# *Healthcare Access Study*

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# Today's Presentation

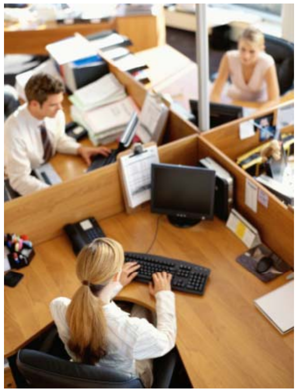
- Why is there a cost to access?
- Who should pay?
- Understanding fiscal notes
- Next steps

# Cost Of Access To PEBB

- Implicit subsidy
  - Retirees pooled with actives pay lower premiums than they would as a separate group
- Explicit subsidy
  - Direct payments from the GF-S to reduce Medicare premiums
- Each subsidy increases costs

# *Who Pays Now?*

- HCA assumes the GF-S covers the cost of expanded PEBB access if not specified in proposal
- As a result, current PEBB members and employers don't pay the cost of expanded PEBB access



# *Who Should Pay?*

- Maintain current HCA policy
  - Subsidies paid from GF-S
- Specify new policy
  - Charge LEOFF members and employers for implicit subsidy
  - Remove explicit subsidy
- Combination of policies
  - Charge LEOFF members and employers for implicit subsidy (new policy)
  - Explicit subsidy paid from GF-S (current policy)

# Understanding Fiscal Notes

- Health Care Authority (HCA)
  - Fiscal note represents biennial cost of providing subsidies over a 6-year period
  - Current funding policy
- Office of the State Actuary (OSA)
  - Fiscal note displays long-term liability from providing subsidies into the future
  - New information for PEBB access bills in 2009
  - Current accounting policy

# *Identifying Long-Term Liability*

- Requires participant data and medical claims experience
  - Participant data available from the pension plan
  - Medical claims data needed
- Health care actuaries use medical claims experience to set assumptions for fiscal note

# Next Steps

- Refine proposal
  - Who should pay for added cost of access?
- Gather data on medical claims experience
- Prepare actuarial fiscal note