

**Washington State Health Care Authority
Public Employees Benefits Board (PEBB) Program
LEOFF 2 Board Presentation
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Agenda

- Introduction
- PEBB Business Structure
- How Is PEBB Paid
- Employer Group Requirements
- Employer Group Eligibility Criteria

PEBB Business Structure

1. PEBB Scope:

- \$1.6 billion/yr
- 130,000 employees;
- 30,000 retirees (including K-12)
- 1,300 COBRA and Extension of Coverage accounts;
- 320,000 members.

2. Insurance Products:

- Medical, dental, life, LTD, LTC, auto/home

3. Employers:

- ❖ **State agencies:** 158
- ❖ **Higher Education:** 5, 4-year colleges/universities; 32 CTCs
- **K-12s:** 54 K-12s/ESDs
- **Employer Groups:** 201 political subdivisions, 1 tribal gov't

PEBB Business Structure

(continued)

4. Retiree Coverage:

- 14 DRS systems
- Higher Education System

5. Infrastructure:

- 1977 Legacy Pay1 system
- 7 payroll interfaces
- DRS interface

How Is PEBB Funded

1. State agencies and Higher Education:
 - Weighted average state agency employer contribution plus ~12% employee contribution based on medical plan and tier selected by each member.
2. Employer Groups participating in PEBB:
 - The rates of the plan and tier selected by each member plus admin and the retiree subsidy.
 - Employer/employee share determined by Group.
3. K-12s participating in a PEBB plan:
 - The state agency employer contribution plus the employee share based on the plan and tier selected by each member.
 - Employer/employee share determined by K-12.
4. K-12s not participating in PEBB:
 - A retiree subsidy to cover an implicit subsidy for the expenses associated with pre-Medicare retirees and the explicit subsidy paid on behalf of Medicare retirees.

Employer Group Requirements

1. Groups that may participate include:
 - Local governments
 - Entire Group or any distinct “unit”
2. Contracting Process:
 - Group submits application
 - PEBB conducts actuarial test
 - Group chooses Medical only or full-package
 - Contract developed

Employer Group Eligibility Criteria

1. Employee eligibility:

- Eligibility is set by the Group as approved by PEBB

2. Dependent eligibility:

- Same for all PEBB subscribers

Employer Group Eligibility Criteria

(continued)

Retiree Eligibility

1. Current Group Retirees:

- Coverage for 3 previous years;
- Immediate enrollment upon retirement; and
- Continuous enrollment.

2. Employees Who Retiree:

- DRS age and years of service;
- Immediately receive a pension unless:
 - DRS required 1-time pay out
 - Plan 3 member; and
- Continuous enrollment

Closing

Appreciate Dialogue

Q & A