependent(s)

Medicare Advantage Base Plan for Medicare Primary Dependents

Retiree + Child(ren)	\$124.80
Retiree + Spouse	\$124.80
Retiree + Family	\$249.60

Medicare Advantage Enhanced Plan for Medicare Primary Dependents

Retiree + Child(ren)	\$188.80
Retiree + Spouse	\$188.80
Retiree + Family	\$377.60

Traditional 70/30 Plan for Medicare Primary Dependents

Retiree + Child(ren)	\$155.20
Retiree + Spouse	\$408.08
Retiree + Family	\$444.66

2017 Medicare Primary Subscribers

Premium Rates: Staff Recommendation

	Medicare Plan		
	MA-PDP Base	MA-PDP Enhanced	Traditional 70/30
Medicare Primary for Retiree and One or More Dependent(s)			
Retiree Only	\$0.00	\$64.00	\$0.00
Retiree + Child(ren)	\$124.80	\$252.80	\$155.20
Retiree + Spouse	\$124.80	\$252.80	\$408.08
Retiree + Family	\$249.60	\$441.60	\$444.66
Dependent(s) are Non-Medicare			
<i>Enhanced 80/20 Plan for Dependents</i>			
Retiree + Child(ren)	\$290.14	\$354.14	\$290.14
Retiree + Spouse	\$668.48	\$732.48	\$668.48
Retiree + Family	\$708.72	\$772.72	\$708.72
<i>Consumer-Directed Health Plan for Dependents</i>			
Retiree + Child(ren)	\$196.32	\$260.32	\$196.32
Retiree + Spouse	\$505.90	\$569.90	\$505.90
Retiree + Family	\$538.82	\$602.82	\$538.82
<i>Traditional 70/30 Plan for Dependents</i>			
Retiree + Child(ren)	\$218.14	\$282.14	\$218.14
Retiree + Spouse	\$562.10	\$626.10	\$562.10
Retiree + Family	\$598.70	\$662.70	\$598.70

Calculation of Rates for Other Member Groups

Staff Recommendation

- **100% contributory subscribers pay:** the rates shown in the charts + \$479.48 for non-Medicare subscribers or \$372.56 for Medicare primary subscribers (the 2017 employer contributions)
- **50% contributory subscribers pay:** the rates shown in the charts + \$239.74 for non-Medicare subscribers or \$186.28 for Medicare primary subscribers (50% of the 2017 employer contributions)
- **COBRA subscribers pay:** the 100% contributory rates
Exceptions: COBRA, 100% contributory, and 50% contributory members in an MA plan may not pay more than the premiums associated with the MA plans plus the additional Plan administrative fee
- **National Guard, firefighters, and emergency medical personnel pay:**
 - The base premium rates
 - \$25.04 employee premium on the Enhanced 80/20 Plan
 - Dependent rates as shown on page 6
 - + \$479.48 (the 2017 employer contribution for active employees)
 - + an additional 20% rate factor to protect against adverse selection (See §135-48.58 NC General Statutes)
 - The wellness premium structure would then overlay these rates

Premium Rate Policies for Unusual Circumstances

Medicare Primary Active Employees

- In general, the Plan is always the primary payer for active employees and their dependents, even if these members are eligible for Medicare
- Medicare becomes the primary payer:
 - After a member has end stage renal disease (ESRD) beyond the time frame set by Medicare (normally 30 months)
 - **Current premium rate policy:** Members remain in their chosen plans but contributions for the member with ESRD will be based on the Medicare rates for the Traditional 70/30 Plan
 - In the final month before retirement for an active employee who is eligible for Medicare or who has a Medicare-eligible dependent
 - **Current premium rate policy:** Members remain in their chosen plans for the month prior to retirement, and employee contributions *do not* change. As applicable to each situation, employer contributions and/or dependent premiums will be based on the Medicare rates for the Traditional 70/30 Plan

Split Medicare Contracts

- A member may only choose one Medicare plan for his or her family, and all Medicare primary family members must enroll in the selected option
- If a Medicare Advantage (MA) option is selected and a member is not eligible for MA, the member will instead be placed in the Traditional 70/30 Plan (and will be charged the 70/30 Medicare rate)
- In some cases, one family member could be dropped by the MA vendor while the other remains in MA, resulting in a split Medicare contract
 - **Current premium rate policy:** Mix the MA rate with the appropriate (employee or dependent) Medicare rate for the Traditional 70/30 Plan

Current 2016 Premium Rate Structure

Non-Permanent Employees/High Deductible Health Plan

Coverage Tier	Total Monthly Premium*	Employer Contrib.	Employee Monthly Premium	Dependent Monthly Premium	Employee Monthly Amount
Employee Only	\$215.94	\$122.78	\$93.16	N/A	\$93.16
Employee + Child(ren)	\$390.52	\$122.78	\$93.16	\$174.58	\$267.74
Employee + Spouse	\$603.16	\$122.78	\$93.16	\$387.22	\$480.38
Employee + Family	\$699.82	\$122.78	\$93.16	\$483.88	\$577.04

*COBRA rates

2017 Proposed Rates for High Deductible Health Plan

- Staff recommends a 3.43% increase in the *total premiums* for the HDHP
- To stay within the ACA affordability safe harbor, the employee share of the employee only premium may not exceed \$95.92 per month (9.69% of the federal poverty level); this is a 3.0% increase over the 2016 employee premium of \$93.16
- This requires an increase to the employer contribution from \$122.78 to \$127.44 (a 3.8% increase)
- The staff recommendation allows the Plan to:
 - Use the same percentage increase used for most of the other plans (3.43%)
 - Maintain the existing coverage tiers and rate structure
 - Meet the statutory objective to limit the employer contribution for non-permanent employees
- HDHP COBRA rates: COBRA participants would pay the full monthly premium (the employer and employee shares)

2017 High Deductible Health Plan:

Staff Recommendation

Coverage Tier	Total Monthly Premium*	Employer Contrib.	Employee Monthly Premium	Dependent Monthly Premium	Employee Monthly Amount
Employee Only	\$223.36	\$127.44	\$95.92	N/A	\$95.92
Employee + Child(ren)	\$403.90	\$127.44	\$95.92	\$180.54	\$276.46
Employee + Spouse	\$623.86	\$127.44	\$95.92	\$400.50	\$496.42
Employee + Family	\$723.82	\$127.44	\$95.92	\$500.46	\$596.38

Increases from 2016 rates

Coverage Tier	Total Monthly Premium	Employer Contrib.	Employee Monthly Premium	Dependent Monthly Premium	Employee Monthly Amount
Employee Only	3.4%	3.8%	3.0%	--	3.0%
Employee + Child(ren)	3.4%	3.8%	3.0%	3.4%	3.3%
Employee + Spouse	3.4%	3.8%	3.0%	3.4%	3.3%
Employee + Family	3.4%	3.8%	3.0%	3.4%	3.4%

*COBRA rates

Board Action: 2017 Premium Rates

Plan staff recommends approval of the 2017 Premium Rates outlined in this presentation and as indicated below.

1. Approve 3.43% member premium rate increases on the self-funded BCBSNC-administered plans for January 1, 2017, as shown on pages 6 and 8-12 of the presentation.
2. Approve increases in Medicare Advantage rates to reflect 2017 MA renewal rates, as shown on pages 5, 6, and 12 of the presentation.
3. Approve increases in premiums for the “other member groups,” as described on page 13 of the presentation.
4. Approve the continuation of premium rate policies covering members with unusual circumstances, as described on page 14 of the presentation.
5. Approve a 3.43% increase in the total monthly premium rate for HDHP, with increases for employers and employees as shown on page 17 of the presentation.

