

MILLIMAN REPORT

Comparison of Health Benefits Offered to State Employees and Teachers

Comparison of Oregon to California, Idaho, Nevada, and Washington

Commissioned by the Oregon Business Council

January 4, 2019

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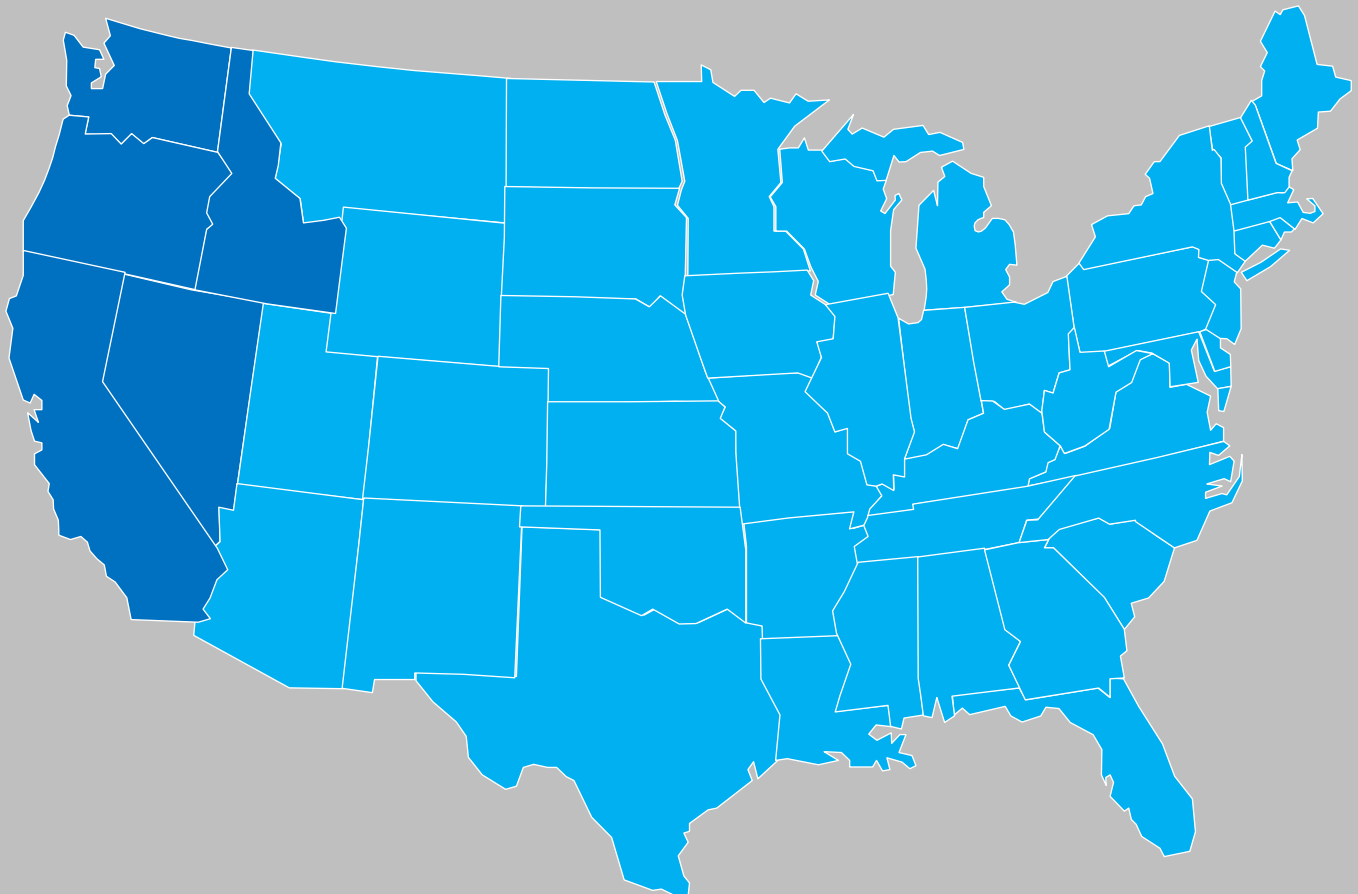




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Executive Summary

This report compares several key measures related to health benefits for public sector employees in Oregon to those of neighboring states. The comparison of state employees in Oregon is to state employees in California, Idaho, Nevada, and Washington. The comparison of teachers in Oregon is to teachers in California and Washington. We have not adjusted any of these comparisons for differences in the population of state employees or teachers.

STATE EMPLOYEES

Medical benefit options offered to state employees in Oregon have a relatively high Actuarial Value (AV), when compared to the neighboring states. A high AV means that a relatively small portion of the total health care cost is expected to be paid by employees in the form of cost sharing. There is also a relatively narrow range of AV values for the plans offered to state employees in Oregon, with most benefit options having a relatively low deductible level driving the high AV.

Compared to the state employees of neighboring states, Oregon state employees pay a lower percentage of medical premiums in the form of paycheck deductions for premium contributions. The state employee premium contribution percentage for the most popular plan in Oregon is 5% for all employee types, both with and without dependent coverage. The average employee premium contribution percentage for Oregon, including all plan options, is around 3% for employees, again both with and without dependent coverage. This is significantly lower than corresponding percentages in neighboring states. For employees with employee-only coverage, the premium contributions range from around 10% to around 20% of premium. For employees with employee and dependent coverage, the premium contributions range from around 12% to around 20% of premium.

For the most popular state employee plan in Oregon, employees pay the same percentage of premium whether or not they have covered dependents. Some neighboring states have similar percentage contributions for including dependent coverage while others charge a higher percentage for employee and dependent coverage.

TEACHERS (SCHOOL EMPLOYEES)

There is greater variation in many different measures related to health benefits for teachers, compared to state employees. We believe this is possibly due to two factors: decentralization of decision-making from state purchasing agencies to local school districts; and the variation in available funding for benefits to school districts. Some grandfathered school districts in Oregon have the option to offer health benefits through the Oregon Educators Benefit Board (OEBB) program or to offer their own health benefits. Districts that are not grandfathered must participate in OEBB. OEBB program participants have the option to pay OEBB premiums that are calculated on a composite basis, with one premium charge for all employees regardless of dependent coverage, or to pay OEBB tiered premiums that vary by the level of dependent coverage that employees select.

Since California and Washington currently do not have centralized organizations like OEBB that offer health benefits to school employees, there is greater decentralization in those states in comparison. The report is not exhaustive for information on all of the local school district specific offerings. Comparisons were made between the premiums, employee contribution levels, and AV's of benefit offerings for several different subgroups of districts within each state.

In general, total premiums for teachers in Oregon are lower than those of teachers in California or Washington, for both employees with dependents and without dependents.

There is wide variation in the percentage of premium paid by employees in California and Washington. The corresponding averages for teachers in Oregon are in the middle of that wide range of contribution levels. For teachers with dependent coverage, teachers in Oregon pay a relatively small percentage of the premium, 12% on average for districts with tiered premiums. In many school districts in California and Washington, teachers with dependent coverage pay a significant (ranging from 22% to 45% on average) percentage of the premium. In Oregon, the gap between the percentage of premium paid for employees with employee only-coverage and the percentage of paid for employees with dependent coverage is relatively small, while the corresponding gap in California and Washington tends to be quite wide.

It is important to note that the state of Washington is in the process of implementing a significant change to school employee health benefit purchasing. Washington is moving from the decentralized system that serves as the report comparator, to a centralized state-run purchasing with School Employees Benefit Board (SEBB) oversight. The SEBB meetings have been ongoing since the fall of 2018 and the programs will be launching health benefit coverage for school employees on January 1, 2020. The Washington State Health Care Authority provides the state agency support for both the Public Employee Benefit Board (PEBB) as well as the SEBB programs.

STATE EMPLOYEES AND TEACHERS (PUBLIC SECTOR) IN OREGON

In general, state employees in Oregon are offered a set of benefit options that include lower cost sharing than the benefit options offered to Oregon teachers. The range of AV's for the plans offered to teachers is wider than the range of AV's for plans offered to state employees. Average premium levels are also lower for teachers, which reflects the AV and benefit-richness gap, as well as the population age mix, coverage tier mix, geographic regional differences, unit cost differences, provider network differences, population morbidity levels, and other demographic factors. The employee premium contribution as a percentage of premiums for state employees are on average lower for state employees compared to teachers.

In managing the purchasing of benefits through a consolidated system without alternatives for state employees in Oregon there is a great deal of consistency in the level of AV for the plans as well as the level of employee premium contributions as a percentage of premiums. The centralized system allows for further cost containment initiatives similar to those adopted in neighboring states. Lowering the AV for plans will lower the cost to the state. Increasing the percentage of employee premium contributions will also lower cost to the state. These actions could be taken while maintaining the equity of the employee premium contribution percentage for employees with and without dependent coverage.

One benefit of a consolidated program is the opportunity for the large membership to improve provider contracts, or to better standardize cost projections in order to gain deeper control of medical costs and operate more effectively. In providing to grandfathered school districts the option of non-participation within the consolidated OEBC system, the program is not as effective in the purchasing of benefits as the program could be in purchasing coverage for all districts, as is done for state employees. The program effectiveness is further reduced by offering districts the choice between composite and tiered rating, because districts with a greater share of employees with dependents can choose to pay composite rates. This leads to uncertainty in the total number of covered lives and expected claim costs for participating carriers. Lowering the AV for plans will only lower the cost to the state if the employee premium contributions percentage is consistent within the range of benefits. Having employees select a plan with a lower AV to then contribute a lower percentage of premium erodes the effectiveness of cost containment.

Background

The Oregon Business Council Charitable Institution (OBC) requested that Milliman develop a study that compares health benefits for public sector employees in the state of Oregon to those of neighboring states. The major areas of health benefits for this report are:

1. State employee health plans for Oregon, California, Idaho, Nevada, and Washington.
2. School district employee health plans for Oregon, California, and Washington, focusing on the health plans offered to teachers.

For each major area of employee health benefits, this report will summarize key measures of the health plan offerings. These key measures include:

- Range of the type of benefit options available to employees, including Health Maintenance Organization (HMO), Preferred Provider Organization (PPO), and Consumer Driven Health Plan (CDHP) options.
- Deductible level
- Average actuarial value (the percentage of medical costs paid by the insurer)
- Average total premium
- Average percentage of premium paid for by the employee
- Number of Dependent Tier Ratios
- Coverage for early retirees
- Funding arrangements for coverage

The report will compare these key measures for public sector employees in Oregon to those of neighboring states. The report will also compare these measures between state employees and teachers within Oregon.

Some public employers offer different health plans based on employee group. In this analysis, we used general state employees for the state comparison, rather than specific groups such as fire, police, or university employees. We used plans offered to teachers for the school comparison, rather than administrative or classified employees.

Milliman Atlas of Public Employer Health Plans

The Milliman Atlas of Public Employer Health Plans is a research effort created to support and improve public-sector decision making by providing data-driven health plan benchmarking and analysis. Since 2010, data has been collected from various sources for public employers at all levels – state, county, municipality, school district, and university. The information in this database is continually updated and grows richer and deeper over time.

Our database includes information about public employers with their own health plans as well as public employers that participate in the state employee health plan or join together with other similar employers in a purchasing trust. Many states offer a statewide plan available for school districts, where participation is mandatory (such as in North Carolina) or where participation is optional (such as in California). Washington is in transition, moving towards full participation in a new statewide plan.

The database includes details on:

- Benefit design: copayments, deductibles, coinsurance, and the other components of benefit design that determine a health plan's cost (and the employee's cost of care)
- Premiums: total premiums and employer/employee contributions by dependent tiers
- Employee census: count of employees by benefit coverage option and dependent tiers

The raw data is generally collected from publicly available data sources. In particular, public employers commonly share their open enrollment materials with their employees online. Milliman is able to use actuarial modeling tools to determine the actuarial value and per employee healthcare spending using the data available in the Atlas.

For the states, we have summarized the plan information specifically for general state employees. In some if not all of the states studied, there are other specific groups of employees that are covered under the state employee health plan, such as university employees, firefighters, and police officers. These employees might have different options or employer contribution amounts. For example, different bargaining units have different employer/employee contribution schedules in the California state employee health plan. We have only summarized the general state employee contribution schedule in this study.

For the schools, we have summarized the plan information specifically for teachers. In most cases, all of a school district's employees are in the same Plan. However, in some if not all of the states studied, some districts offer different Plans to different employee classifications. For example, the district might cover teachers ("certificated" or "licensed" employees) in one plan and classified and/or management employees in another plan. Each of these plans would have a different set of options for the employee to select. Even if all school district employees are in the same plan, there may be differences in the monthly employee contributions (payroll deductions) required for different employee classifications. Throughout this report we refer to the employee group in the study as "teachers" although the same benefits are often offered to other types of employees.

Our report provides background about landscape of each state, and then compares the employee contributions across the three states included in our study.

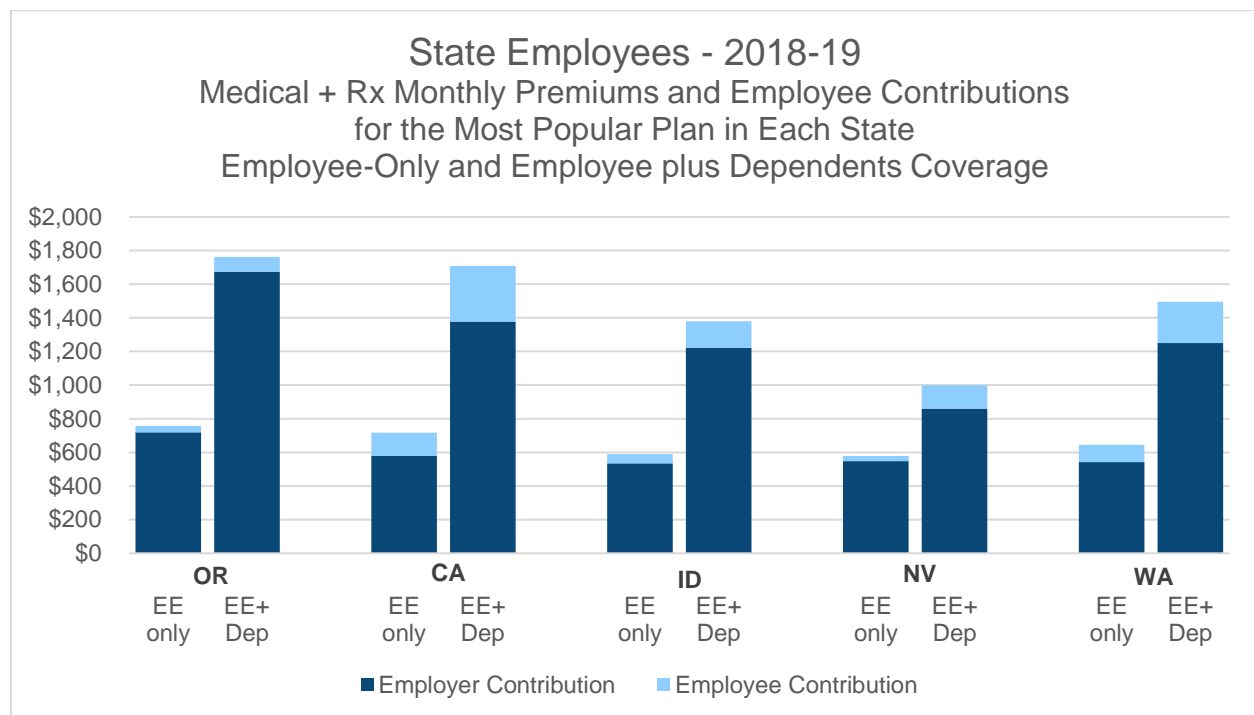
Observations – State Employees

The graph below shows the medical premium and employee contributions of the most popular plan in each state, for employee-only coverage and for employee plus dependents coverage. The most popular plan in each state is shown below together with the percent of employees selecting that plan. For some states, such as Idaho, the overwhelming majority of employees are in a single plan, while in other states such as Oregon, enrollment is distributed among more plans.

- Oregon: PEBB Statewide (39%)
- California: Kaiser (50%)
- Idaho: PPO Plan (85%)
- Nevada: CDHP-PPO (71%)
- Washington: UMP Classic (52%)

For the state employee comparison, we are showing plans that start in 2018, which includes plans effective 1/1/2018 and 7/1/2018.

GRAPH 1



RANGE OF EMPLOYEE OPTIONS

There are five different benefit offerings for state employees in Oregon. One of these options has no deductible while the other four options have deductibles under \$1,500. There is no deductible option above \$1,500. The table in Appendix 1 summarizes the plan offerings of each state by deductible level.

Washington offers an HSA/HRA-compatible CDHP with a deductible of \$1,300, which puts it in the \$1 - \$1,499 range in the table in Appendix 1. Nevada offers an HSA/HRA-compatible CDHP with a deductible of \$1,500. Idaho offers a high deductible plan (\$2,000 deductible) that is not compatible with an HSA/HRA and is not a CDHP. California, like Oregon, tends to offer richer benefits and does not offer any lean CDHP plan designs to state employees.

BENEFIT RICHNESS EXPRESSED AS ACTUARIAL VALUE

The actuarial value (AV) of each plan of benefits is the modeled percentage of total medical costs that are to be covered by the insurer. For example, a plan with a 90% actuarial value is expected to have 90% of medical costs paid by the insurer and 10% of medical costs paid by the employee. A plan with a higher AV is expected to have lower cost sharing and is characterized as a richer benefit design relative to a plan with a lower AV. The actuarial modeling of an AV can rely on either proprietary sources such as the Milliman Managed Care Rating Model or publically available sources such as the Federal AV Calculator for the Individual Market. For this report we are making comparisons of the AV estimates using the Milliman Managed Care Rating Model.

The average AV, weighted by enrollment, of plans for state employees in Oregon is 93%, which is the second highest of the five states included in this study, behind California. There is a relatively tight range of AVs offered by plans for Oregon state employees – the range from the minimum to maximum AV of offerings is 93% to 98%. California and Washington also have relatively tight ranges. This is quite different from the offerings of Idaho and Nevada. Idaho, for example, offers plans with AVs that range from 78% to 91%. California includes offerings from 90% to 98%. The table in Appendix 1 summarizes the minimum, maximum, and enrollment-weighted average AV for each state.

PREMIUMS

The average total premium, weighted by enrollment, for state employees in Oregon is the highest (\$1,404 per employee per month (PEPM)) of the five states included in the study. The table in Appendix 3 shows the minimum and maximum premium for employees in each state, as well as the premium for the most popular plan. For Oregon, the plan with the highest premium, PEBB Statewide, is also the most popular plan. This is very different from the situation in Nevada, where the plan with the lowest premium has a favorable employee contribution structure and is therefore the most popular plan option. The employer contribution schedule can steer employees toward a given plan, but the effectiveness of this approach will depend on how extreme the price differences are to the employee. In Washington, the plan premiums are standardized by risk scores and so the plan with the lowest premiums is considered the most efficient plan in relation to the risk of the enrolled population for that plan.

EMPLOYEE CONTRIBUTION PERCENTAGES

Employee health plan selections do not occur in a vacuum. Choices are made in response to the types of plans offered and to the employee contribution required for each plan. The series of tables in Appendices 4 and 5 summarizes premiums and employee contribution levels for employees with employee-only coverage, and for employees with dependent coverage. For both employees with and without dependents, the employee contribution percentage is lowest for state employees in Oregon. Note that university employees are not included in the averages shown in this report.

Oregon state employees with employee-only coverage pay 3% of health plan premium on average. The next lowest corresponding percentage is 10% for employees in Idaho and Nevada. Washington state employees contribute an average of 14% across all plans. The highest employee-only contribution percentage is 20% in California.

Oregon state employees with dependent coverage also pay 3% of health plan premium on average. The next lowest corresponding percentage is 12% for employees in Idaho. In all of the states included in the analysis except for Nevada, state employees pay approximately the same percentage with or without dependents. In Washington, there is an additional \$10 per month for all spouses with additional surcharges for spouses with health coverage from another source. The highest employee plus dependent coverage contribution percentage is 20% in California.

EMPLOYEE-ONLY AND DEPENDENT COVERAGE

In developing the employee contribution structure of a medical benefit, employers must choose how much to pay for dependent coverage. Some employers may set their premium and contribution rates with a goal of having a consistent employee contribution percentage for coverage of the employee and for coverage of their dependents. For example, state employees in Washington have their employer contribution rates based on the average risk adjusted

plan costs, so that the contribution for employees represents both the efficiency of the plan as well as the benefit richness relative to the portfolio average. In practice, the average contribution levels will vary slightly from the assumed average contribution rate, as members choose the plans for enrollment. In general, plans that are more efficient will have a lower percentage employee contribution.

Depending on the employer contribution strategy, employees with dependent coverage may be able to choose plans with richer benefits and higher premiums than their counterparts with no dependents, resulting in an employee contribution percentage that is higher than that of the employee-only population. For example, across the entire covered population of Washington state employees, the employee contribution percentage averages approximately 15%, which includes a spousal charge, and the employer contribution funds the remainder. The state also requires that all plans use consistent premium tier ratios. As a result, the employee contribution percentage, less any spousal charges that are in place, is the same for any given plan for employees with and without dependents.

Employers may also pay for some share of the additional premium for dependents, but at a percentage that is lower than that of the contribution percentage for employees. For example, an employer may contribute 85% of the cost for the employee-only portion of premium, and contribute 70% for the dependent portion of premium (the difference between the premium for dependent coverage and the premium for employee-only coverage). Such a contribution structure will result in employee-only and employee plus dependent contribution percentages that are significantly different.

In some relatively rare circumstances, state employers may not contribute to dependent coverage at all, with the employee responsible for paying 100% of the additional cost for dependents through payroll deductions.

In this study, we have compared the employee contribution structure for the employees of five states. In four of those states, the spread between the employee-only and employee plus dependent contribution percentage is relatively small. For Oregon, state employees with and without dependents contribute an average of 3% of premium costs. Only in Nevada is there a significant spread between the average employee-only and employee plus dependent contribution percentages, with an average employee-only contribution percentage of 10% and an average employee plus dependent percentage of 19%.

FUNDING ARRANGEMENT

About two-thirds of all states offer a combination of fully insured health plans and self-funded payment arrangements to state employees. The general pattern is that the large statewide PPO plans are self-funded by the state, while staff model and regional HMOs are fully insured. All of the states in our study except for Idaho use a combination of fully insured and self-funded payment arrangements. Idaho is one of only a handful of states nationwide where all of their options are fully insured.

EARLY RETIREES IN ACTIVE PLAN

Four of the states included in our study allow early retirees to participate in the active plan at the same premium rates that are offered to active employees. Idaho is the only state in our study that does not allow early retirees to participate in the active plan at composite premium rates.

SPOUSAL SURCHARGE

Some states have a surcharge if an employee's spouse/partner has other group coverage available, but elects to participate in the state employee health plan. Oregon and Washington both have spousal surcharges of \$50/month. For Washington this is in addition to the \$10 spousal charge for all employees with a dependent adult. There is no spousal surcharge in California. Idaho does not currently have a spousal surcharge, but public documents discussing health benefit cost containment strategies suggest that the state is considering implementing a spousal surcharge of \$50-100/month. Nevada does not have a surcharge, but they do not allow spouses that are eligible for other employer coverage to be covered under their plan, with limited exceptions.

TIER STRUCTURES

The following table shows six common tier structures that are used by employers. The table identifies the number of tiers, the tier structure, and which public employers in our study use each tier structure. Oregon state employees are offered four tier rates, while the Oregon school districts participating in the Oregon Educators Benefit Board (OEBB) have the option to offer their teachers one tier or four tier rates. California state employees and many of the teachers are offered three tier rates, with some of the California's Valued Trust (CVT) and Self Insured Schools of California (SISC) trust schools using composite rates. Washington state employees and teachers are offered four tier rates. Nevada state employees are offered four tier rates. Idaho state employees are offered six tier rates.

Tiers	Structure	Used by Which Employers in our Study
One Tier	All Employees	Oregon teachers – OEBB California teachers – Other than CalPERS
Two Tier	Single Family	
Three Tier	Single Two Party Family	California state employees (CalPERS) California teachers – CalPERS California teachers – Other than CalPERS
Four Tier	Single Employee & Spouse Employee & Child(ren) Employee, Spouse & Child(ren)	Oregon state employees Oregon teachers – OEBB Washington state employees Washington teachers – PEBB Washington teachers – WEA Trust Washington teachers – Premiera Education Program Nevada state employees
Five Tier	Single Employee & Spouse Employee & One Child Employee & 2+ Children Employee, Spouse & Child(ren)	
Six Tier	Single Employee & Spouse Employee & One Child Employee & 2+ Children Employee, Spouse & One Child Employee, Spouse & 2+ Children	Idaho state employees

Our general observation, from this study and others that we have done using the Atlas data, is that the tier structure used within a given state seems to be fairly consistent across the different types of employers. That is, knowing the tier structure of the state employee health plan seems to be a good indicator of the tier structure that teachers and other public employees will also use. For example, in California, we have observed that almost all school districts use a three tier rating structure, which is consistent with the tier structure used by the health plan offered to California state employees. We would also note that while the tier structure does not fundamentally alter the underlying cost of the benefits, it can influence the enrollment patterns of employees. The enrollment pattern will influence the total costs for the employers to the extent that it changes the level of dependent participation.

State Employees - Conclusions

Relative to the state employees of California, Idaho, Nevada and Washington, Oregon state employees have rich benefits and a favorable employee contribution structure. The average AV for state employees in Oregon is the second highest, behind only California. The employee contribution percentage for Oregon state employees is the lowest of the five states by a significant margin. The contribution percentage is low for both employees with and without dependents. While the average AV for plans in California are high compared to those of Oregon, the employee contribution percentages are much higher in California for coverage with and without dependents. In other words, state employees in California enjoy rich benefits, but the employees make a significant contribution in order to enjoy those benefits. State employees in Oregon have relatively rich benefits with employee contribution levels that are quite low.

Teacher Benefit Landscape by State

TEACHERS – OREGON LANDSCAPE

In Oregon, most school districts purchase health insurance from the Oregon Educators Benefit Board (OEBB). The OEBB was established in March 2007 with the intent of providing affordable, value-driven benefit plans to school districts throughout the state of Oregon. Currently, the OEBB provides health benefit plans to the majority of school districts in the state of Oregon along with numerous charter schools, community colleges, and some local governments. In recent years, the OEBB has offered several health insurance plan options from Kaiser and Moda with plan updates happening in October each year.

Along with the districts participating in the OEBB plans, there are 12 districts with plans that were grandfathered in upon establishment of the OEBB and have opted not to participate in the OEBB health insurance plans for their teaching staff. The districts opting out of participation in the OEBB health plans for both teachers and administrative staff are Ashland, Beaverton, Fern Ridge, Medford, North Clackamas, Springfield, Saint Paul, Three Rivers, and West Linn-Wilsonville. The districts opting out of participation in the OEBB health plans for the teachers but not the administrative staff are Bethel, Central, and Portland. Finally, Corvallis and Lincoln partially participate in the OEBB plans. Except as noted, the districts not participating in OEBB are excluded from the remainder of our report.

During the 2017-2018 plan year, OEBB offered eight different plan designs through two carriers and four networks. There were a total of 12 distinct sets of premium rates. Three of the plan designs were only offered through Kaiser. The other five plan designs were offered through three different networks through Moda. One of the plan designs offered by Moda and one plan offered by Kaiser is a CDHP that is Health Savings Account (HSA) qualified.

Moda offers a broad network, Connexus, and two limited networks, Synergy and Summit. The Synergy network services members in Western and Central Oregon, and the Summit network services members in Eastern Oregon. Moda offers five different plan designs. Four are offered through all three networks and the remaining one is only offered with the limited networks. The premium rates are the same for the two limited networks. Figure 7A, in Appendix 7, summarizes the deductible and AV of each plan option. The range in AVs offered through OEBB range from 79% to 97%, which is a broader range when compared to Oregon PEBB.

School districts participating in the OEBB can opt for four-tiered or composite rates for their enrollees. The districts have the option to switch between tier structures between plan years. Figure 7B in Appendix 7 shows the tiered and composite rates for the plan year from October 1, 2017 through September 20, 2018. Approximately two-thirds of the schools in Oregon that participate in the OEBB opt for composite rates while the remaining one-third opt for four-tiered rates.

Currently the health plans in the OEBB are all fully insured from the perspective of both the OEBB and the participating schools. If a given school district experiences favorable or unfavorable experience in a given year, their gains and losses will be pooled across all of the participating school districts in the OEBB rather than being the responsibility of a given school district.

The OEBB allows early retirees to participate in the active plan at the same rates.

Districts Not Participating in OEBB for Teacher Medical Benefits

It is beyond the scope of this report to provide a detailed analysis of the history of districts not participating in OEBB for teacher medical benefits, and the rationale for certain districts electing to cover some or all of their employee groups outside of OEBB. In Figures 7C, 7D, and 7E of Appendix 7 we provide recent premium and benefit levels for each of the health plan options offered to teachers by three of these districts, Portland, Beaverton, and Corvallis.

We have the following general observations when comparing all districts outside of OEGB to the majority that cover all of their employees in OEGB:

- Districts in OEGB can choose the number of OEGB plan options they want to offer their teachers during each open enrollment period. The statewide results of the October 1, 2018 OEGB open enrollment showed that most districts choose to offer a large number of options. About 67% of the district's offered 10 or more options, and only 12% offered four or less. The districts outside of OEGB tended to offer fewer options, typically from one to four options. This could be due to limitations imposed by the carriers, since carriers often prefer that employees have fewer choices to limit adverse selection and administrative burden. The number and types of health plan options offered may also be limited by collective bargaining agreements.
- We estimate about half of the districts outside of OEGB offer teachers at least one high deductible plan, often paired with a Health Savings Account.
- As noted in this report, districts in OEGB typically structure their employee contributions by using composite values for both the total option cost and maximum employer contribution, or by using values for both that vary by the level of dependent coverage. We observed the same pattern among districts outside of OEGB.
- The OEGB provides fully insured health plan options to Oregon school districts. Of the districts outside of OEGB, we identified four that are currently self-funded, with the remainder appearing to be fully insured. None of the districts outside of OEGB participate in pools with the other districts or public employers, which, as noted in this report, is the most common approach for districts in Washington and California. This is probably because there are so few districts outside of OEGB that would be interested in this type of pooling arrangement.

TEACHERS – WASHINGTON LANDSCAPE

Health benefits for Washington teachers will change dramatically in 2020 with the implementation of the School Employees Benefits Board (SEBB) program. This will be a program similar to Washington's Public Employees Benefit Board (PEBB) that will be mandatory for all Washington's school districts. The program is currently being designed so it will be premature to consider that directly in our exhibits. The SEBB has already adopted a unique provision that limits the employee premiums that can be charged for dependents. Specifically, once the employee premium for single coverage for an option is determined, the premium for employees enrolling in dependent coverage are limited to the following percentage of the single employee premium:

Tier Category	Premium Tier Ratio
Subscriber Only	1.00
Subscriber and any child(ren)	1.75
Subscriber and spouse/state-registered domestic partner	2.00
Subscriber, spouse/state-registered domestic partner, and any child(ren)	3.00

Prior to 2020, Washington teachers have a few options to choose from at the local district level. About 50 mostly smaller school districts have voluntarily opted into the Washington PEBB program. Many of the remaining districts participate in the Washington Educators Association (WEA) Trust Plan. Until November 1, 2017, the WEA Trust program was a very stable portfolio of plan offerings including a variety of Premiera PPO options. Local districts often paired the WEA Trust benefits with local HMO options. Effective November 1, 2017, WEA replaced Premiera with two carriers, United Healthcare and Aetna, to provide both a PPO network option alongside a high performance network option. At the same time, Premiera created the alternative Premiera Education Program which offers essentially the same PPO options under a similar pooling structure. While this has split the former WEA Trust districts, it does not appear to have fundamentally changed the plan designs, total premiums, or employee premium structure across the state.

The PEBB Program, WEA Trust Plan, and Premiera Education Program all use a four-tier premium structure. However, the employer contribution level of most districts is determined on a composite basis across all coverage tiers. Since employer contributions are often composite, and premiums are often tiered, employees with dependent coverage often pay a significant percentage of total premium through employee contributions.

Figure 8A in Appendix 8 shows the plans offered by each of the three health programs, the carriers offering each plan, the in-network individual deductible, and the actuarial value. Note that the Premiera Education Program was designed to mirror the WEA Trust plans. The AVs for these plans offered through these plans are 76% to 94%.

Unlike most other statewide plan or pool/trust participation requirements, the WEA Trust allows school districts to offer other health insurance coverage alongside the trust options. School districts that offer the WEA Trust plans and only one other HMO plan option, such as Kaiser, get a 10% discount on the WEA Trust rates. The rates shown in the appendix are the undiscounted rates.

Figure 8B in Appendix 8 shows the four tier rates for the plan year ending in 2018 separately for PEBB, WEA Trust, and Premiera Education Program.

From the perspective of the school districts in Washington, all three pooling arrangements – PEBB, WEA Trust, and the Premiera Education Program – would be considered fully insured health plans. That is, a given school district is not individually responsible for the difference between the premiums and their actual costs.

Our understanding is that the PEBB plan covers early retirees from any school district in Washington, even if the school district does not cover its actives through the PEBB. The WEA Trust and Premiera Education Program premiums therefore reflect just the demographics and risk of the active employees.

TEACHERS – CALIFORNIA LANDSCAPE

In California, most school districts participate in either the state plan, CalPERS, or one of several large consortiums of school districts, such as Self Insured Schools of California (SISC) and California's Valued Trust (CVT). These large consortiums offer a menu of health plan options similar to the state plan options in Washington, Oregon, and California. They differ from state programs because each district's premium depends to some extent on their own experience, whereas the state programs all have the same underlying total monthly premiums for each participating employer.

SISC is the largest public school pool in the United States, and has more than 400 educational agencies as members with membership of more than 350,000 members. This includes school districts and community colleges. SISC offers more than 300 distinct health plans through Anthem Blue Cross, Blue Shield of California, and Kaiser. Participating school districts do not offer all of these health plans, instead they generally select a subset. If a district participates in SISC, they only offer SISC options, they can't direct contract with an insurer to offer another option alongside the SISC plans. The total premiums can differ for each employer. From the perspective of the school district or joint powers authority (JPA) that contracts with SISC, this pooling arrangement is self-funded.

CVT is smaller than SISC, though still a major public school pool in California. Like SISC, this also includes school districts and community colleges. CVT offers more than 200 distinct health plans through Anthem Blue Cross, Blue Shield of California, and Kaiser. Again like SISC, school districts that participate in CVT do not offer all of these health plans but instead they select a subset. Participating districts can only offer CVT options; they aren't allowed to offer any other options alongside the CVT plans. Finally, like SISC, CVT's total premiums can differ for each employer. From the perspective of the school district, this pooling arrangement is fully insured.

CalPERS administers the state employee health plan, and allows school districts and other public agencies to participate in the plan. CalPERS currently offers fourteen health plans, a combination of PPOs, EPOs, and statewide and regional HMOs. If a district participates in CalPERS, they offer all of the CalPERS options that are available in their region, and they aren't allowed to offer any other options alongside the CalPERS plans. The total premiums are the same for any participating public agency within a region, and there are five rating areas throughout the state. Premiums are offered on a three-tier structure: Employee Only, Employee & 1 Dependent, and Employee & 2+ Dependents. The state does not determine how much the employer contributes towards premiums, this is set by each school district. From the perspective of the school district, this pooling arrangement is fully insured.

The tables in Figures 9A, 9B and 9C of Appendix 9 show composite premiums, individual deductibles and AVs for representative plans offered by SISC, CVT and CalPERS school districts, respectively. The AVs range from 71% to 98%.

All three pooling arrangements allow early retirees to participate in the active plan at the same rates.

Nearly all schools in California use a three tier rating structure, which is consistent with the tier structure used by the health plan offered to California state employees. CVT and SISC do offer both plans to some schools with three tier rates and to other schools with composite rates to school districts.

Of the school districts in these three pooling arrangements, approximately 50% are in SISC, 30% are in CVT, and 20% are in CalPERS.

Teachers - Employer Contribution Strategy

EMPLOYER CONTRIBUTION STRATEGY – DISCUSSION

We identified the employer and employee premiums for a large sample of school districts. Our data shows that a large majority of school districts in Washington, Oregon, and California use the same basic approach to determine employee contributions. Under this approach, the employer defines a single monthly dollar amount that will be contributed by the employer toward each teacher's health benefits. This dollar amount is often defined in a collective bargaining agreement.

Within this basic approach, a few other aspects of the health plan can affect the monthly premiums for a particular teacher. For purposes of the following discussion we will assume the defined monthly employer paid amount is \$1,300. This number is purely illustrative.

Variation #1 – In many cases one of the health plan options available to the employee will have a reported total premium that is less than the employer paid amount of \$1,300. In these cases, employers have different rules for dealing with any "excess" employer amount. Employers generally choose from one of three main options: giving the difference to the employee in cash, applying the difference to other fringe benefits, or the employer retaining the excess funds. In this latter case, the employer paid amount would be defined as a maximum amount that would only be creditable toward the medical plan cost.

Variation #2 – For some districts the total monthly premiums for each dependent coverage tier vary by tier. For other districts, premiums are the same for all employees regardless of the number or types of dependents covered. The actual total cost to cover the typical family is clearly higher than the actual cost to cover the single employee. For illustration, let's assume the actual costs are \$900 for single employee and \$2,300 for a family. For employers that set a single premium rate, an assumption is set that, based on some reasonable distribution of dependent types, the composite cost across all employees is \$1,200 per employee.

Some school districts would define the total premiums separately for single and family coverage. These premiums are referred to as step-tiered premiums. In this example, the monthly premium charged to a single employee would be \$900, less the employer amount of \$1,300. As discussed above in variation #1, employers vary in their treatment of the \$400 excess amount. The family employee monthly premium would be \$2,300 less the employer amount of \$1,300, or \$1,000 per month.

Other school districts define the total premium for all employees to be a composite value, such as \$1,200 per employee. In this example, the \$1,300 employer amount exceeds this composite value for all employees and the monthly contribution for both single and family employees would be \$0.

The approach that districts take to this particular issue has a significant impact on the allocation of employer dollars between the cost of health benefits for the employees and dependents.

Variation #3 – Often the defined maximum employer contribution, \$1,300 in this example, is designated as covering more than just the medical plan cost. In this case, the maximum employer contribution also covers dental and vision plans. This is not a large difference, but it does require a consistent definition of how much of the \$1,300 should be allocated to the medical plan when reporting the employer/employee cost split. Some district communications state that dental and vision premiums are fully paid by the district, and must be subtracted first from the \$1,300 before the remainder can be applied to the published medical premiums. This is somewhat arbitrary, and in theory would require us to identify the dental and vision premiums for each district and subtract them from the total district contribution in order to identify the medical portion. For this study, we assumed that the employer contribution (\$1,300 in this illustrative example) is first applied to the medical benefit. The medical plan is by far the largest component of benefit expenses, and this method facilitates comparison of medical plan costs across districts.

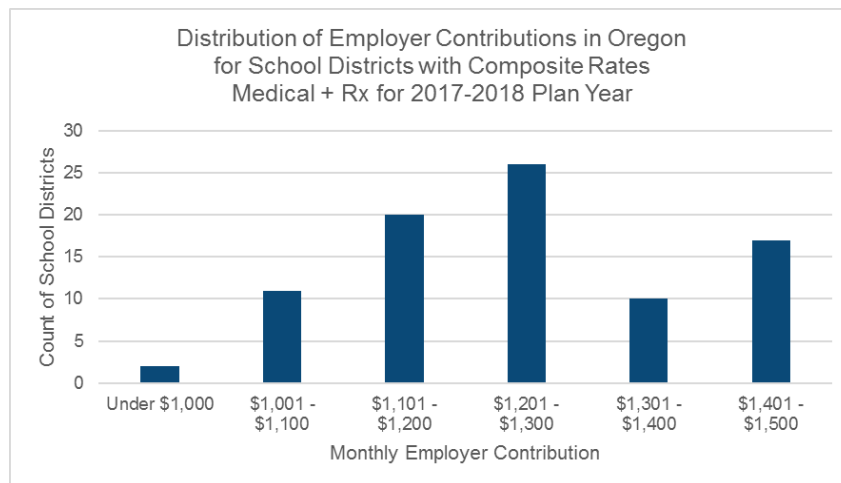
Some school districts use additional variations of the approaches described above, and define their employer contribution to vary by dependent tier. For example, instead of \$1,300 for all employees an employer contribution might be \$1,000 for single and \$1,800 for family.

A minority of school districts use other methods to calculate employee contributions. Typically these define the amount paid by the employer to be a percentage of the total premiums, as opposed to a defined dollar amount. In these cases, the employer would pay a higher dollar amount toward more expensive plans and a higher dollar amount toward family coverage because the employer contribution would increase proportionately to the total premium increase.

EMPLOYER CONTRIBUTION STRATEGY – FINDINGS

We found that a majority of schools in Oregon opt to pay composite rates to the Oregon Educator Benefit Board (OEBB), and these schools also offer a flat rate employee contribution towards these composite rates. The following table shows the distribution of monthly composite employer contributions for teachers in Oregon.

GRAPH 2



For teachers in Washington, districts generally offer total monthly rates in four dependent tiers. However, most districts contribute a flat amount towards these tiered rates. The State of Washington provided schools with \$820 per full time employee per month for the 2017-2018 school year. Some school districts offered this full subsidy and additional funds to apply toward the health benefit premiums, but our data sources show that about two-thirds of schools only offer the state allocation. For the remainder of the tables in this section of the report, we have used this \$820 per month state allocation as the employer contribution to monthly premiums. To be consistent with the approach used for employer contributions for other states and schools, we have assumed that the full employer contribution is applied to the medical benefit, even if the school specifies that the contribution is to be applied to dental and vision benefits first. Some schools offer tiered employer contributions. However, based on our review of the Washington Office of the Insurance Commissioner (OIC) K-12 Health Benefits Data Collection Report, it appears that the majority of schools pay between 95% and 100% of the composite rate of \$820 towards the employee only rate and between 100% and 105% of the composite rate of \$820 towards employee plus dependent coverage. For the purpose of the employer contribution in this study, we have modeled the Washington schools as having a flat employer contribution of \$820 per employee per month regardless of the plan or dependent tier.

Employer contributions for teachers in California varied quite a bit more than the other two states in our study. This may be in part because their total rates varied more as well. In Oregon, most schools participate in the statewide OEBB plan with fixed total monthly rates. In Washington, most schools participate in the statewide Public Employees Benefit Board (PEBB), or one of two major statewide trusts, Washington Education Association (WEA) Trust or Premera Education Program (PEP), also with fixed total monthly rates. In California, there is more variation. Many schools participate in CalPERS, California's Valued Trust (CVT), and Self-Insured Schools of California (SISC), but many others contract with health plans directly or with other trusts. The CalPERS plans are offered at five regionally based total monthly rates in California, but the CVT and SISC plan total monthly premiums vary by school district. Many more California school districts appear to offer tiered employer contributions than school districts in Washington and Oregon.

Teachers - Summary Values Across Comparison Groups

For the purpose of summarizing results across different types of school districts in Oregon, Washington, and California, we have grouped the school districts into the following eight types:

1. Oregon – schools that participate in the OEGB at composite total premium rates
2. Oregon – schools that participate in the OEGB at tiered total premium rates
3. Washington – schools that participate in the WEA trust plan
4. Washington – schools that participate in the PEBB plan
5. Washington – schools that participate in the Premiera Education Program
6. California – schools that participate in CalPERS
7. California – schools that participate in the CVT
8. California – schools that participate in the SISC Trust

For the teacher comparison, we are showing plans that end in 2018, which includes plans effective 10/1/2017 and 1/1/2018.

We produced descriptive statistics for the following six measures:

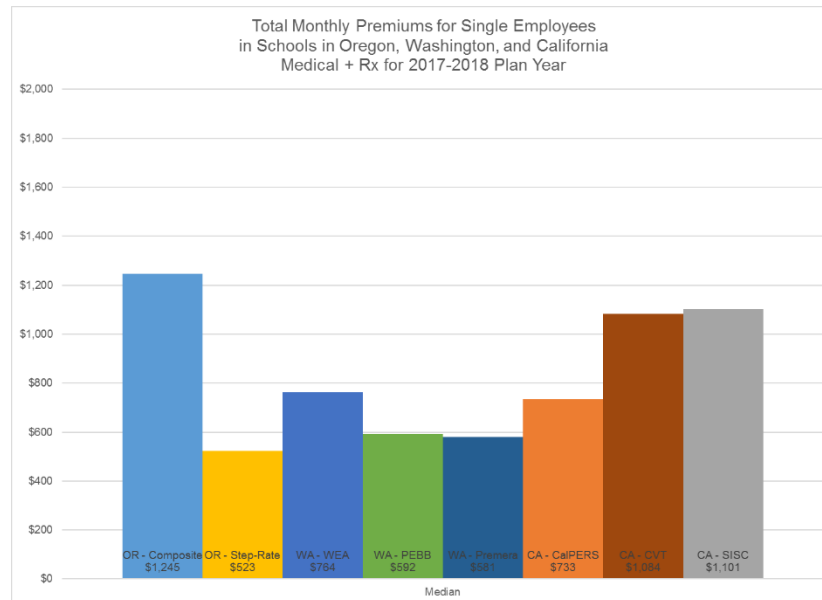
- Total Monthly Premiums for Single Employees
- Total Monthly Premiums for Employees Plus Dependents
- Employee Premium Contribution Percentage for Single Employees
- Employee Premium Contribution Percentage for Employees Plus Dependents
- Employer Monthly Costs for Single Employees
- Employer Monthly Costs for Employees Plus Dependents

The descriptive statistics include the minimum and maximum observed values, the straight average (same weight given to large and small school districts), and the median observed values for the schools in our sample. We provide these numbers in Figure 10A of Appendix 10. The following charts provide the median observed values for each of the six measures.

TOTAL MONTHLY PREMIUMS

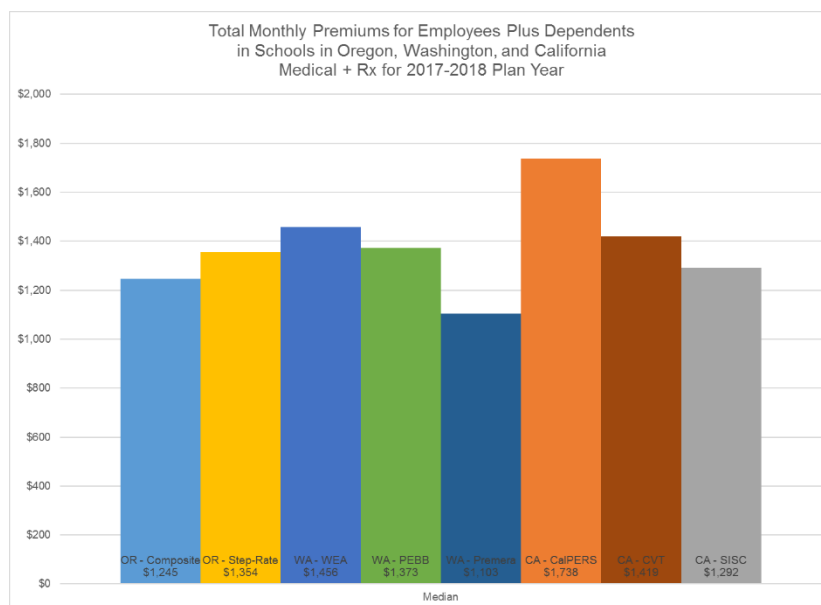
The following graph shows the median total monthly premiums for single employees for the eight categories in our study. The first bar is for Oregon schools that opt for composite rates. As a general principle, a composite rate will always be more expensive for single employees than tiered rates. This does not imply that schools in these groups have higher costs overall, just that their marginal costs for a single employee are higher.

GRAPH 3



This next graph shows the median total monthly premiums for employees with dependents for the eight categories in our study. With the exception of the statewide plans, employers have some discretion in the tier slopes that are used to set the single versus dependent tier premiums. The schools that look more attractive for single employees are therefore often the same schools that look less attractive for employees with dependents. This general principle does not necessarily hold true for the statewide plans that set their tier slopes at the statewide level, since there can be subsidization happening between employee types as well as between school districts.

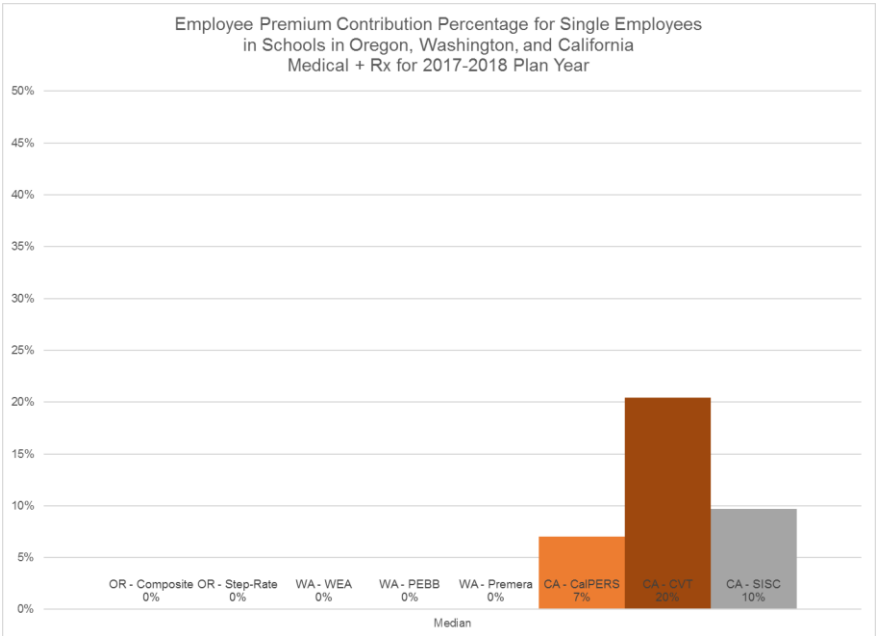
GRAPH 4



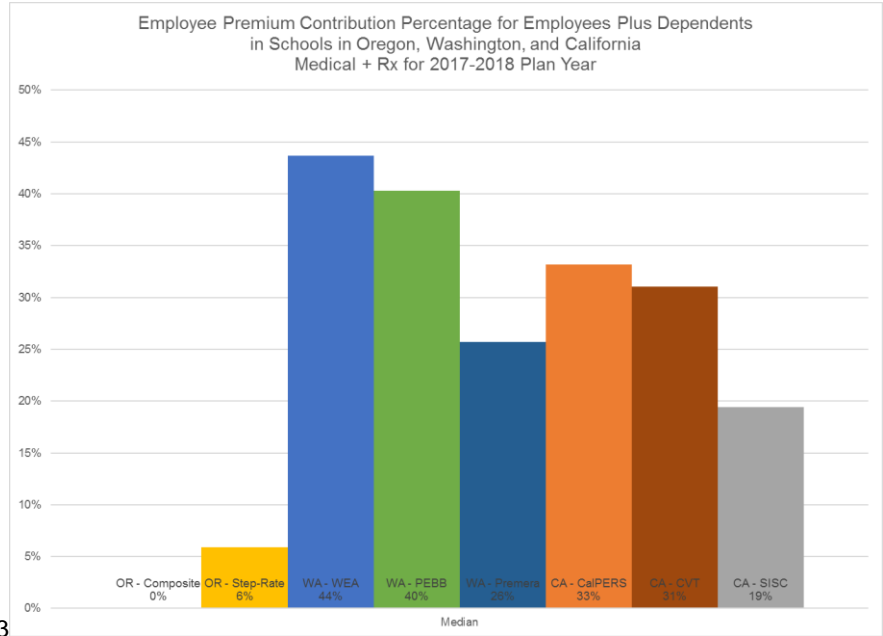
EMPLOYEE CONTRIBUTION PERCENTAGES

The next set of graphs shows the employee contribution percentages as a percentage of the total premium for the different categories of school districts in our study. The Oregon school benefits are set up such that the typical school district employees do not pay anything towards their health benefits for employees with and without dependents. The typical Washington teacher medical benefit is set up such that the typical single employee does not pay anything towards their health benefits, but employees with dependents do pay a substantial portion (ranging from 31% - 45% on average) of their premiums. Finally, the typical California teacher medical benefits are structured so that the single employee pays a portion of their monthly premiums, but the employees with dependents pay an even larger share. These values are summarized in Figure 10B of Appendix 10.

GRAPH 5



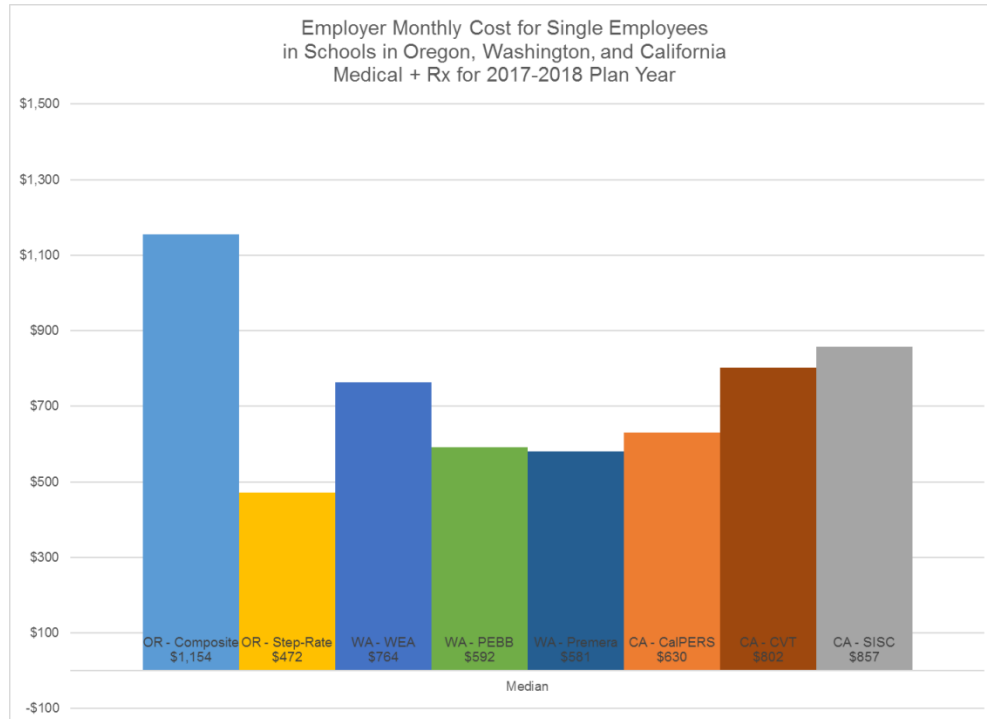
GRAPH 6



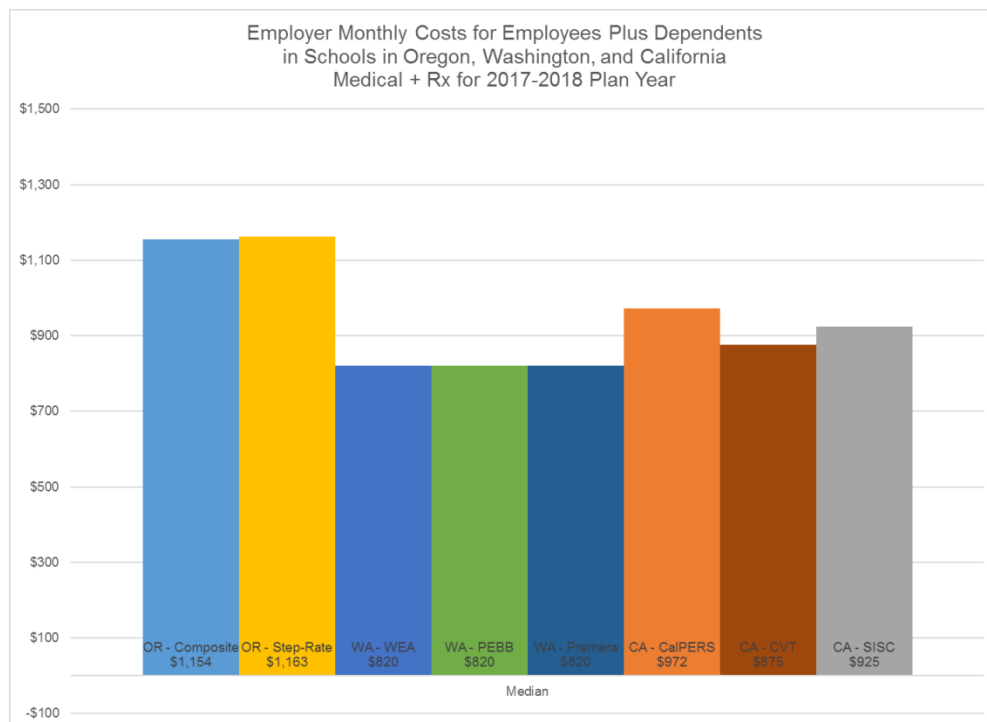
EMPLOYER MONTHLY COST

The final set of graphs in this section shows the typical employer monthly cost for single employees and employees with dependents. These values are summarized in Figure 10C of Appendix 10.

GRAPH 7



GRAPH 8

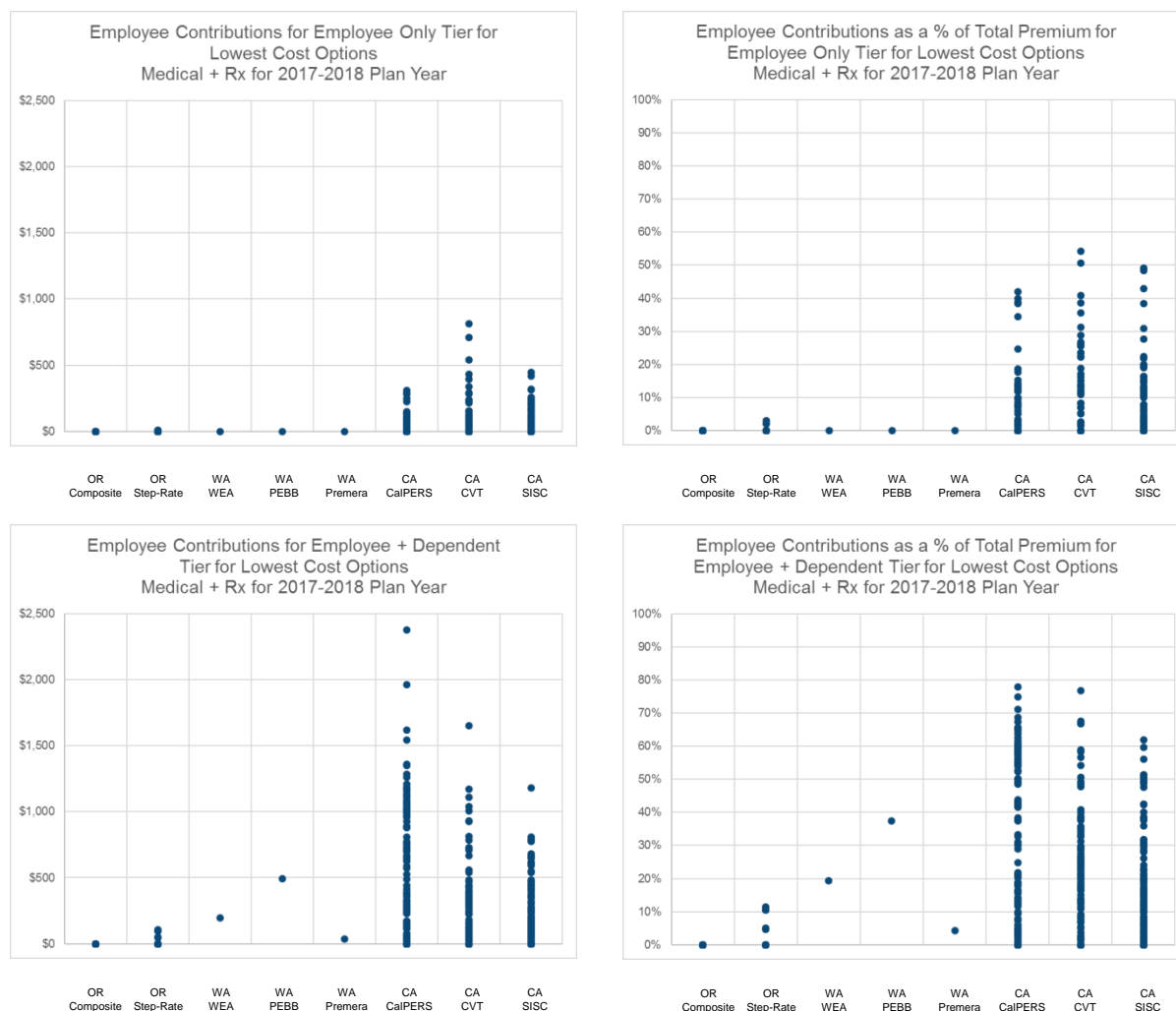


In addition to the summary information about the total monthly premiums, as well as the employee and employer contributions to those premiums, we have also summarized the employee contributions to the premiums of different types of plans. In particular, we find the following groupings to be meaningful for reporting:

- Lowest cost option for each school
- Plans with \$0 deductibles
- Plans with \$1-1,499 deductibles
- Plans with \$1,500+ deductibles

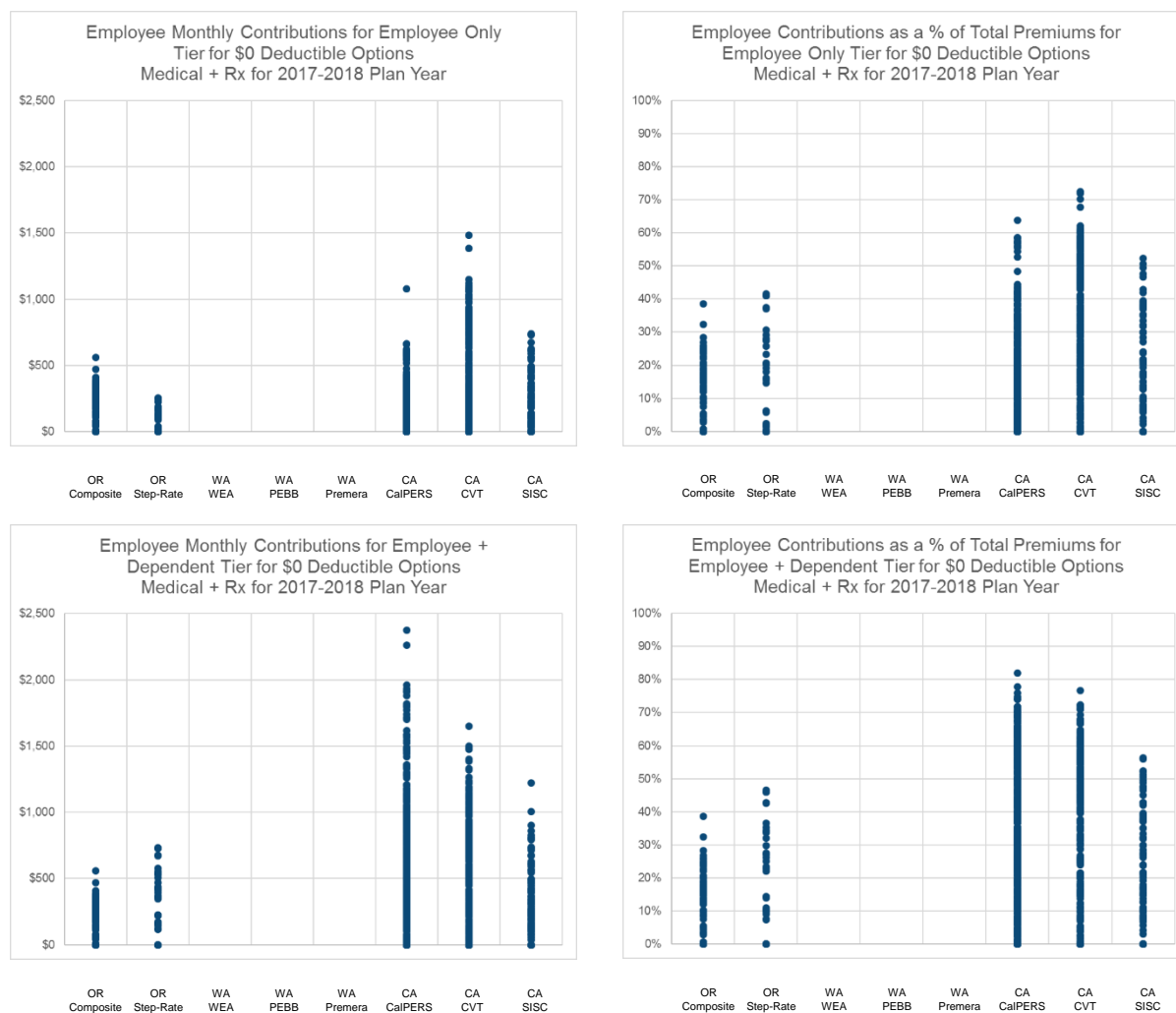
The following four tables show the employee contributions as a dollar amount and as a percentage of the total rate for the employee only tier and the composite employee plus dependent tier for the lowest cost option for each school. The general pattern appears to be that Oregon and Washington try to offer at least one zero dollar premium option for their single employees and either a zero dollar or very low cost option for their employees with dependents. The observed strategies appear to be much more variable for the California schools, which again makes sense given the wider variation in the way that school districts obtain their health benefits.

GRAPH SET 9 – LOWEST COST OPTIONS – MONTHLY EMPLOYEE CONTRIBUTIONS



The following four tables show the employee contributions as a dollar amount and as a percentage of the total rate for the employee only tier and the composite employee plus dependent tier for plans offered with \$0 deductibles. These plans tend to have richer benefits with copays for most services. Health plans often manage the costs of these plans by offering these richer benefits paired with narrower provider networks, but they still often tend to come at a higher price tag. Many of the \$0 deductible plans are not the lowest cost options. Note that the three Washington groupings do not offer plans at this deductible level.

GRAPH SET 10 - \$0 DEDUCTIBLE OPTIONS – MONTHLY EMPLOYEE CONTRIBUTIONS



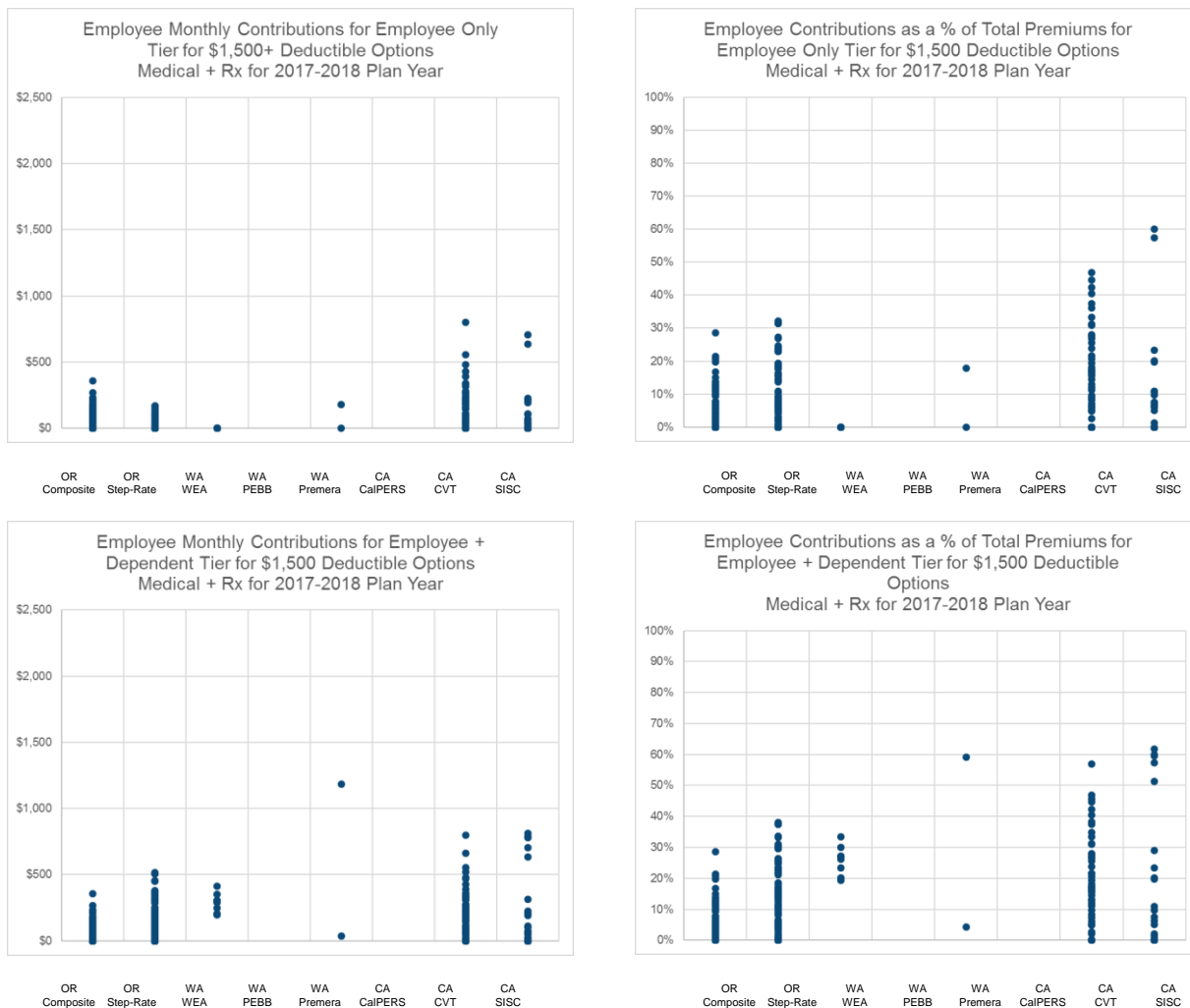
The following four tables show the employee contributions as a dollar amount and as a percentage of the total rate for the employee only tier and the composite employee plus dependent tier for plans offered with deductibles ranging from \$1 to \$1,499.

GRAPH SET 11 - \$1-1,499 DEDUCTIBLE OPTIONS – MONTHLY EMPLOYEE CONTRIBUTIONS



The following four tables show the employee contributions as a dollar amount and as a percentage of the total rate for the employee only tier and the composite employee plus dependent tier for plans offered with deductibles ranging of \$1,500 and above. Note that there are two categories of plans that do not offer plans at these deductible levels – the statewide Washington PEBB plans and the statewide California CalPERS plans.

GRAPH SET 12 - \$1,500+ DEDUCTIBLE OPTIONS – MONTHLY EMPLOYEE CONTRIBUTIONS



Observations and Conclusions – Teachers

COMPOSITE AND TIERED PREMIUMS

As discussed above, many Oregon school districts use composite premiums across all coverage tiers while the remainder of districts use tiered premiums. This is true for schools both inside and outside of OEBB. In general, premiums in Washington and California are tiered, but that is not the case in every district and for every school employee group.

ACTUARIAL VALUES

Appendix 7 summarizes information on plans offered to teachers in Oregon. There is one OEBB Kaiser HMO plan that is especially rich, with a \$0 deductible and a 97% actuarial value. All other OEBB plans have deductibles between \$400 and \$1,600 and have actuarial values between 79% and 89%. Figures 7A and 7B summarize actuarial values and premiums for OEBB plans.

Figures 7C, 7D, and 7E summarize premiums and actuarial values for Portland, Beaverton, and Corvallis, three school districts that do not participate in OEBB. Portland offers four options, all of which have an AV over 95%. Beaverton offers three options, with AVs that range from 86% to 98%. Corvallis offers three options to full time employees, with AVs that range from 86% to 95%.

Appendices 8 and 9 summarize information on plans offered to teachers in Washington and California respectively. As discussed above, districts in both states coordinate with an array of organizations to offer medical benefits to teachers. Since there is no centralized statewide organization offering benefits to teachers, there is a wide range of premium levels and AVs in the benefit offerings. For example, the AVs summarized for the primary plan offerings in Washington, in Figure 8A, range from 76% to 94%.

PREMIUMS

Figure 10A of Appendix 10, and Graphs 3 and 4 above summarize average and median premiums under each of the eight categories. The Oregon composite premiums are not comparable to any of the other categories because the seven other categories have tiered premiums. Composite premiums will, by definition, be higher than tiered premiums for employees with employee-only coverage and will by definition be lower than tiered premiums for employees with dependent coverage.

For the Oregon districts with tiered premiums, the average and median employee-only premiums are lower than each of the categories from Washington and California. For employees with dependent coverage, the Oregon tiered premiums are generally lower than those of the California and Washington categories. When looking at the average and the median, the Oregon tiered premiums are lower than the California and Washington categories with the exceptions of Premiera in Washington SISC in California.

A detailed comparison of the OEBB and non-OEBB rates is beyond the scope of this assignment. The average total premiums for Oregon teachers do not appear to be materially different inside and outside of OEBB, as shown in Graph 15. Even when trying to compare similar options, it can be difficult to account for other factors that cause premiums to differ across employers, such as the type and range of options offered.

EMPLOYEE CONTRIBUTION PERCENTAGES

Figure 10B of Appendix 10, and Graphs 5 and 6 above summarize the employee contribution as a percentage of premium for each of the eight categories. For Oregon districts with tiered premiums, the median employee contribution percentage is 0% and 6% for employees with employee-only coverage and with dependent coverage, respectively, while the average contribution percentage is 8% and 12% respectively. There is a disconnect between the median and the average because of a relatively large number of benefit options with a \$0 employee contribution, but a relatively large share of employees choose plans with small but non-zero employee contribution levels.

In general, teachers in Oregon districts with tiered premiums have options between zero-contribution benefit packages that are relatively lean and benefit packages with non-zero contribution levels but with relatively rich benefit designs. On average, Oregon teachers from districts with tiered premiums pay 8% for employee-only coverage and 12% for dependent coverage. These percentages are lower than all of the California district categories. For Washington, since employer contributions are calculated in most districts on a composite basis, employees with employee-only coverage generally pay a very small employee contribution percentage (ranging from 0% for PEBB to 10% for WEA on average), while employees with dependent coverage pay a large percentage of premium through employee contributions (ranging from 31% for Premera to 45% for WEA).

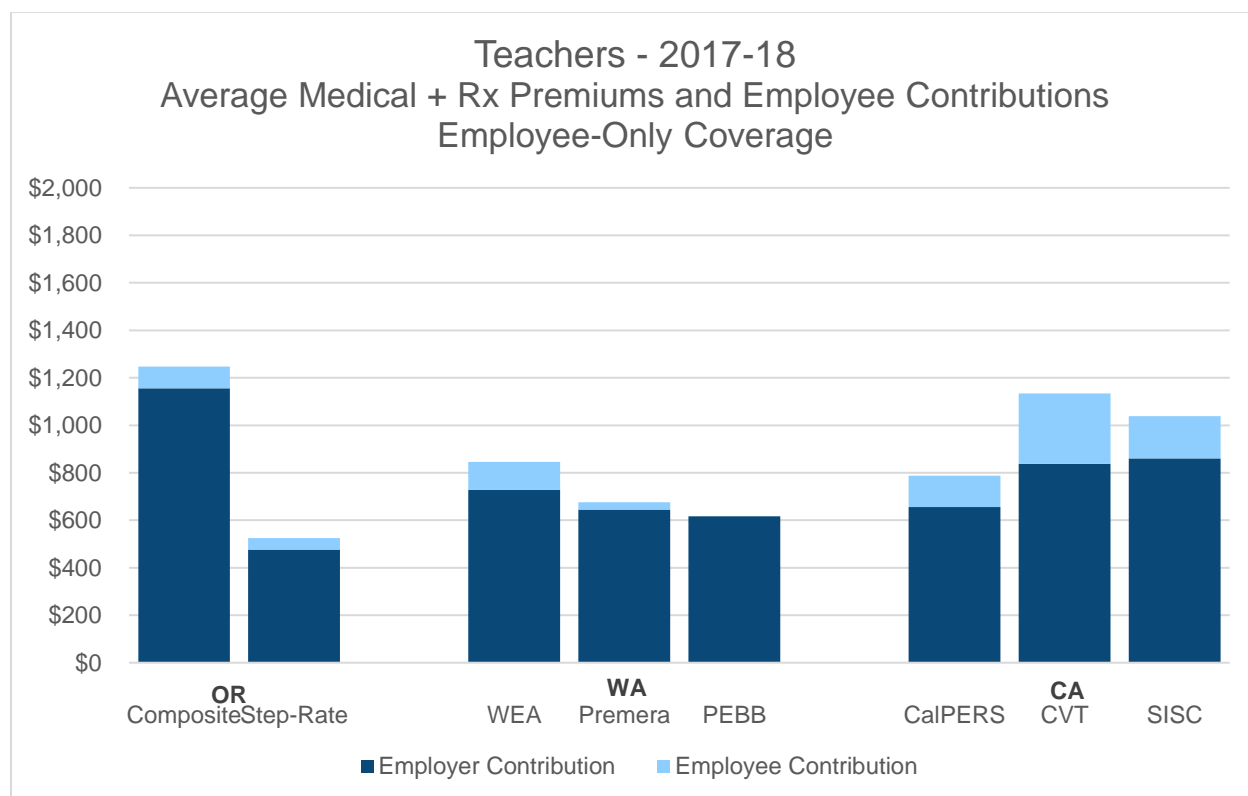
The employee contribution amounts paid by the three representative non-OEBB school districts appear to be reasonably in line with the average amounts paid by OEBB school districts, as shown in Graph 15.

Graphs 13 and 14 show average premiums, employee contribution levels and employer contribution levels for each state, differentiated into the eight groupings of districts. Graph 13 is for employees with employee-only coverage. Graph 14 is for employees with dependent coverage. The values underlying these graphs are summarized in Figures 10A, 10B, and 10C of Appendix 10.

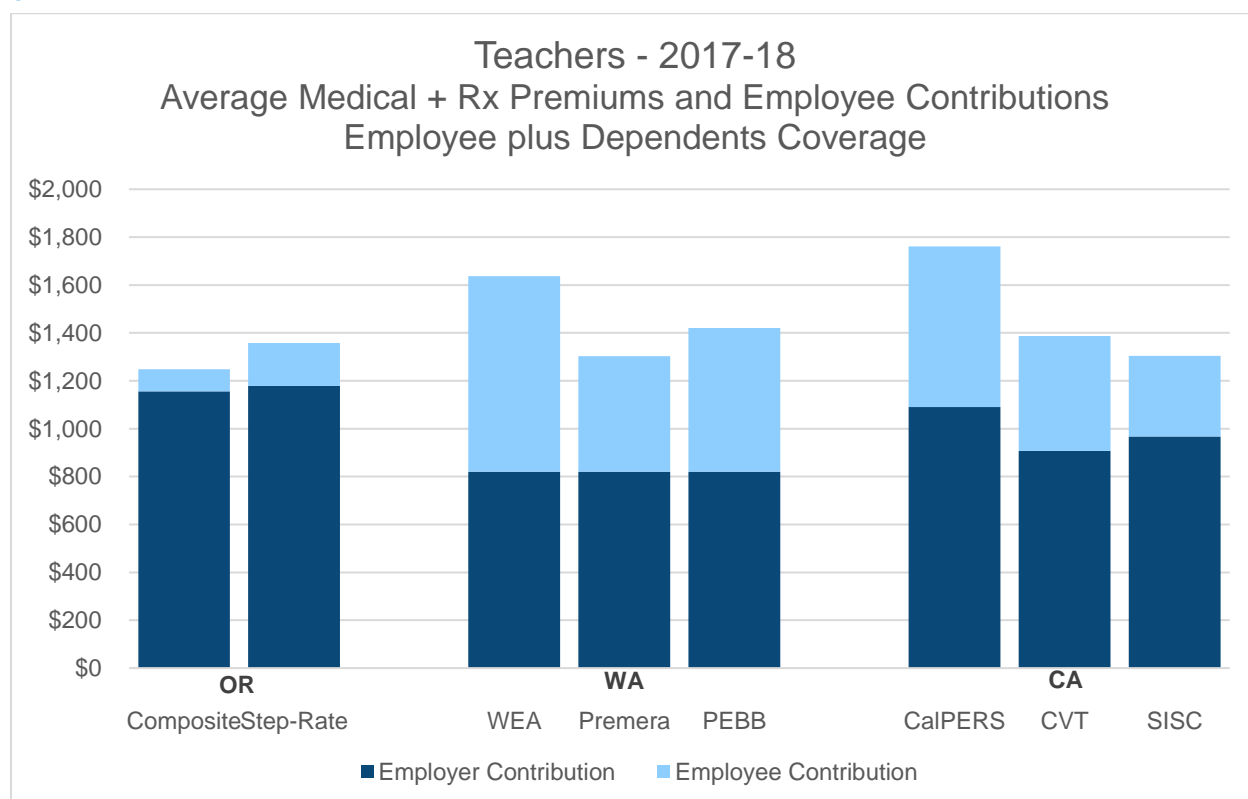
As shown in Graph Set 9, districts in Oregon almost always have a \$0 employee contribution option for teachers with employee-only coverage, and usually have a \$0 option for teachers with dependent coverage. For Washington, due to the prevalence of composite employer contributions, the lowest cost options always have a \$0 employee contribution for teachers with employee-only coverage, but with significant (\$100+) contribution levels for dependent coverage. California features a wide range of potential employee contribution levels for the lowest cost option.

Graph Sets 10 and 11 show that there is a range of employee contribution levels for plan designs with a \$0 deductible or a mid-range (\$1 to \$1,499) deductible. There is a significantly wider range of employee contribution levels for California districts. Note that there are no \$0 deductible options in Washington.

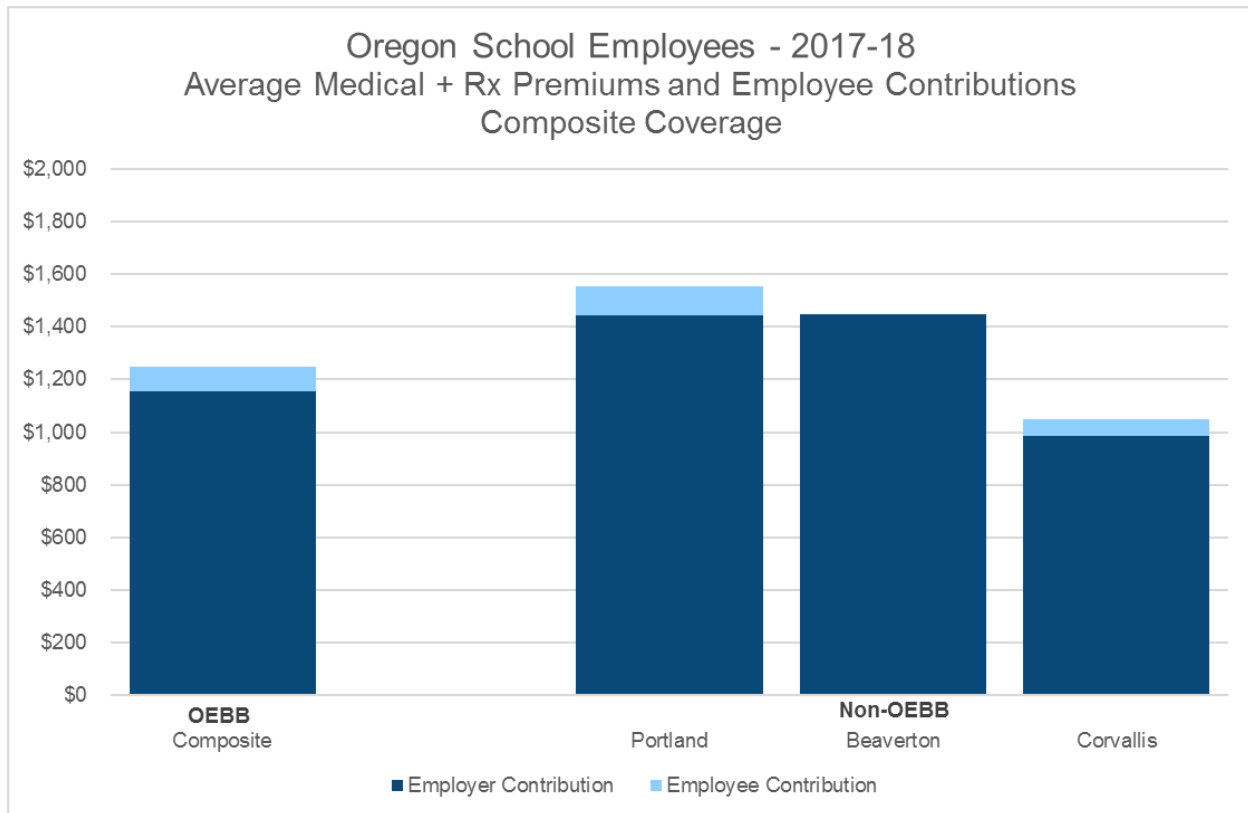
GRAPH 13



GRAPH 14



GRAPH 15



CONCLUSIONS – TEACHERS IN OREGON, CALIFORNIA, AND WASHINGTON

In general, medical premiums for teachers in Oregon are lower than those of teachers in Washington and California. Due to the complexity and decentralization of school employee health benefit purchasing in all three states, comparisons are challenging to make, compared to those for state employees.

For employees with employee-only coverage, the tiered “step-rate” premiums in Oregon are lower on average than those of similar employees in Washington and California, where in general, premiums are tiered. Also, employee contributions as a percentage of premium are lower for teachers with tiered premiums in Oregon, compared to Washington and California. Single employees in Oregon pay a significant portion of the total premium, 7% on average, when the district uses a composite tier rate structure. But many teachers have the option of a benefit package with \$0 employee contribution, as evidenced by the \$0 median employee contribution for teachers with employee-only coverage.

For employees with dependent coverage, the average premium is lower under both of Oregon’s tier structures than it is in Washington or California. Also, employees with dependents pay a lower percentage of premium in employee contributions, compared to employees in Washington and California. In Washington and California, employees with dependents pay a significant proportion of the total premium in the form of employee contributions. This percentage ranges from 22% to 45% under the six comparison groups from the two states. In Oregon, the employee contribution percentage for dependent coverage is 7% for the composite tier structure and is 12% for the step-rate tier structure.

CONCLUSIONS – OREGON TEACHERS INSIDE AND OUTSIDE OF OEGB

In general, medical premiums for teachers in the three selected non-OEBB school districts in Oregon are similar to the medical premiums for the OEGB plans. Differences in the premiums can be due to a variety of factors, including underlying benefit differences and the assumed distribution of employees by option.

The employee contribution percentage is similar to or lower for the three non-OEBB plans, but this may be due to the small sample size rather than being a meaningful finding.

Observations Across Sectors within Oregon

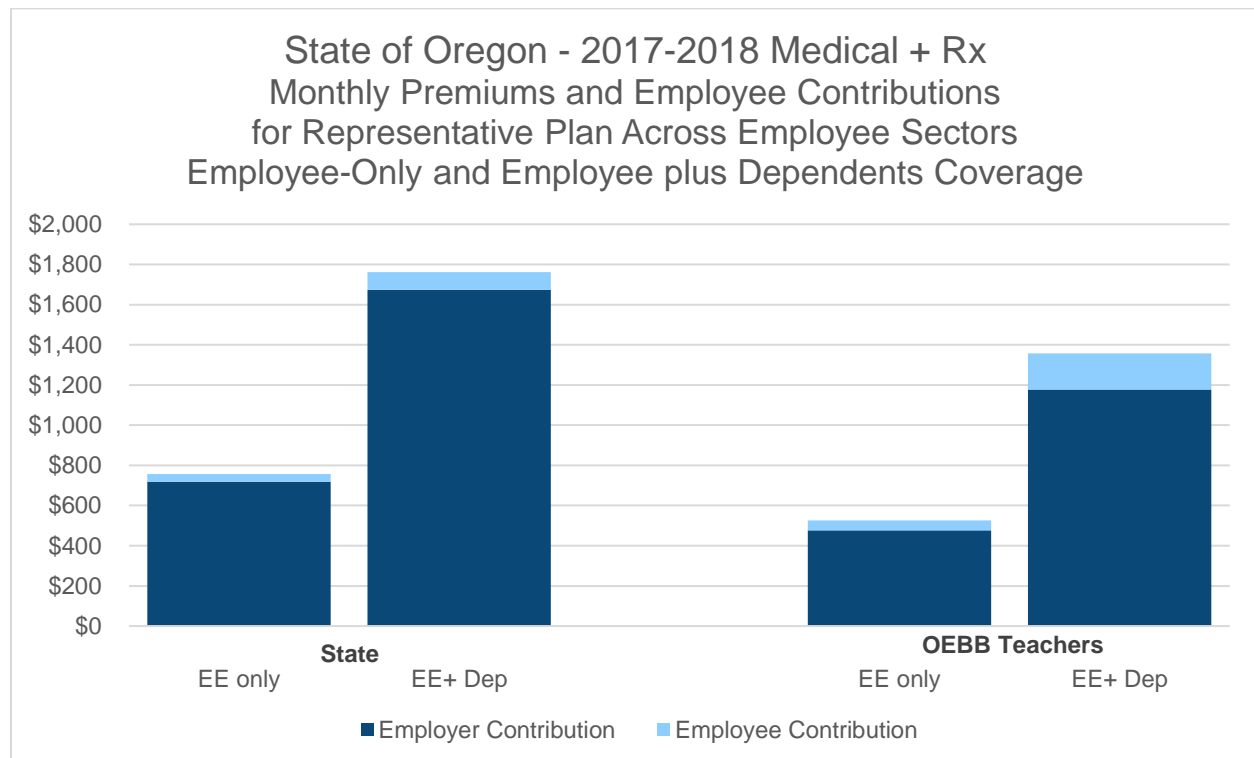
The graph below summarizes total premiums, employee contributions and employer contributions for a representative plan from each employee sector discussed in this report, for employees with employee-only coverage and with employee plus dependent coverage, in the State of Oregon. The values in this graph correspond to comparison graphs elsewhere in the report that compare Oregon to other states within each sector. The representative plans in the graph are:

- State Employees: Most popular PEBB plan in 2018
- Teachers (Step-Rate): OEBB, using average premiums and contribution levels for step-rate coverage tiers for 2017-18

Note that the majority of OEBB school districts use composite rates rather than tiered rates. Since the state uses tiered rates, we are using the tiered OEBB rates in order to make an appropriate comparison.

Also note that this comparison does not include non-OEBB school districts. For a comparison of OEBB and non-OEBB school districts, see the above section “Conclusions – Oregon Teachers Inside and Outside of OEBB”.

GRAPH 16



For employees without dependents, total premiums are lowest for teachers, around \$525 PEPM. Premiums are around \$750 PEPM for state employees. Employee contribution levels are around 5% of premium for state employees and around 9% of premium for teachers. These comparisons are not adjusted for any differences in the underlying populations, cost of care, or level of coverage. Our data is limited to those employer groups for which the data is available for this study. With the available data we were not able to adjust these premiums to a standardized population for comparison.

For employees with dependents, total composite premiums across all dependent tiers are lower for teachers, around \$1,350 PEPM, and are around \$1,750 for state employees. Employee contribution levels as a percentage of premium are 5% and 12% for state employees and teachers with dependents, respectively.

Premiums for teachers are generally lower than for state employees. Employee contribution strategies vary between the two sectors. In general, teachers contribute a relatively low percentage of premium cost, with many employees without dependents receiving coverage at no employee cost. State employees generally contribute a flat percentage of premium as employee contributions.

Caveats and Limitations

Milliman's work is prepared solely for the internal business use of the Oregon Business Council. Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit any third party recipient of its work product, even if Milliman consents to the release of its work product to such third party.

Differences between our projections and actual amounts depend on the extent to which future experience conforms to the assumptions made for this analysis. Actual experience is unlikely to conform exactly to the assumptions used in this analysis. Therefore, actual amounts will almost certainly differ from projected amounts.

In performing this analysis, we relied on data and other information gathered through publicly available data sources. We have not audited or verified this data and other information. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete. We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have not found material defects in the data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.

The services provided for this project are subject to the terms of the signed Consulting Services Agreement between Milliman and the Oregon Business Council dated August 27, 2018.

Guidelines issued by the American Academy of Actuaries require actuaries to include their professional qualifications in all actuarial communications. The authors of this report are members of the American Academy of Actuaries, and meet the qualification standards for performing the analyses in this report.

Appendix 1: State Employee Medical + Rx Benefit Options Overview

This table provides an overview of the options available to state employees during the 2018-2019 plan year. The table shows how many plans are offered at each deductible level: \$, \$1-1,499, and \$1,500+. Some states have many \$0 deductible plans listed, though not all employees have the option of choosing any of the plans. For example, in California, some of these \$0 deductible plans are regional HMO products.

We have used the Milliman Health Cost Guidelines Managed Care Rating Manual to price the actuarial value of the plan designs. Our database captures key pieces of information about the benefit design, including:

- Deductible
- Out-of-pocket maximum
- Coinsurance
- Primary care and specialist office visit copays
- Inpatient hospital copay
- Outpatient surgery copay
- Emergency room copay
- Generic, brand, and non-preferred brand drug copays as well as the Rx deductible, if there is one
- Employer contribution to the HSA/HRA

We calculate the estimated underlying claims cost per member per month for each state, and then we estimate what portion of these expenses are paid by the health plan. We have defined actuarial value as the ratio of expenses paid by the health plan to the total expenses eligible under the plan. The Milliman Health Cost Guidelines are widely used by insurance companies throughout the country. The term actuarial value has become more commonplace with the introduction of the Individual and Small Group Health Insurance Marketplaces. There is now a federal actuarial value calculator. Results will vary depending on the assumptions and model used to calculate actuarial value.

FIGURE 1: BENEFIT OPTIONS OVERVIEW

State	Effective Date	Count of Options	Count of \$0 Deductible Options	Count of \$1-1,499 Deductible Options	Count of \$1,500+ Deductible Options	Minimum Actuarial Value Offered	Maximum Actuarial Value Offered	Average Actuarial Value Selected
CA	1/1/2018	14	11	3		90%	98%	96%
ID	7/1/2018	3		2	1	78%	91%	90%
NV	7/1/2018	3	2		1	83%	94%	85%
OR	1/1/2018	5	1	4		93%	98%	93%
WA	1/1/2018	10		10		90%	94%	92%

Appendix 2: State Employee Selection by Medical + Rx Option Type

This table has information about the characteristics of the plans that the state employees selected. Several of the other exhibits provide information about the most popular option selected by state employees. This exhibit gives information about how many employees actually enrolled in the most popular and second most popular plans. It also shows the distribution of employees by deductible level: \$0 deductible options, \$1 to \$1,499 deductible options, and greater than \$1,500 deductible options.

FIGURE 2: EMPLOYEE SELECTION BY OPTION TYPE

State	Effective Date	Enrollment in Most Popular Option	Enrollment in Second Most Popular Option	Enrollment in \$0 Deductible Options	Enrollment in \$1-1,499 Deductible Options	Enrollment in \$1,500+ Deductible Options
CA	1/1/2018	50%	15%	81%	19%	
ID	7/1/2018	85%	15%		100%	0%
NV	7/1/2018	71%	17%	29%		71%
OR	1/1/2018	39%	36%	16%	84%	
WA	1/1/2018	52%	15%		100%	

Appendix 3: State Employee Total Medical + Rx Premium per Employee by Option Type

This table provides information about the cost of the options available to state employees during the 2018-2019 plan year. We have provided premiums for the most popular \$0 deductible option, the most popular \$1-1,499 deductible option, and the most popular \$1,500+ option.

The premiums shown are Per Employee Per Month (PEPM) premiums. For example, if a state offers three tiers, this number would be a composite of all three tiers. If a state offers six tiers, this number would be a composite of the six tiers. We used each state's own employee distribution to perform these composite calculations.

FIGURE 3: TOTAL PREMIUM PER EMPLOYEE BY OPTION TYPE

State	Effective Date	PEPM for Least Expensive Option	PEPM for Most Expensive Option	PEPM for Most Popular Option	PEPM for Most Popular \$0 Deductible Option	PEPM for Most Popular \$1-1,499 Deductible Option	PEPM for Most Popular \$1,500+ Deductible Option	Average PEPM
CA	1/1/2018	\$867.13	\$1,524.19	\$1,320.21	\$1,320.21	\$1,356.71		\$1,341.99
ID	7/1/2018	\$792.63	\$1,141.32	\$1,124.40		\$1,124.40	\$792.63	\$1,125.92
NV	7/1/2018	\$757.13	\$1,125.96	\$757.13	\$1,125.96		\$757.13	\$862.59
OR	1/1/2018	\$1,174.64	\$1,536.81	\$1,536.81	\$1,456.48	\$1,536.81		\$1,403.91
WA	1/1/2018	\$767.98	\$1,112.79	\$1,002.55		\$1,002.55		\$967.31

Appendix 4: State Employee Total Medical + Rx Premiums and Employee Contributions for Employee Only Coverage

These tables provide information about the cost of the employee only options available to state employees during the 2018-2019 plan year. The total employee only monthly premiums are included in Figure 4A and the employee contributions to employee only coverage are included in Figure 4B. The relationships between the employee contribution and the total premiums are shown in Figure 4C.

FIGURE 4A: TOTAL PREMIUMS FOR EMPLOYEE ONLY COVERAGE

State	Effective Date	Total EE Only Premium for Least Expensive Option	Total EE Only Premium for Most Expensive Option	Total EE Only Premium for Most Popular Option	Total EE Only Premium for Most Popular \$0 Deductible Option	Total EE Only Premium for Most Popular \$1-1,499 Deductible Option	Total EE Only Premium for Most Popular \$1,500+ Deductible Option	Average Total EE Only Premium
CA	1/1/2018	\$471.51	\$841.34	\$717.38	\$717.38	\$724.16		\$721.43
ID	7/1/2018	\$504.90	\$646.08	\$589.22		\$589.22	\$504.90	\$598.47
NV	7/1/2018	\$579.25	\$814.91	\$579.25	\$814.91		\$579.25	\$645.25
OR	1/1/2018	\$646.86	\$757.08	\$757.08	\$745.91	\$757.08		\$703.18
WA	1/1/2018	\$577.36	\$704.30	\$644.96		\$644.96		\$633.95

FIGURE 4B: EMPLOYEE CONTRIBUTIONS TO PREMIUMS FOR EMPLOYEE ONLY COVERAGE

State	Effective Date	EE Contr. to EE Only Premium for Least Expensive Option	EE Contr. to EE Only Premium for Most Expensive Option	EE Contr. to EE Only Premium for Most Popular Option	EE Contr. to EE Only Premium for Most Popular \$0 Deductible Option	EE Contr. to EE Only Premium for Most Popular \$1-1,499 Deductible Option	EE Contr. to EE Only Premium for Most Popular \$1,500+ Deductible Option	Average EE Contr. to EE Only Premium
CA	1/1/2018	\$0.00	\$262.34	\$138.38	\$138.38	\$145.16		\$141.70
ID	7/1/2018	\$44.00	\$68.00	\$55.00		\$55.00	\$44.00	\$57.16
NV	7/1/2018	\$31.73	\$142.43	\$31.73	\$142.43		\$31.73	\$62.73
OR	1/1/2018	\$6.47	\$37.85	\$37.85	\$37.30	\$37.85		\$22.09
WA	1/1/2018	\$25.00	\$162.00	\$102.00		\$102.00		\$90.00

FIGURE 4C: EMPLOYEE CONTRIBUTIONS TO PREMIUMS AS A PERCENTAGE OF TOTAL PREMIUMS FOR EMPLOYEE ONLY COVERAGE

State	Effective Date	EE Contr. As % of Total for EE Only Premium for Least Expensive Option	EE Contr. As % of Total for EE Only Premium for Most Expensive Option	EE Contr. As % of Total for EE Only Premium for Most Popular Option	EE Contr. As % of Total for EE Only Premium for Most Popular \$0 Deductible Option	EE Contr. As % of Total for EE Only Premium for Most Popular \$1-1,499 Deductible Option	EE Contr. As % of Total for EE Only Premium for Most Popular \$1,500+ Deductible Option	Average EE Contr. As % of Total for EE Only Premium
CA	1/1/2018	0%	31%	19%	19%	20%		20%
ID	7/1/2018	9%	11%	9%		9%	9%	10%
NV	7/1/2018	5%	17%	5%	17%		5%	10%
OR	1/1/2018	1%	5%	5%	5%	5%		3%
WA	1/1/2018	4%	23%	16%		16%		14%

Appendix 5: State Employee Total Medical + Rx Premiums and Employee Contributions for Employee Plus Dependent Coverage

These tables provide information about the cost of the employee only options available to state employees during the 2018-2019 plan year. The total employee only monthly premiums are included in Figure 5A and the employee contributions to employee only coverage are included in Figure 5B. The relationships between the employee contribution and the total premiums are shown in Figure 5C.

FIGURE 5A: TOTAL PREMIUMS FOR EMPLOYEE PLUS DEPENDENT COVERAGE

State	Effective Date	Total EE+DEP Premium for Least Expensive Option	Total EE+DEP Premium for Most Expensive Option	Total EE+DEP Premium for Most Popular Option	Total EE+DEP Premium for Most Popular \$0 Deductible Option	Total EE+DEP Premium for Most Popular \$1-1,499 Deductible Option	Total EE+DEP Premium for Most Popular \$1,500+ Deductible Option	Average Total EE+DEP Premium
CA	1/1/2018	\$1,137.93	\$1,984.06	\$1,708.84	\$1,708.84	\$1,710.71		\$1,715.98
ID	7/1/2018	\$1,143.85	\$1,447.61	\$1,380.03		\$1,380.03	\$1,143.85	\$1,388.82
NV	7/1/2018	\$999.54	\$1,469.37	\$999.54	\$1,469.37		\$999.54	\$1,145.80
OR	1/1/2018	\$1,504.77	\$1,762.42	\$1,762.42	\$1,719.21	\$1,762.42		\$1,647.55
WA	1/1/2018	\$1,275.89	\$1,655.91	\$1,495.39		\$1,495.39		\$1,465.36

FIGURE 5B: EMPLOYEE CONTRIBUTIONS TO PREMIUMS FOR EMPLOYEE PLUS DEPENDENT COVERAGE

State	Effective Date	EE Contr. to EE+DEP Premium for Least Expensive Option	EE Contr. to EE+DEP Premium for Most Expensive Option	EE Contr. to EE+DEP Premium for Most Popular Option	EE Contr. to EE+DEP Premium for Most Popular \$0 Deductible Option	EE Contr. to EE+DEP Premium for Most Popular \$1-1,499 Deductible Option	EE Contr. to EE+DEP Premium for Most Popular \$1,500+ Deductible Option	Average EE Contr. to EE+DEP Premium
CA	1/1/2018	\$0.00	\$619.49	\$330.52	\$330.52	\$343.76		\$334.74
ID	7/1/2018	\$127.04	\$183.60	\$158.55		\$158.55	\$127.04	\$161.92
NV	7/1/2018	\$138.81	\$387.70	\$138.81	\$387.70		\$138.81	\$216.31
OR	1/1/2018	\$15.05	\$88.12	\$88.12	\$85.96	\$88.12		\$55.50
WA	1/1/2018	\$63.61	\$391.16	\$245.84		\$245.84		\$222.01

FIGURE 5C: EMPLOYEE CONTRIBUTIONS TO PREMIUMS AS A PERCENTAGE OF TOTAL PREMIUMS FOR EMPLOYEE PLUS DEPENDENT COVERAGE

State	Effective Date	EE Contr. As % of Total for EE+DEP Premium for Least Expensive Option	EE Contr. As % of Total for EE+DEP Premium for Most Expensive Option	EE Contr. As % of Total for EE+DEP Premium for Most Popular Option	EE Contr. As % of Total for EE+DEP Premium for Most Popular \$0 Deductible Option	EE Contr. As % of Total for EE+DEP Premium for Most Popular \$1-1,499 Deductible Option	EE Contr. As % of Total for EE+DEP Premium for Most Popular \$1,500+ Deductible Option	Average EE Contr. As % of Total for EE+DEP Premium
CA	1/1/2018	0%	31%	19%	19%	20%		20%
ID	7/1/2018	11%	13%	11%		11%	11%	12%
NV	7/1/2018	14%	26%	14%	26%		14%	19%
OR	1/1/2018	1%	5%	5%	5%	5%		3%
WA	1/1/2018	5%	24%	16%		16%		15%

Appendix 6: State Employee Benefit-Adjusted Medical + Rx Total Premiums for Employee Only Coverage

The premium data shown in the previous figures has at least one known difference among state employee plans. That is, the most popular plan offered in one state may be richer or less rich than the most popular plan offered in another state. In order to adjust for these differences between states, Figure 6 follows the same structure as Figure 4A, but we have benefit-adjusted the premiums so that the monthly numbers all reflect the hypothetical premium if all states offered plans with no member cost sharing, also called a plan with a 100% actuarial value.

The benefit-adjusted premiums for each option are calculated as the option's premium divided by the option's actuarial value. The result is the hypothetical premium if the option were offered at a 100% actuarial value, or no cost sharing. This is not the same as asking what the total underlying cost of healthcare services is, as this hypothetical premium includes the insurance carrier's load for non-benefit expenses, such as administrative expenses and profit.

FIGURE 6: BENEFIT-ADJUSTED TOTAL PREMIUMS FOR EMPLOYEE ONLY COVERAGE

State	Effective Date	Benefit-Adjusted Total EE Only Premium for Least Expensive Option	Benefit-Adjusted Total EE Only Premium for Most Expensive Option	Benefit-Adjusted Total EE Only Premium for Most Popular Option	Benefit-Adjusted Total EE Only Premium for Most Popular \$0 Deductible Option	Benefit-Adjusted Total EE Only Premium for Most Popular \$1-1,499 Deductible Option	Benefit-Adjusted Total EE Only Premium for Most Popular \$1,500+ Deductible Option	Average Benefit-Adjusted Total EE Only Premium
CA	1/1/2018	\$478.77	\$860.45	\$732.83	\$732.83	\$801.31		\$747.56
ID	7/1/2018	\$645.62	\$735.34	\$649.57		\$649.57	\$645.62	\$662.24
NV	7/1/2018	\$700.24	\$1,785.51	\$700.24	\$918.44		\$700.24	\$758.21
OR	1/1/2018	\$699.21	\$818.35	\$818.35	\$762.48	\$818.35		\$756.78
WA	1/1/2018	\$618.15	\$746.72	\$706.87		\$706.87		\$691.32

Appendix 7: Teacher Plan Medical + Rx Options in Oregon

FIGURE 7A: OEGBB PLANS OFFERED FOR OCTOBER 1, 2017 TO SEPTEMBER 30, 2018

Plan Name	Carrier	In-Network Individual Deductible	Actuarial Value
Medical Plan 1 HMO	Kaiser	\$0	97%
Medical Plan 2 HMO		\$700	88%
Medical Plan 3 HMO*		\$1,500	80%
Alder**	Moda	\$400	89%
Birch		\$800	85%
Cedar		\$1,200	82%
Dogwood		\$1,600	79%
Evergreen*		\$1,600	80%

* These plans are HSA-compatible.

** This plan is only offered through Moda's limited networks, not its broad network.

FIGURE 7B: OEGB TOTAL MONTHLY PREMIUM RATES FOR OCTOBER 1, 2017 TO SEPTEMBER 20, 2018

OEGB Plan	Tier-Rated Groups				Composite-Rated Groups
	Employee Only	Employee + Spouse	Employee + Child(ren)	Employee + Spouse + Child(ren)	All Tiers
Kaiser					
Medical Plan 1 HMO	\$608.75	\$1,339.26	\$1,156.63	\$1,887.13	\$1,449.17
Medical Plan 2 HMO	\$502.19	\$1,105.50	\$954.11	\$1,557.54	\$1,196.69
Medical Plan 3 HMO *	\$366.69	\$807.19	\$696.43	\$1,136.97	\$870.96
Moda					
Broad Network – Connexus					
Birch PPO	\$628.29	\$1,382.22	\$1,193.75	\$1,947.71	\$1,495.30
Cedar PPO	\$580.73	\$1,277.60	\$1,103.40	\$1,800.31	\$1,382.13
Dogwood PPO	\$523.93	\$1,152.66	\$995.51	\$1,624.26	\$1,246.97
Evergreen* PPO	\$466.03	\$1,025.26	\$885.47	\$1,444.70	\$1,109.14
Limited Networks – Synergy (Western and Central Oregon) and Summit (Eastern Oregon)					
Alder CCM	\$638.97	\$1,405.74	\$1,214.07	\$1,980.86	\$1,520.75
Birch CCM	\$565.45	\$1,243.99	\$1,074.36	\$1,752.92	\$1,345.76
Cedar CCM	\$522.65	\$1,149.84	\$993.06	\$1,620.29	\$1,243.92
Dogwood CCM	\$471.55	\$1,037.41	\$895.97	\$1,461.83	\$1,122.28
Evergreen* CCM	\$419.43	\$922.74	\$796.92	\$1,300.24	\$998.22

* These plans are HSA-compatible

Approximately two-thirds of the schools in Oregon that participate in the OEGB opt for composite rates while the remaining one-third opt for four-tiered rates.

FIGURE 7C: PLANS OFFERED TO PORTLAND SCHOOL DISTRICT WITH EFFECTIVE DATE OF JANUARY 1, 2018

Plan Name	Carrier	Single Monthly Premium *	Two-Party Monthly Premium *	Family Monthly Premium *	In-Network Individual Deductible	Actuarial Value
Kaiser Permanente HMO	Kaiser	\$331.00	\$862.00	\$1,233.00	\$0	99%
Providence Personal	Providence	\$415.00	\$1,035.00	\$1,636.00	\$0	96%
Trust Plan 1	Regence	\$503.00	\$1,233.00	\$1,860.00	\$100	95%
Trust Plan 2		\$401.00	\$1,024.00	\$1,559.00	\$100	95%

* The total monthly active rates are not publicly available. As an alternative, the monthly premiums shown are described in publicly available source material as early retiree monthly premium rates. Several tests of reasonableness suggest that these retiree rates are at levels similar to active rates. It is possible that the total monthly active rates are composite rates rather than three-tiered rates.

FIGURE 7D: PLANS OFFERED TO BEAVERTON SCHOOL DISTRICT WITH EFFECTIVE DATE OF JULY 1, 2017

Plan Name	Carrier	Composite Monthly Premium	In-Network Individual Deductible	Actuarial Value
Kaiser Permanente	Kaiser	\$1,273.68	\$0	98%
Purple Plan Medical	Blue Cross	\$1,530.40	\$500	90%
Yellow Plan Medical		\$1,314.75	\$1,000	86%

FIGURE 7E: PLANS OFFERED TO CORVALLIS SCHOOL DISTRICT WITH EFFECTIVE DATE OF OCTOBER 1, 2017

Plan Name	Carrier	Composite Monthly Premium	In-Network Individual Deductible	Actuarial Value
\$300 Deductible Plan	PacificSource	\$1,314	\$300	95%
\$600 Deductible Plan		\$1,070	\$600	91%
\$1,500 Deductible HSA Plan *		\$827	\$1,500	86%

* The premium and actuarial value shown above for the \$1,500 deductible HSA plan do not reflect the employer's contribution to a health spending account. The total employer contribution toward health, dental, and vision benefits is \$1,176 per full time employee per month. Employees enrolled in the HSA-compatible plan can elect to put the balance of the employer's contribution in their HSA.

Appendix 8: Teacher Plan Medical + Rx Options in Washington

FIGURE 8A: INDIVIDUAL DEDUCTIBLE AND AV OF PRIMARY PLAN OFFERINGS – TEACHERS IN WASHINGTON

Plan Name	Carrier	In Network Individual Deductible	Actuarial Value
PEBB			
Kaiser Permanente NW CDHP**	Kaiser	\$1,400	83%
Kaiser Permanente NW Classic**		\$300	93%
Kaiser Permanente WA CDHP		\$1,400	84%
Kaiser Permanente WA Classic		\$175	94%
Kaiser Permanente WA SoundChoice		\$250	91%
Kaiser Permanente WA Value		\$250	90%
UMP CDHP	UMP	\$1,400	84%
UMP Classic		\$250	91%
UMP Plus-PSHVN		\$125	92%
UMP Plus-UW Medicine ACN		\$125	92%
WEA Trust			
Basic	United Healthcare and Aetna	\$2,100	76%
EasyChoice A		\$1,250	82%
EasyChoice B		\$750	85%
Plan 2		\$300	90%
Plan 3		\$500	87%
Plan 5		\$200	94%
QHDHP		\$1,750	80%
Premera Education Program			
Basic Plan	Premera Blue Cross	\$2,100	76%
EasyChoice A		\$1,250	82%
EasyChoice B		\$750	85%
Plan 2		\$300	90%
Plan 3		\$500	87%
Plan 5		\$200	94%
QHDHP		\$1,750	80%

FIGURE 8B: FOUR-TIER PREMIUM RATES FOR PLAN YEAR ENDING 2018 FOR PEBB, WEA TRUST AND PREMIER EDUCATION PROGRAM

Unlike most other statewide plan or pool/trust participation requirements, the WEA Trust allows school districts to offer other health insurance coverage alongside the trust options. School districts that offer the WEA Trust plans and only one other HMO plan option, such as Kaiser, get a 10% discount on the WEA Trust rates. The rates shown in the appendix are the undiscounted rates.

Plan Name	Employee Only	Employee + Spouse	Employee + Child(ren)	Employee + Spouse + Child(ren)
Washington PEBB				
Kaiser Permanente NW CDHP**	\$579	\$1,147	\$1,020	\$1,530
Kaiser Permanente NW Classic**	\$679	\$1,353	\$1,185	\$1,859
Kaiser Permanente WA CDHP	\$578	\$1,144	\$1,017	\$1,527
Kaiser Permanente WA Classic	\$704	\$1,404	\$1,229	\$1,928
Kaiser Permanente WA SoundChoice	\$595	\$1,185	\$1,038	\$1,628
Kaiser Permanente WA Value	\$621	\$1,237	\$1,083	\$1,699
UMP CDHP	\$577	\$1,144	\$1,017	\$1,526
UMP Classic	\$645	\$1,285	\$1,125	\$1,765
UMP Plus-PSHVN	\$589	\$1,173	\$1,027	\$1,611
UMP Plus-UW Medicine ACN	\$589	\$1,173	\$1,027	\$1,611
Washington Education Association Trust Plans				
United Healthcare Choice Plus				
Basic	\$643	\$1,184	\$858	\$1,409
EasyChoice A	\$768	\$1,402	\$1,027	\$1,674
EasyChoice B	\$799	\$1,461	\$1,067	\$1,744
Plan 2	\$1,136	\$2,085	\$1,523	\$2,499
Plan 3	\$1,032	\$1,894	\$1,383	\$2,269
Plan 5	\$1,326	\$2,554	\$1,805	\$3,079
QHDHP	\$590	\$1,082	\$786	\$1,285

Plan Name	Employee Only	Employee + Spouse	Employee + Child(ren)	Employee + Spouse + Child(ren)
United Healthcare Navigate Balanced				
Basic	\$581	\$1,069	\$774	\$1,272
EasyChoice A	\$694	\$1,265	\$927	\$1,510
EasyChoice B	\$721	\$1,318	\$963	\$1,574
Plan 2	\$1,025	\$1,881	\$1,374	\$2,254
Plan 3	\$931	\$1,709	\$1,248	\$2,047
Plan 5	\$1,197	\$2,304	\$1,629	\$2,777
QHDHP	\$533	\$977	\$710	\$1,160
Aetna Washington Value				
Basic	\$587	\$1,081	\$783	\$1,286
EasyChoice A	\$701	\$1,279	\$937	\$1,527
EasyChoice B	\$729	\$1,333	\$974	\$1,591
Plan 2	\$1,036	\$1,901	\$1,389	\$2,279
Plan 3	\$941	\$1,728	\$1,262	\$2,070
Plan 5	\$1,210	\$2,330	\$1,647	\$2,808
QHDHP	\$539	\$987	\$718	\$1,172
Aetna Open Choice				
Basic	\$611	\$1,125	\$815	\$1,339
EasyChoice A	\$730	\$1,332	\$975	\$1,590
EasyChoice B	\$759	\$1,388	\$1,014	\$1,657
Plan 2	\$1,079	\$1,980	\$1,447	\$2,374
Plan 3	\$980	\$1,800	\$1,314	\$2,156
Plan 5	\$1,260	\$2,427	\$1,715	\$2,925
QHDHP	\$561	\$1,028	\$748	\$1,221
Premiera Education Program				
Basic Plan	\$469	\$851	\$622	\$1,019
EasyChoice A	\$581	\$1,055	\$770	\$1,264
EasyChoice B	\$581	\$1,055	\$770	\$1,264
Plan 2	\$862	\$1,579	\$1,151	\$1,893
Plan 3	\$788	\$1,443	\$1,053	\$1,731
Plan 5	\$997	\$1,917	\$1,361	\$2,309
QHDHP	\$455	\$826	\$603	\$975

Appendix 9: Representative Teacher Plan Medical + Rx Options in California

**FIGURE 9A: REPRESENTATIVE PLANS OFFERED FOR SISC SCHOOL DISTRICT IN LOS ANGELES COUNTY IN 2017:
ANTELOPE VALLEY UNION HIGH SCHOOL**

Plan Name	Carrier	Composite Monthly Premium	In-Network Individual Deductible	Actuarial Value
Kaiser \$0 Co-Pay	Kaiser	\$1,161	\$0	98%
Kaiser \$30 Co-Pay		\$1,063	\$0	96%
Blue Cross 90/10	Anthem Blue Cross	\$1,444	\$100	97%
Blue Cross 100% Plan		\$1,522	\$100	94%
Blue Cross 90/10 \$20 Co-Pay		\$1,312	\$300	96%
Blue Cross High Deductible		\$1,027	\$2,000	77%

**FIGURE 9B: REPRESENTATIVE PLANS OFFERED FOR CVT SCHOOL DISTRICT IN LOS ANGELES COUNTY IN 2017:
PALMDALE ELEMENTARY SCHOOL**

Plan Name	Carrier	Composite Monthly Premium	In-Network Individual Deductible	Actuarial Value
Kaiser 1	Kaiser	\$1,082	\$0	98%
PPO 2-A	Anthem Blue Cross	\$1,483	\$0	98%
PPO 3-B		\$1,432	\$100	97%
PPO 4-B		\$1,377	\$100	95%
PPO 4-A		\$1,390	\$100	95%
Wellness		\$1,284	\$500	
BRONZE		\$708	\$5,000	71%

**FIGURE 9C: REPRESENTATIVE PLANS OFFERED FOR CALPERS SCHOOL DISTRICT IN LOS ANGELES COUNTY IN 2017:
COMPTON UNIFIED**

Plan Name	Carrier	Single Monthly Premium	Two-Party Monthly Premium	Family Monthly Premium	In-Network Individual Deductible	Actuarial Value
PERS Care	Anthem Blue Cross	\$716	\$1,432	\$1,861	\$500	93%
PERS Choice		\$647	\$1,297	\$1,678	\$500	90%
PERS Select		\$571	\$1,131	\$1,470	\$1,000	90%
Anthem Blue Cross Select		\$608	\$1,186	\$1,599	\$0	98%
Anthem Blue Cross Traditional		\$714	\$1,427	\$1,856	\$0	98%
Blue Shield	Blue Shield	\$684	\$1,382	\$1,765	\$0	98%
Health Net Salud Y Mas	Health Net	\$415	\$830	\$1,078	\$0	98%
Health Net SmartCare		\$528	\$1,053	\$1,370	\$0	98%
Kaiser	Kaiser	\$574	\$1,152	\$1,498	\$0	98%
United Health Care	United Health Care	\$546	\$1,092	\$1,421	\$0	98%

Appendix 10: Descriptive Statistics of Medical + Rx Monthly Premiums, Employee Contribution Percentages and Employer Monthly Contributions for Teachers for 2017-2018 Plan Year

FIGURE 10A: DESCRIPTIVE STATISTICS OF MONTHLY PREMIUMS, TEACHERS

State	Grouping	Employee Only Coverage				Employee Plus Dependent Coverage			
		Minimum	Maximum	Average	Median	Minimum	Maximum	Average	Median
OR	Composite	\$871	\$1,521	\$1,248	\$1,245	\$871	\$1,521	\$1,248	\$1,245
	Step-Rate	\$367	\$639	\$525	\$523	\$949	\$1,654	\$1,358	\$1,354
WA	WEA	\$533	\$1,326	\$846	\$764	\$1,016	\$2,669	\$1,637	\$1,456
	PEBB	\$577	\$704	\$616	\$592	\$1,312	\$1,635	\$1,420	\$1,373
	Premera	\$455	\$997	\$676	\$581	\$857	\$2,004	\$1,303	\$1,103
CA	CalPERS	\$250	\$7,407	\$788	\$733	\$901	\$3,548	\$1,761	\$1,738
	CVT	\$300	\$2,318	\$1,134	\$1,084	\$493	\$3,018	\$1,387	\$1,419
	SISC	\$150	\$2,401	\$1,038	\$1,101	\$477	\$2,741	\$1,304	\$1,292

FIGURE 10B: DESCRIPTIVE STATISTICS OF EMPLOYEE CONTRIBUTIONS AS A PERCENTAGE OF TOTAL PREMIUM, TEACHERS

State	Grouping	Employee Only Coverage				Employee Plus Dependent Coverage			
		Minimum	Maximum	Average	Median	Minimum	Maximum	Average	Median
OR	Composite	0%	41%	7%	0%	0%	41%	7%	0%
	Step-Rate	0%	44%	8%	0%	0%	49%	12%	6%
WA	WEA	0%	38%	10%	0%	19%	69%	45%	44%
	PEBB	0%	0%	0%	0%	38%	50%	42%	40%
	Premera	0%	18%	3%	0%	4%	59%	31%	26%
CA	CalPERS	0%	64%	12%	7%	0%	83%	34%	33%
	CVT	0%	72%	23%	20%	0%	79%	30%	31%
	SISC	0%	78%	15%	10%	0%	79%	22%	19%

FIGURE 10C: DESCRIPTIVE STATISTICS OF EMPLOYER MONTHLY CONTRIBUTIONS, TEACHERS

State	Grouping	Employee Only Coverage				Employee Plus Dependent Coverage			
		Minimum	Maximum	Average	Median	Minimum	Maximum	Average	Median
OR	Composite	\$871	\$1,521	\$1,156	\$1,154	\$871	\$1,521	\$1,156	\$1,154
	Step-Rate	\$356	\$639	\$476	\$472	\$841	\$1,654	\$1,178	\$1,163
WA	WEA	\$533	\$820	\$728	\$764	\$820	\$820	\$820	\$820
	PEBB	\$577	\$704	\$616	\$592	\$820	\$820	\$820	\$820
	Premera	\$455	\$820	\$645	\$581	\$820	\$820	\$820	\$820
CA	CalPERS	\$362	\$1,609	\$656	\$630	\$337	\$2,412	\$1,091	\$972
	CVT	\$243	\$1,613	\$838	\$802	\$364	\$1,898	\$907	\$875
	SISC	\$145	\$1,617	\$861	\$857	\$203	\$2,467	\$967	\$925

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