

Multiple Agency Fiscal Note Summary

Bill Number: 6574 SB

Title: Sch dis emplys/health care

Estimated Cash Receipts

Agency Name	2001-03		2003-05		2005-07	
	GF- State	Total	GF- State	Total	GF- State	Total
Washington State Health Care Authority	0	23,323,380	0	92,614,390	0	92,614,390
Total \$	0	23,323,380	0	92,614,390	0	92,614,390

Local Gov. Courts *						
Local Gov. Other **						
Local Gov. Total						

Estimated Expenditures

Agency Name	2001-03			2003-05			2005-07		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Washington State Health Care Authority	2.3	1,960,805	23,323,380	4.6	7,226,734	92,614,390	4.6	7,226,734	92,614,390
Superintendent of Public Instruction	Fiscal note not available								
Total	2.3	\$1,960,805	\$23,323,380	4.6	\$7,226,734	\$92,614,390	4.6	\$7,226,734	\$92,614,390

Local Gov. Courts *									
Local Gov. Other **									
Local Gov. Total									

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Phone:

360-902-0579

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Preliminary 2/ 4/2002

* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

Individual State Agency Fiscal Note

Revised

Bill Number: 6574 SB	Title: Sch dis emplys/health care	Agency: 107-Wash State Health Care Authority
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND	FY 2002	FY 2003	2001-03	2003-05	2005-07
Public Employees' and Retirees InsuranceAccount-Non-Appropriated 721-6		23,323,380	23,323,380	92,614,390	92,614,390
Total \$		23,323,380	23,323,380	92,614,390	92,614,390

Estimated Expenditures from:

	FY 2002	FY 2003	2001-03	2003-05	2005-07
FTE Staff Years	0.0	4.6	2.3	4.6	4.6
Fund					
General Fund-State 001-1	0	1,960,805	1,960,805	7,226,734	7,226,734
General Fund-Federal 001-2	0	353,588	353,588	1,303,182	1,303,182
General Fund-Private/Local 001-7	0	32,144	32,144	118,472	118,472
St Health Care Authority Admin Acct-State 418-1	0	306,766	306,766	547,932	547,932
Public Employees' and Retirees InsuranceAccount-Non-Appropriated 721-6	0	20,670,077	20,670,077	83,418,070	83,418,070
Total \$	0	23,323,380	23,323,380	92,614,390	92,614,390

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 01/29/2002
Agency Preparation: Lisa Laux	Phone: (360) 923-2749	Date: 02/04/2002
Agency Approval: Pete Cutler	Phone: (360) 923-2720	Date: 02/04/2002
OFM Review: Gina Terry	Phone: 360-902-0579	Date: 02/04/2002

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

See attached.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

See attached.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

See attached.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2002	FY 2003	2001-03	2003-05	2005-07
FTE Staff Years		4.60	2.3	4.6	4.6
A-Salaries and Wages		190,548	190,548	381,096	381,096
B-Employee Benefits		42,740	42,740	85,480	85,480
C-Personal Service Contracts					
E-Goods and Services		38,603	38,603	77,206	77,206
G-Travel		2,075	2,075	4,150	4,150
J-Capital Outlays		32,800	32,800		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services		23,016,614	23,016,614	92,066,458	92,066,458
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
Total \$	0	23,323,380	23,323,380	92,614,390	92,614,390

III. B - Detail: List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA

Job Classification	Salary	FY 2002	FY 2003	2001-03	2003-05	2005-07
Accountant 2	32,544		1.3	0.6	1.3	1.3
HIBS 2	40,512		2.3	1.2	2.3	2.3
Marketing Specialist	56,690		1.0	0.5	1.0	1.0
Total FTE's			4.6	2.3	4.6	4.6

III. C - Expenditures By Program (optional)

Program	FY 2002	FY 2003	2001-03	2003-05	2005-07
PEBB (040)		23,323,380	23,323,380	92,614,390	92,614,390.00
Total \$		23,323,380	23,323,380	92,614,390	92,614,390

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

HCA Fiscal Note

Bill Number: SB 6574

HCA Request #:02-09R

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

The bill allows K-12 school districts to join the Public Employees Benefits Board (PEBB) for medical, dental, life and Long Term Disability (LTD) benefits at the same composite rate that is charged to state agencies. The bill is effective January 1, 2003.

The FY 2003 composite rate that state agencies pay the HCA for insurance benefits for state employees will be \$497.69, based upon the 2001-03 budget, and is based upon an assumption that the average family size for state employees is 2.14 persons.

The PEBB composite rate is developed to match the expected resource needs of the entire PEBB program. For an individual employer group, whether it is a state agency, a political subdivision, or a K-12 school district, the composite rate may not accurately reflect the expected average family size and expenditures of that group. Benefit costs for individual employer groups can vary because of any number of factors including family size, geographic location, health status, utilization patterns, etc. Because this bill would allow K-12 school districts the latitude to participate in PEBB plans or not, this fiscal note assumes that only those districts that find the PEBB composite rate to be more attractive than what they can purchase separately will choose to join. Those school districts that have a smaller average family size than is assumed in the funding rate, i.e. a larger portion of their employees enroll in coverage for themselves and not their families, may find the PEBB composite rate more costly than what they could purchase in the private market. Conversely, school districts that have an average family size that is larger than the average assumed in the state composite rate are more likely to find the PEBB's rate attractive.

Allowing school districts to opt out of the PEBB program when it is in the district's financial interest to do so, and to join PEBB when that option is more to their benefit, creates a risk to the PEBB fund from adverse selection. It is this process of adverse selection that is expected to increase PEBB plan costs, as discussed below in the expenditures section.

II. B – Cash Receipts Impact

This fiscal note assumes that 6,250 additional K-12 employees would join PEBB plans, in FY 2003, under this bill. This level of new enrollment would generate an increase in cash receipts from school districts of \$23,323,380 as detailed below:

- \$18,663,375 that would be paid by the new school districts, at the level of the FY 2003 state composite funding rate assumed in the 2001-03 budget (\$497.69),
- \$97,875 that would be paid by the new districts as an increase in the state composite funding rate. This fiscal note assumes the FY 2003 state composite rate will increase by \$2.61 as a result of this bill, and both state agencies and participating school districts will pay the higher rate. The rate increase would grow to \$4.82 for FY 2004 and following years.
- \$2,867,946 that would be contributed by school district employers and employees in addition to the state composite rate. This revenue would be an amount equivalent to the state employee contributions collected by state agencies. It is our assumption that the school districts will pay to PEBB the state composite rate plus employee contributions for the respective health plans. This bill does not change how the school districts determine the

HCA Fiscal Note

Bill Number: SB 6574

HCA Request #:02-09R

actual level of employee contributions by plan or family tier or any other factors they may use.

- (\$1,390,500) reflects the revenue loss from a reduction in the K-12 school district remittance payments to PEBB for non-Medicare and Medicare retiree subsidies. When the FY 2003 state composite rates were developed, it was assumed that these non-participating school districts would pay PEBB for their retiree subsidies. If the school districts join PEBB, and pay the state composite rate, they would no longer pay the K-12 remittance.
- (\$129,750) reflects a reduction in administrative revenue collected from school districts that are currently in PEBB plans. The school district employees require more PEBB administrative support than state agency employees do. The original FY 2003 funding rate was built on the assumption that PEBB could add a surcharge to the K12 school district rates to cover the added workload costs. The provisions of the bill do not allow PEBB to charge the school districts more than the state agencies. Also because the school districts join in small groups at a time, PEBB needs to send separate correspondence to each. The state payroll offices perform some of these functions for state employees.
- \$3,214,434 that would be paid by state agencies, assuming the state composite rate increases \$2.61 from \$497.69 to \$500.30 to cover the adverse selection fiscal impacts discussed below.
- All of our assumptions are based upon how the 2001-03 budget state composite rate was developed and all of the policies that PEBB has implemented. Although we know that the K12 school districts implement these policies differently, impacts because of these policy differences are not estimable and have not been included in neither our revenue nor expenditure assumptions.

II. C - Expenditures

We have estimated a FY 2003 PEBB cost increase of \$23,323,380 based upon a mid-range assumption that 6,250 new K-12 school district employees join PEBB in January 2003, (approximately 7.5% of the total K-12 school district subscribers). Using an average family size of 2.4 this would result in 15,000 new K-12 PEBB members. Because the new K-12 subscribers would be expected to have a higher average family size, the state composite funding rate paid by their districts would not be sufficient enough to cover all of their benefit costs. Both the benefits and administrative cost increases are summarized on Table 4, Summary of Impacts. Our estimates are based upon the following:

- The state will fund the increased cost through by increasing the funding rate for all state agencies. In FY 2003 the required increase is \$2.61. In FY 2004 and subsequent years the increase is \$4.82. Per OFM fiscal note instructions, we have not factored in increases to medical premiums after CY 03, so actual costs will likely be higher.
- Without this administrative surcharge, the original FY 2003 funding rate is not sufficient to cover all overhead expenditures. Additional duties for PEBB include data entry, balancing accounts, administrative support functions, training and out reach specific to K-12 school districts.
- The majority of the school districts will join in the fall of 2002, the beginning of the K-12 school year, and pay the tiered rates already offered through PEBB.

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- We have assumed that the bill applies to only K-12 school districts and does not include Educational Service Districts (ESDs).
- These new K-12 school districts convert to a full benefits package composite rates in January 2003. The bill allows for school districts to purchase medical benefits only and pay a reduced composite rate. This would be more difficult for PEBB to administer, because it would require the maintenance of separate rate tables, communication materials, etc. for different groups of school districts. If the school districts do join to purchase medical only benefits, the administrative costs could increase by another \$80,000 for FY 2003. We have not included this in our administrative estimates because very few school districts currently join as part of the medical only, tiered rates option. Since the full benefits package is attractive to most of the school districts that currently participate, we are assuming this would also be true for new participating school districts.
- The current school districts that already participate and pay tiered rates are also assumed to convert to composite rates. Conversion of the current K-12 tiered payment subscribers (470) are included in our 6,250 total subscriber estimates.
- Since the tiered rates are set up so that the revenue is sufficient to cover all related expenditures, regardless of the K-12 school district family size, we do not estimate any incrementally higher costs during the period prior to the bill's effective date.

PEBB Background and General Assumptions:

Currently, K-12 school districts can join PEBB as a group and pay family tiered rates as they would if they purchased other commercial insurance. The tiered rates take the difference in average family size into consideration, i.e. school districts with a lower average family size pay lower rates, and school districts with a higher average family size pay higher rates. State agencies are required to cover all their eligible employees in PEBB plans. They all pay the same "state composite rate" for each employee, regardless of the employee's family size. This state agency composite rate reflects the average family mix of all covered state employees.

The majority of school districts joining PEBB choose to participate in the full package of benefits: medical, dental, life, and LTD. Currently, there are 25 school districts participating in PEBB. Twenty districts pay the tiered rates. A few districts that joined PEBB prior to 1998 are allowed to pay composite rates. There are five districts that are "grandfathered" and pay a composite rate plus employee contribution. We have used the average family size of 2.4 and plan distribution for the existing school districts as a basis for estimates for future school districts joining PEBB.

We also reviewed information we had available for school districts participating in the Washington Education Association (WEA) plans and information from Group Health for the K-12 school districts covered in their plan. The WEA insurance covers approximately 48% of the school district members. The combined WEA and Group K-12 school district average family size is 1.93. However, the WEA average family size for three PPO plans and one HMO plan offered through Premiera Blue Cross ranges from 1.825 to 2.56. The average family size for K-12 school districts in Group Health is 2.36. The current Group Health rates are more attractive for full families, and results in a higher average family size. The average family size for Group Health of 2.36 is also similar to the PEBB current participating school districts family size of 2.4.

Detailed Assumptions Critical to PEBB Estimates:

In the paragraphs below, we have estimated incremental impacts to employee benefits and administrative costs if K-12 school districts are allowed to join PEBB and pay state composite rates. However, the following are critical to our assumptions and variation from these assumptions would significantly impact our cost estimates:

- If the actual average family size of the school districts that sign up with PEBB plans is greater than we have estimated, there may be an even greater funding short fall.
- We have assumed that the K-12 school district employees and their families do not utilize medical and dental services at a rate any higher than state employees do. If the K-12 school district utilization were higher, the rates for all non-Medicare subscribers (state active, K-12 active and non-Medicare retirees) would increase.
- The school districts will be required to continue to follow the same eligibility rules as PEBB, set the employee contributions in a similar manner, and administer the benefits in the same way. School districts would not be able to alter PEBB eligibility standards or benefits for full-time or part-time employees through collective bargaining.

Medical Premiums:

Detailed estimates for the medical premiums are shown on Table 5. Our estimates assume an average family size of 2.4, and the new enrollment is distributed among the top four health plans: Group Health, Premera Blue Cross, Premera Health Plus and the Uniform Medical Plan (UMP) in the same proportion.

Dental Premiums, Life and Long Term Disability (LTD):

Detailed estimates for the dental premiums are shown on Table 6. Our estimates assume that all of the school districts join and opt for the full package of benefits. This is true for the vast majority of the school districts who are currently participating in PEBB. The rates for the Uniform Dental Plan (UDP), PEBB's largest dental plan, are the basis for our estimates. Estimated costs for the state basic life and basic LTD benefits are detailed on Table 7.

Administrative costs:

We have also estimated that new enrollment of 6,250 would require more administrative support services consisting of 4.6 additional FTES and related support services. The total FY 2003 incremental increase for administration costs is \$306,766 as detailed on Table 3, Other Admin.

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

HCA Fiscal Note

Bill #:SB 6574

Table 1, PEBB-UMP Impact

HCA Request: 02-09R

	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
Expenditure change						
Benefits		23,016,614	46,033,229	46,033,229	46,033,229	46,033,229
Administration		306,766	273,966	273,966	273,966	273,966
Total	-	23,323,380	46,307,195	46,307,195	46,307,195	46,307,195
Revenue Shortfall before increase to FY 03 Rate	\$	3,312,309	\$	6,285,053	6,285,053	6,285,053

Revenue change						
Amt Equivalent to State Employee Contribution		2,867,946	\$	5,735,892	5,735,892	5,735,892
K12 School District Revenue - orig funding rate		18,663,375	\$	37,326,750	37,326,750	37,326,750
K12 School District Revenue - incremental increase to funding rate	\$	97,875	\$	361,500	\$	361,500
Discontinuing K12 Remittance	\$	(1,390,500)	\$	(2,781,000)	\$	(2,781,000)
Discontinuing K12 Admin Surcharge	\$	(129,750)	\$	(259,500)	\$	(259,500)
Total School District Revenue (721)		20,108,946		40,383,642	40,383,642	40,383,642

State Share Source						
61% GF-State	\$	1,960,805	\$	3,613,367	\$	3,613,367
11% GF-Federal	\$	353,588	\$	651,591	\$	651,591
1% GF-Local	\$	32,144	\$	59,236	\$	59,236
27% Non Appropriated	\$	867,897	\$	1,599,359	\$	1,599,359
100% State Employer Funding	\$	3,214,434	\$	5,923,553	\$	5,923,553
Total Active revenue	-	23,323,380		46,307,195	46,307,195	46,307,195

		State Employer Funding Rate					
		FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
Enrollment							
MCO	72,039						
UMP	30,441						
	102,480	\$ -	\$ 2.61	\$ 4.82	4.82	4.82	4.82

		Total Composite Rate Impact					
		FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
Enrollment							
MCO	72,039						
UMP	30,441						
New K12	6250 for 6mos =3,125 FY03						
	105,605	\$ -	\$ 2.61	\$ 4.82	4.82	4.82	4.82

Outyears 108,730

HCA Fiscal Note

Table 3, Admin

Bill #:SB 6574

Table 3, Other Admin

HCA Request: 02-09R

SIX YEAR EXPENDITURE ESTIMATE FOR:		Title: K12 School Districts Join PEBB at State Composite Rates									Six
Bill #:SB 6574		FY02		1st	FY04	FY05	2nd	FY06	FY07	3rd	Year
HCA Request: 02-09R				Biennium			Biennium			Biennium	Total
FTE		0.0	4.6	2.3	4.6	4.6	4.6	4.6	4.6	4.6	3.8
Salaries		0	190,548	190,548	190,548	190,548	381,096	190,548	190,548	381,096	952,740
Benefits		0	42,740	42,740	42,740	42,740	85,480	42,740	42,740	85,480	213,700
Personal Service Contracts - Actuarial Svcs/Ins System Up		0	0	0	0	0	0	0	0	0	0
Goods and Services		0	38,603	38,603	38,603	38,603	77,206	38,603	38,603	77,206	193,015
1. Supplies		0	4,063	4,063	4,063	4,063	8,126	4,063	4,063	8,126	20,315
2. Telephone		0	1,561	1,561	1,561	1,561	3,122	1,561	1,561	3,122	7,805
3. Facilities Mgmt. (EC, ED, & EK)		0	18,009	18,009	18,009	18,009	36,018	18,009	18,009	36,018	90,045
4. Printing / Copies		0	978	978	978	978	1,956	978	978	1,956	4,890
5. Employee Training		0	2,116	2,116	2,116	2,116	4,232	2,116	2,116	4,232	10,580
6. Personnel Service Charge		0	1,334	1,334	1,334	1,334	2,668	1,334	1,334	2,668	6,670
7. Data Processing Charges "EL"		0	10,542	10,542	10,542	10,542	21,084	10,542	10,542	21,084	52,710
8. Attorney General Revolving Fund "EM"		0	0	0	0	0	0	0	0	0	0
9. "Special " Data Processing		0	0	0	0	0	0	0	0	0	0
10. Misc Goods & Services "EZ"		0	0	0	0	0	0	0	0	0	0
11. "SPECIAL" Goods & Services		0	0	0	0	0	0	0	0	0	0
12. "SPECIAL" Goods & Services		0	0	0	0	0	0	0	0	0	0
13. "SPECIAL" Goods & Services		0	0	0	0	0	0	0	0	0	0
14. "SPECIAL" Goods & Services		0	0	0	0	0	0	0	0	0	0
Travel		0	2,075	2,075	2,075	2,075	4,150	2,075	2,075	4,150	10,375
Equipment		0	32,800	32,800	0	0	0	0	0	0	32,800
Other -		0	0	0	0	0	0	0	0	0	0
Other -		0	0	0	0	0	0	0	0	0	0
Other -		0	0	0	0	0	0	0	0	0	0
Total		0	306,766	306,766	273,966	273,966	547,932	273,966	273,966	547,932	1,402,630

100% 001-1 General Fund - State	0										0
418-1 St Health Care Authority Admin Acct	0	306,766	306,766	273,966	273,966	547,932	273,966	273,966	547,932		1,402,630
760-1 Health Services Acct	0	0	0	0	0	0	0	0	0		0
Total Funds	0	306,766	306,766	273,966	273,966	547,932	273,966	273,966	547,932		1,402,630

	FY02	FY03	1st Bien.	FY04	FY05	2nd Bien.	FY06	FY07	3rd Bien.	6 Year Total
Non-appropriated			0			0			0	0
Non-appropriated			0			0			0	0
Total Non-appropriated funds	0	0	0	0	0	0	0	0	0	0

HCA Fiscal Note

Bill #:SB 6574

Table 4, Summary of impacts

HCA Request: 02-09R

K12 joining PEBB at Composite Rates

	<u>FY 03</u>	<u>FY 04 & subs.</u>
Revenue:		
Assumed Increased Member Enrollment*	15,000	
Family Mix	2.4	
Assumed Increased Subscriber Enrollment	6,250	6,250
Original FY 03 State Composite Rate per Month	\$ 497.69	\$ 497.69
FY 03 K12 School District Rev. (6mos)	\$ 18,663,375	\$ 37,326,750
Amount Equivalent to State Employee Contributions (6mos)**	\$ 2,867,946	\$ 5,735,892
FY 03 Loss of K12 Remittance Revenue*** (K12 remittance \$37.08 * 6,250*6 mos)	\$ (1,390,500)	(2,781,000)
Administrative Surcharge	\$ (129,750)	\$ (259,500)
Total Revenue before adjustment	\$ 20,011,071	\$ 40,022,142
Incremental Increase to Funding Rate	\$ 97,875	\$ 361,500
Total Revenue	\$ 20,108,946	\$ 40,383,642
Expenditures		
Medical	\$ 20,350,380	40,700,760
Dental	\$ 2,282,234	4,564,468
Life & LTD	\$ 384,000	768,000
Subtotal Benefits	\$ 23,016,614	46,033,229
Administration	\$ 306,766	273,966
Total	\$ 23,323,380	46,307,195
Incremental Increase in Expenditures FY 03	\$ 3,312,309	\$ 6,285,053
Share of Increase:K12 incremental	(97,875)	\$ (361,500)
State Share Increase	\$ 3,214,434	\$ 5,923,553
State active subscribers, jan 02	102,480	\$ 102,480
Average annual enrollment, new districts (6250/2)	3,125	6,250
	105,605	108,730
Average pspm cost, FY 03 (funding rate increase)	2.61	4.82

Notes:

*PEBB currently has 4,300 K12 state active members

** It is assumed that the employee contribution portion is added onto the composite rates charged to the K12 districts

***Currently PEBB collects a K12 remittance from non participating school districts to pay for the retiree subsidies. If these school districts joined PEBB the total K12 remittance revenue that was assumed when the composite rates were developed would be reduced.

Table 5:

Bill #:SB 6574

K12 joining - Mid Range assumption	Non-Medicare				
	Assumed Number of K12 subscribers				
	Subscriber	Subscriber & Spouse	Subscriber & Child(ren)	Full Family	Total
Plan Name					
Group Health Coop.	347	257	190	324	1,118
HealthPlus	275	204	151	257	887
Premera Blue Cross (MSC)	813	603	446	761	2,623
Uniform Medical Plan	503	373	276	471	1,622
Total	1,938	1,438	1,063	1,813	6,250
Family Tier Mix	31%	23%	17%	29%	100%

Non-Medicare CY 02 Rates Rates Paid to Medical Plans				
	Subscriber	Subscriber & Spouse	Subscriber & Child(ren)	Full Family
Group Health Coop.	\$ 227.52	\$ 455.04	\$ 398.16	\$ 625.68
HealthPlus	\$ 283.48	\$ 566.96	\$ 496.09	\$ 779.57
Premera Blue Cross (MSC)	\$ 260.44	\$ 520.88	\$ 455.77	\$ 716.21
Uniform Medical Plan	\$ 258.85	\$ 517.70	\$ 452.99	\$ 711.84

FY 03 Estimated Medical Dollars

CY 02 Monthly Total	\$ 498,846	\$ 739,798	\$ 478,858	\$ 1,283,381	\$ 3,000,883
Risk Adjustment Factor					1.0275
Subtotal with Risk Adjustment					\$ 3,083,391
10% estimated premium increase					308,339
CY 03 Monthly Total					\$ 3,391,730
FY 03 (6months)					\$ 20,350,380

Table 6:

Bill #:SB 6574

K12 joining - Mid Range assumption	Non-Medicare				
	Assumed Number of K12 subscribers				
		Subscriber	Subscriber		
<u>Plan Name</u>	<u>Subscriber</u>	<u>& Spouse</u>	<u>& Child(ren)</u>	<u>Full Family</u>	<u>Total</u>
Uniform Dental Plan	1,938	1,438	1,063	1,813	6,250
Family Tier Mix	31%	23%	17%	29%	100%

Non-Medicare				
CY 02 Rates Rates Paid to Dental Plans				
	<u>Subscriber</u>	<u>Subscriber</u>	<u>Subscriber</u>	<u>Full Family</u>
		<u>& Spouse</u>	<u>& Child(ren)</u>	
Uniform Dental Plan	\$ 29.27	\$ 58.55	\$ 58.55	\$ 87.82

FY 03 Estimated Dental Dollars

CY 02 Monthly Total	\$ 56,711	\$ 84,166	\$ 62,209	\$ 159,174	\$ 362,259
5% estimated premium increase					18,112.97
CY 03 Monthly Total					\$ 380,372
FY 03 (6months)					\$ 2,282,234

Table 7:**Bill #:SB 6574**

K12 joining - Mid Range assumption	Subscriber Enrollment	Budgeted CY 03 Rates	Monthly Total
State-Basic Life	6,250	\$ 7.40	\$ 46,250
State-Basic LTD	6,250	\$ 2.84	\$ 17,750
Total			\$ 64,000
FY 03 (6months)			\$ 384,000

Table 8:**Bill #:SB 6574**

K12 joining - Mid Range assumption	Non-Medicare Assumed Number of K12 subscribers				
	<u>Subscriber</u>	<u>Subscriber & Spouse</u>	<u>Subscriber & Child(ren)</u>	<u>Full Family</u>	<u>Total</u>
Group Health Coop.	347	257	190	324	1,118
HealthPlus	275	204	151	257	887
Premera Blue Cross (MSC)	813	603	446	761	2,623
Uniform Medical Plan	503	373	276	471	1,622
Total	1,938	1,438	1,063	1,813	6,250
Family Tier Mix	31%	23%	17%	29%	100%

Non-Medicare CY 03 Projected Employee Contributions				
	<u>Subscriber</u>	<u>Subscriber & Spouse</u>	<u>Subscriber & Child(ren)</u>	<u>Full Family</u>
Group Health Coop.	\$ 2.00	\$ 14.00	\$ 4.00	\$ 16.00
HealthPlus	\$ 65.00	\$ 140.00	\$ 114.00	\$ 188.00
Premera Blue Cross (MSC)	\$ 39.00	\$ 88.00	\$ 68.00	\$ 117.00
Uniform Medical Plan	\$ 47.00	\$ 105.00	\$ 83.00	\$ 140.00

Amount Equivalent to State Employee
Contributions (6mos)**

\$ 2,867,946