



Catastrophic Disability Medical Insurance

Comprehensive Report – December 20, 2017

Current Law

- **Catastrophic retirees and surviving spouses premium reimbursement:**
 - **Before Medicare eligibility:**
 - Reimbursement of health insurance premiums
 - Up to former employer's COBRA limit
 - **At 65, Reimbursement of Medicare Premiums:**
 - Part A (if any)
 - Part B
 - Not eligible for reimbursement of part C and D premiums

Survivor Premium Reimbursement

- **Line-of-duty death benefit:**
 - Survivors of LEOFF 2 members killed in the line of duty allowed to participate in PEBB (2001)
 - PEBB Premiums reimbursed by LEOFF (2006)
- **Participation in the PEBB benefit system has two advantages:**
 - Implicit Subsidy: Pay same rate as entire PEBB pool
 - Explicit Subsidy: PEBB pays Medicare part B premiums for Medicare covered retirees

Extending Benefit to Catastrophic Retirees

Proposal to include catastrophic retirees and survivors in PEBB, with insured paying their own premium – HB 1679 (2009)

- Health Care Authority (HCA) Fiscal Note: estimated cost of extending PEBB subsidy to catastrophic retirees
 - Estimated costs:
 - \$1.5 million cost first biennium
 - \$4.7 million 2013-15 biennium

Extending Benefit to Catastrophic Retirees

Version 2: Premium reimbursement – SHB 1679 (2010)

- No PEBB membership, so no HCA cost
- Actuary supplemental rate increase not recommended

Updated Cost Figures

- Health Care Authority agreed to update cost estimate based on Actuary's revised estimate of number of disability retirees
- Health Care Authority will present updated fiscal analysis next



Thank You

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