

HEALTH WEALTH CAREER

OREGON PEBB

2020 FINAL RENEWAL RATES



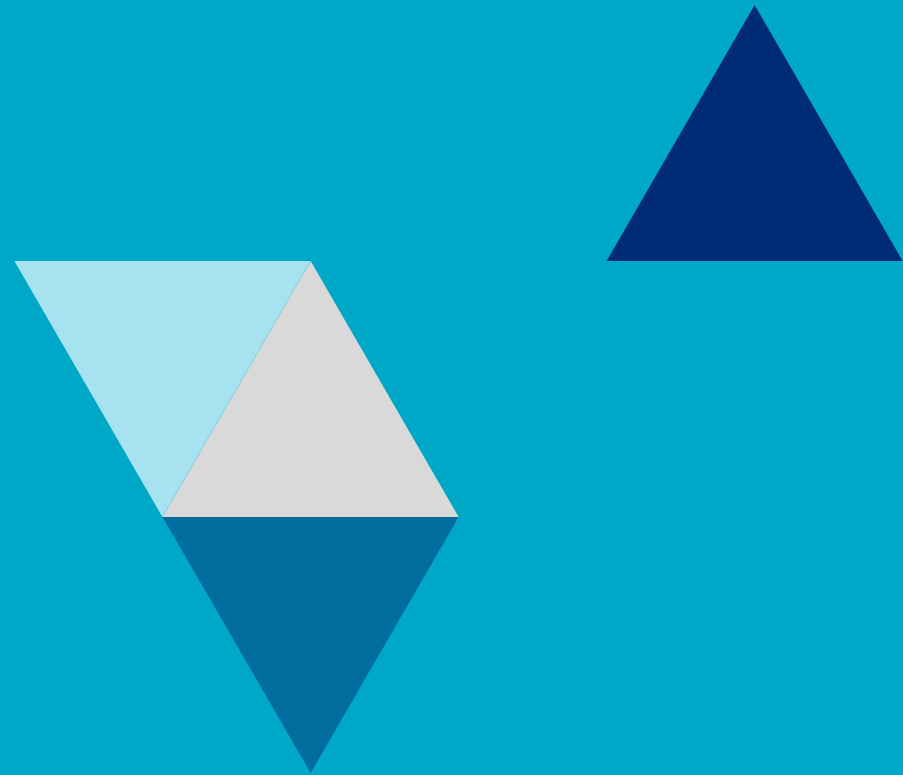
2020 FINAL RENEWAL DECISIONS OVERVIEW AND AGENDA

- 1 Composite Rate
- 2 Accepted Plan Design Changes
- 3 Fees and premiums for acceptance
- 4 Appendix

OBJECTIVES

- Approve the 2020 renewal rates for all lines of coverage

2020 COMPOSITE RATE AND RENEWAL OVERVIEW



COMPOSITE RATES HISTORICAL & PROJECTED

Year	Composite Rate Using Prior Year's March Census	% Change	Composite Rate Using Plan Year's March Census	% Change
2014	\$1,333.58		\$1,327.47	
2015	\$1,321.53	-0.9%	\$1,313.06	-1.1%
2016	\$1,356.47	2.6%	\$1,347.31	2.6%
2017	\$1,416.93	4.5%	\$1,405.13	4.3%
2018	\$1,464.20	3.3%	\$1,452.68	2.5%
2019	\$1,513.98	3.4%	\$1,495.83	2.2%
2020 <i>(with 2.676% funding assessment excluding premium tax)</i>	\$1,565.42	3.4%		
2020 <i>(with Premium Tax and 2.676% funding assessment)</i>	\$1,594.86	5.3%		

- Includes Board-approved 2020 plan changes, VSP Buy-up contributions, family subsidy, and adjustment for opt-outs and double coverage

RENEWAL OVERVIEW

SUMMARY OF COVERAGES

	2019 Final Increase	2020 Increase – with plan changes	
		<i>Without Premium Tax</i>	<i>With Premium Tax</i>
Medical			
Providence Choice	5.4%	(1.2%)	0.8%
Providence Statewide	3.9%	2.3%	4.4%
Moda	4.0%	0.3%	2.3%
Kaiser HMO	2.9%	(0.0%)	2.0%
Kaiser Deductible	2.9%	0.5%	2.5%
Non-Medical			
Delta Dental OR (Moda Dental)	2.0%		5.0%
Kaiser Dental	3.4%		1.5%
Willamette Dental Group (WDG)	3.4%		6.9%
VSP	2.9%		3.1% (blended)
Composite Rate	3.4%		
Other Vendors			
The Standard	5.1%		0.0%
ASI Flex	0.0%		0.0%
Benefit Help Solutions (BHS)	0.0%		0.0%
Cascade	0.0%		0.0%

Assumptions

- Medical rate increases exclude 2.676% funding assessment
- Self-Funded rate accounts for both administrative and premium increases
- Excludes consultant commission and PEBB Admin.

ACCEPTED PLAN DESIGN CHANGES

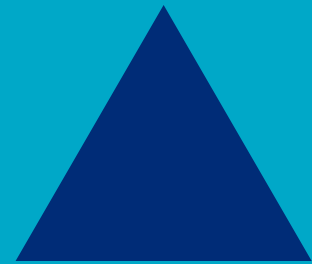


BOARD DECISIONS

MAY 21, 2019 MEETING

VENDOR / PLAN	COVERAGE	BOARD DECISION
Providence Choice	Medical	<ul style="list-style-type: none"> Physical / Occupational Therapy medical necessity review after the 12th visit Expand spinal manipulation to include massage therapy without eviCore review Adding coverage for medically necessary varicose vein surgery
Providence Statewide	Medical	<ul style="list-style-type: none"> Physical / Occupational Therapy medical necessity review after the 12th visit Adding coverage for medically necessary varicose vein surgery
Moda	Medical	<ul style="list-style-type: none"> Expand spinal manipulation to include massage therapy without eciCore review Adding coverage for medically necessary varicose vein surgery Adding the Pharmacy Benefit Optimization Program. For drugs covered under this program, the pharmacy copay will change to \$10 (was \$100 for these specialty medications)
Kaiser HMO	Medical	<ul style="list-style-type: none"> Remover ophthalmology from services accessible without a referral
Kaiser Deductible	Medical	<ul style="list-style-type: none"> Remover ophthalmology from services accessible without a referral Include coverage for massage therapy; add alternative care benefit to the part-time plans
Delta Dental of Oregon	Dental	<ul style="list-style-type: none"> Allow once per space per quadrant as a lifetime benefit Deny indirectly fabricated post and core in addition to a crown unless more than half of the coronal tooth structure is missing Retrograde fillings by the same dentist with in a 2 year period Osseous surgery is limited to 2 quadrants per date of service Separate charge for post operative care done within 30 days following oral surgery is included in the charge of the original surgery Composite restoration in posterior tooth is covered. Inlays are an optional service and the alternate benefit will now be composite filing Brush biopsy is covered in a 12-month period
Willamette Dental Group	Dental	<ul style="list-style-type: none"> Dental implants will be covered up to an annual max of \$1,500 with a limit of one tooth space per year
VSP	Vision	<ul style="list-style-type: none"> Add SunCare to both the Base and Buy-up plan Adjust the relativities between the plans
Cascade Centers	EAP	<ul style="list-style-type: none"> Add WholeLife Directions effective 7/1/2019; the additional charge will be paid through the PEBB stabilization reserve for the first year. Effective 7/1/2020, the cost will be passed to the agencies

FEES / PREMIUMS FOR ACCEPTANCE MEDICAL



KAISER MEDICAL

FULL-TIME HMO RATES	2019	2020
Employees	\$775.67	\$791.38
Employee & Spouse/Partner	\$1,551.35	\$1,582.77
Employee & Children	\$1,318.64	\$1,345.35
Employee & Family	\$2,094.32	\$2,136.74
Child Only	\$623.67	\$636.30

FULL-TIME HMO NON-HEM RATES	2019	2020
Employees	\$769.31	\$784.89
Employee & Spouse/Partner	\$1,538.64	\$1,569.80
Employee & Children	\$1,307.81	\$1,334.30
Employee & Family	\$2,077.14	\$2,119.21
Child Only	\$618.56	\$631.09

- See slide 7 for complete listing of changes
- Prior to PEBB admin, consultant commission, and funding assessment
- Includes 2% premium tax

KAISER PART-TIME MEDICAL

PART-TIME HMO RATES	2019	2020
Employees	\$656.65	\$669.95
Employee & Spouse/Partner	\$1,313.30	\$1,339.90
Employee & Children	\$1,116.28	\$1,138.89
Employee & Family	\$1,772.94	\$1,808.85
Child Only	\$527.98	\$538.67

PART-TIME HMO NON-HEM RATES	2019	2020
Employees	\$646.67	\$659.77
Employee & Spouse/Partner	\$1,293.37	\$1,319.56
Employee & Children	\$1,099.34	\$1,121.60
Employee & Family	\$1,746.04	\$1,781.40
Child Only	\$519.96	\$530.49

- See slide 7 for complete listing of changes
- Prior to PEBB admin, consultant commission, and funding assessment
- Includes 2% premium tax

KAISER DEDUCTIBLE MEDICAL

FULL-TIME DEDUCTIBLE RATES	2019	2020
Employees	\$708.54	\$726.39
Employee & Spouse/Partner	\$1,417.09	\$1,452.80
Employee & Children	\$1,204.53	\$1,234.88
Employee & Family	\$1,913.08	\$1,961.29
Child Only	\$573.43	\$587.86

FULL-TIME DEDUCTIBLE NON-HEM RATES	2019	2020
Employees	\$699.46	\$717.38
Employee & Spouse/Partner	\$1,398.96	\$1,434.80
Employee & Children	\$1,189.08	\$1,219.55
Employee & Family	\$1,888.59	\$1,936.98
Child Only	\$562.67	\$577.09

- See slide 7 for complete listing of changes
- Prior to PEBB admin, consultant commission, and funding assessment
- Includes 2% premium tax

KAISER DEDUCTIBLE PART-TIME MEDICAL

PART-TIME DEDUCTIBLE RATES	2019	2020
Employees	\$575.87	\$599.03
Employee & Spouse/Partner	\$1,151.75	\$1,198.08
Employee & Children	\$978.98	\$1,018.36
Employee & Family	\$1,554.86	\$1,617.40
Child Only	\$498.66	\$518.01

PART-TIME DEDUCTIBLE NON-HEM RATES	2019	2020
Employees	\$564.93	\$589.41
Employee & Spouse/Partner	\$1,129.84	\$1,178.80
Employee & Children	\$960.36	\$1,001.97
Employee & Family	\$1,525.29	\$1,591.38
Child Only	\$489.19	\$509.58

- See slide 7 for complete listing of changes
- Prior to PEBB admin, consultant commission, and funding assessment
- Includes 2% premium tax

MODA MEDICAL

FULL-TIME (HEM / NON-HEM)	2019	2020
Employees	\$705.58	\$722.05
Employee & Spouse/Partner	\$1,411.16	\$1,444.10
Employee & Children	\$1,199.49	\$1,227.49
Employee & Family	\$1,905.07	\$1,949.54
Child Only	\$599.74	\$613.74

PART-TIME (HEM / NON-HEM)	2019	2020
Employees	\$574.44	\$587.85
Employee & Spouse/Partner	\$1,148.88	\$1,175.70
Employee & Children	\$976.55	\$999.35
Employee & Family	\$1,550.99	\$1,587.19
Child Only	\$488.27	\$499.67

- See slide 7 for complete listing of changes
- Prior to PEBB admin, consultant commission, and funding assessment
- Includes 2% premium tax

STATEWIDE MEDICAL

STATEWIDE FULL-TIME (HEM/ NON-HEM)	2019	2020
Employees	\$794.66	\$829.36
Employee & Spouse/Partner	\$1,589.32	\$1,658.71
Employee & Children	\$1,350.92	\$1,409.91
Employee & Family	\$2,145.58	\$2,239.27
Child Only	\$675.46	\$704.95

STATEWIDE PART-TIME (HEM/ NON-HEM)	2019	2020
Employees	\$645.55	\$673.73
Employee & Spouse/Partner	\$1,291.09	\$1,347.47
Employee & Children	\$1,097.43	\$1,145.36
Employee & Family	\$1,742.97	\$1,819.09
Child Only	\$548.71	\$572.67

- See slide 7 for complete listing of changes
- Prior to PEBB admin, consultant commission, and funding assessment
- Includes 2% premium tax

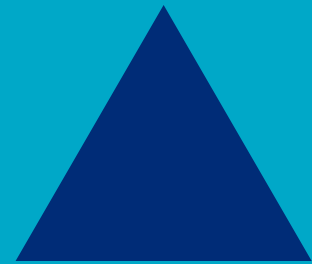
PROVIDENCE CHOICE MEDICAL

CHOICE FULL-TIME (HEM/ NON-HEM)	2019	2020
Employees	\$689.10	\$694.72
Employee & Spouse/Partner	\$1,378.20	\$1,389.45
Employee & Children	\$1,171.47	\$1,181.03
Employee & Family	\$1,860.57	\$1,875.76
Child Only	\$585.74	\$590.52

CHOICE PART-TIME (HEM/ NON-HEM)	2019	2020
Employees	\$558.43	\$562.99
Employee & Spouse/Partner	\$1,116.86	\$1,125.98
Employee & Children	\$949.33	\$957.08
Employee & Family	\$1,507.76	\$1,520.07
Child Only	\$474.66	\$478.54

- See slide 7 for complete listing of changes
- Prior to PEBB admin, consultant commission, and funding assessment
- Includes 2% premium tax

FEES / PREMIUMS FOR ACCEPTANCE NON-MEDICAL



DELTA DENTAL OF OREGON DENTAL

PREMIER	2019	2020
Employees	\$55.26	\$58.03
Employee & Spouse/Partner	\$110.52	\$116.06
Employee & Children	\$93.94	\$98.65
Employee & Family	\$149.20	\$156.68
Child Only	\$46.97	\$49.33
PPO	2019	2020
Employees	\$51.06	\$53.62
Employee & Spouse/Partner	\$102.12	\$107.24
Employee & Children	\$86.80	\$91.15
Employee & Family	\$137.86	\$144.77
Child Only	\$43.40	\$45.58
PART-TIME	2019	2020
Employees	\$39.77	\$41.76
Employee & Spouse/Partner	\$79.53	\$83.53
Employee & Children	\$67.60	\$71.00
Employee & Family	\$107.37	\$112.76
Child Only	\$33.80	\$35.50

- See slide 7 for complete listing of changes
- Prior to PEBB admin and consultant commission

KAISER DENTAL

FULL-TIME	2019	2020
Employees	\$63.45	\$64.43
Employee & Spouse/Partner	\$126.90	\$128.86
Employee & Children	\$107.87	\$109.54
Employee & Family	\$171.32	\$173.97
Child Only	\$51.14	\$51.93
PART-TIME	2019	2020
Employees	\$47.32	\$48.05
Employee & Spouse/Partner	\$94.64	\$96.10
Employee & Children	\$80.45	\$81.69
Employee & Family	\$127.77	\$129.74
Child Only	\$38.09	\$38.68

- See slide 7 for complete listing of changes
- Prior to PEBB admin and consultant commission

WILLAMETTE DENTAL GROUP (WDG) DENTAL

FULL-TIME/ PART-TIME	2019	2020
Employees	\$52.25	\$55.85
Employee & Spouse/Partner	\$104.50	\$111.70
Employee & Children	\$88.85	\$95.00
Employee & Family	\$141.10	\$150.85
Child Only	\$44.40	\$47.45

- See slide 7 for complete listing of changes
- Prior to PEBB admin and consultant commission

VISION SERVICE PLAN

VISION

BASE PLAN	2019	2020
Employees	\$8.87	\$8.50
Employee & Spouse/Partner	\$17.74	\$17.00
Employee & Children	\$15.08	\$14.45
Employee & Family	\$23.95	\$22.95
Child Only	\$7.54	\$7.23
PLUS PLAN	2019	2020
Employees	\$13.31	\$14.88
Employee & Spouse/Partner	\$26.61	\$29.75
Employee & Children	\$22.62	\$25.29
Employee & Family	\$35.92	\$40.16
Child Only	\$11.31	\$12.64

- See slide 7 for complete listing of changes
- Prior to PEBB admin and consultant commission
- Includes revision to plan relativities

CASCADE CENTERS EMPLOYEE ASSISTANCE PROGRAM

MODEL	2019	2020
3-Visit	\$1.04	\$1.04
5-Visit	\$1.33	\$1.33
WholeLife Directions	n/a	\$0.18 (effective 7/1/2019)

- The Board elected to add WholeLife Directions effective 7/1/2019; the additional charge will be paid through the PEBB stabilization reserve for the first year
- Effective 7/1/2020, the cost will be passed to the agencies

ASIFLEX

FLEXIBLE SPENDING ACCOUNT ADMINISTRATION

ITEM	2019	2020
Set Up Fee <ul style="list-style-type: none"> • Initial Plan Year • Renewal Plan Year 	Waived	Waived
Monthly Administration Per Participant Per Month (PPPM)	\$2.95	\$2.95
Optional ASIFlex Card PPPM <ul style="list-style-type: none"> • Replacement or additional card sets 	Included <ul style="list-style-type: none"> • \$5.00 billed to participant FSA 	Included <ul style="list-style-type: none"> • \$5.00 billed to participant FSA
Employee Communication <ul style="list-style-type: none"> • PDF documents • WebEx group meetings • Onsite Enrollment Meetings 	<ul style="list-style-type: none"> • No Charge • No Charge • \$250 per day, plus travel expenses 	<ul style="list-style-type: none"> • No Charge • No Charge • \$250 per day, plus travel expenses

- No plan design changes for 2020

BENEFIT HELP SOLUTIONS

COBRA, RETIREE, SEMI-INDEPENDENT AND SELF-PAY ADMINISTRATION

ITEM	2019	2020
Per Service Option	<ul style="list-style-type: none"> • Service Representative <ul style="list-style-type: none"> – \$1,000 per month (\$750 COBRA; \$250 Retiree) • Qualifying Event Letter <ul style="list-style-type: none"> – \$4.00 per letter • Per COBRA Continuant <ul style="list-style-type: none"> – \$7.25 per month • Per Retiree <ul style="list-style-type: none"> – \$7.25 per month • Open Enrollment Questionnaire <ul style="list-style-type: none"> – \$3.15 per letter 	<ul style="list-style-type: none"> • Service Representative <ul style="list-style-type: none"> – \$1,000 per month (\$750 COBRA; \$250 Retiree) • Qualifying Event Letter <ul style="list-style-type: none"> – \$4.00 per letter • Per COBRA Continuant <ul style="list-style-type: none"> – \$7.25 per month • Per Retiree <ul style="list-style-type: none"> – \$7.25 per month • Open Enrollment Questionnaire <ul style="list-style-type: none"> – \$3.15 per letter

- No plan design changes for 2020

THE STANDARD LIFE & DISABILITY

UNDER RATE GUARANTEE; NO ACTION BY BOARD FOR 2020

	COVERED LIVES	CURRENT RATES	RENEWAL RATES Effective 1/1/2019	CHANGE %	RATE GUARANTEE
Basic Life					
• Active	52,464	\$0.200	\$0.180	-10%	2 years
• Judicial	512	\$0.330	\$0.280	-15%	2 years
• Dependent	29,894	\$1.290	\$1.290	0%	2 years
Optional Life	45,910	Step Rates	Step Rates	5%	2 years
Voluntary AD&D					
• Employee	11,230	\$0.020	\$0.020	0%	2 years
• Family	14,691	\$0.034	\$0.034	0%	2 years
Disability					
Short Term Disability*	26,735	\$0.690*	\$0.690**	0%	2 years
LTD 1 (60% 90 EP)	12,737	\$0.510	\$0.537	5%	2 years
LTD 2 (60% 180 EP)	4,988	\$0.180	\$0.190	6%	2 years
LTD 3 (66 2/3% 90 EP)	4,911	\$1.060	\$1.115	5%	2 years
LTD 4 (66 2/3% 180 EP)	3,742	\$0.270	\$0.284	5%	2 years

* STD: 0.05% of this rate is withdrawn from the PDA under 606814 on a monthly basis. Policyholder remits premium based on .64% of Volume.

** Beginning January 1, 2019, PDA funds will not be used to subsidize the STD rate. Policyholder will remit premium based on .69% of Volume.

THE STANDARD LIFE & DISABILITY

UNDER RATE GUARANTEE; NO ACTION BY BOARD FOR 2020

OPTIONAL EMPLOYEE & OPTIONAL SPOUSE LIFE			ADDITIONAL VOLUNTARY EMPLOYEE & SPOUSE LIFE — OSU CLOSED GROUP	
Age bands	Non-Tobacco Rate (Per \$1,000)	Tobacco Rate (Per \$1,000)	Age bands	Rate Per \$1,000
< 25	\$0.042	\$0.067	0-29	\$0.440
25-29	0.050	0.078	30-34	\$0.490
30-34	0.065	0.101	35-39	\$0.670
35-39	0.072	0.111	40-44	\$1.020
40-44	0.079	0.122	45-49	\$1.640
45-49	0.124	0.187	50-54	\$2.560
50-54	0.183	0.275	55-59	\$4.410
55-59	0.347	0.504	60-64	\$6.840
60-64	0.539	0.777	65-69	\$11.910
65-69	1.045	1.460		
70-74	1.712	2.300		
75+	1.722	2.300		

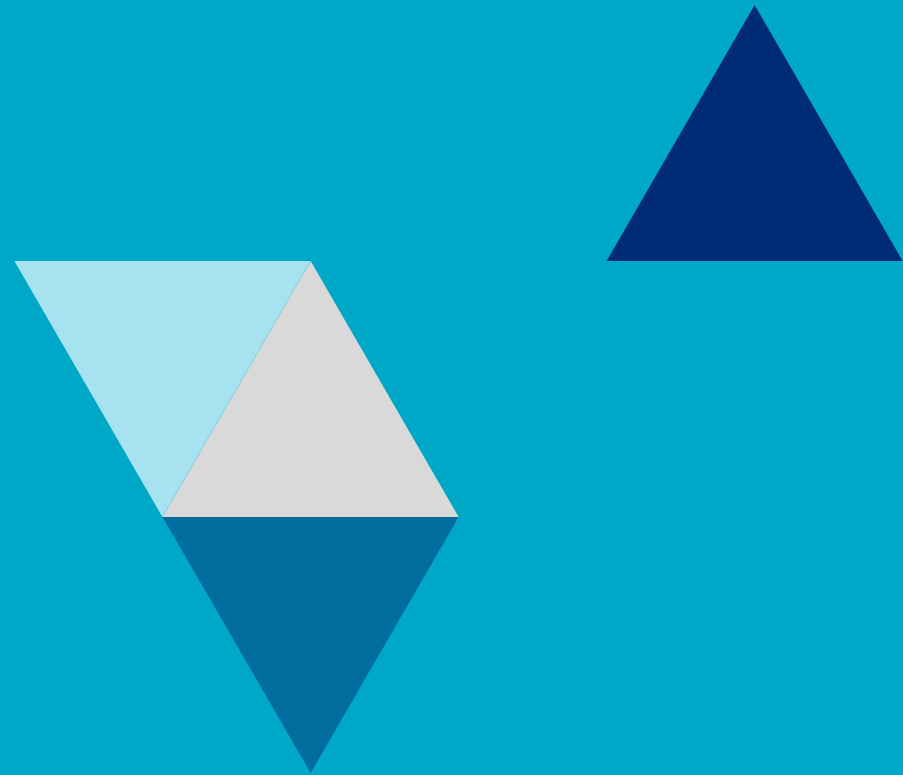
THE STANDARD LIFE & DISABILITY

UNDER RATE GUARANTEE; NO ACTION BY BOARD FOR 2020

OPTIONAL RETIREE LIFE	
Age bands	Rate Per \$1,000
Under 50	\$0.270
50-54	\$0.405
55-59	\$0.495
60-64	\$0.675
65-69	\$1.350
70-74	\$2.250
75-79	\$3.375
80-84	\$5.130
85 and over	\$7.380

OPTIONAL PORTED LIFE	
Age bands	Rate Per \$1,000
< 25	\$0.044
25-29	\$0.052
30-34	\$0.067
35-39	\$0.074
40-44	\$0.081
45-49	\$0.126
50-54	\$0.185
55-59	\$0.348
60-64	\$0.540
65-69	\$1.036
70-74	\$1.680
75+	\$1.680

APPENDIX



NEXT STEPS

2020 RENEWAL OVERVIEW AND TIMELINE

2019 DATE	ACTION ITEM	RESPONSIBLE PARTY
✓ Jan. 4	Round One renewal letters sent to carriers	PEBB and Mercer
✓ Jan. 25	Carriers responses to Round One renewal letters due	Carriers
✓ Feb. 13	Final Materials of Round One responses due to PEBB	Mercer
✓ Feb. 19	Board Meeting – Overview of Round One Responses	PEBB and Mercer
✓ Feb. 22	Round Two renewal letters sent to carriers	PEBB and Mercer
✓ March 6	Carriers responses to Round Two renewal letters due	Carriers
✓ March 13	Final Materials of Round Two responses due to PEBB	Mercer
✓ March 19	Board meeting — Overview of Round Two responses	PEBB and Mercer
✓ March 22	Best and Final renewal requests sent to carriers	PEBB and Mercer
✓ April 3	Carrier responses to Best and final letters due	PEBB and Mercer
✓ April 10	Best and Final responses/materials due to PEBB	Mercer
✓ April 16	Board meeting — Review of Best and Final Offers	PEBB and Mercer
✓ May 15	Final materials for approval of best and final offers and final rates due to PEBB Board	Mercer
✓ May 21	Board meeting – Approval of Best and Final offers	PEBB and Mercer
June 25	Board meeting (via phone) – Approval of final rates	PEBB and Mercer
July 3	Final 2020 renewal letters sent to carriers for signature	PEBB and Mercer
July 10	Signed final renewal letters returned to PEBB and Mercer	Carriers

2020 CHANGES ITEMS REVIEWED BUT NOT ADOPTED

LINE OF COVERAGE	VENDOR / PLAN	DECISION	RATIONALE
Medical	Providence – Choice / Statewide Moda	Chiropractic / Alternative Care eviCore medical necessity review	PEBB agreed we should monitor utilization for these benefits instead of implementing any restrictions at this time
Medical	Providence – Choice / Statewide Moda	Promote benefit differential between outpatient hospital and ambulatory surgical centers (ASC)	Benefit could be confusing for members; should be up to the providers / carrier to steer members to the appropriate site of care
Medical	Moda	Changing formulary tier structure to incentivize the use of formulary medications; adding distinctions between formulary and non-formulary drugs for both generics and brands	Savings was not needed at this time; could be confusing for members
Medical	Kaiser HMO / Deductible	Change a subset of DME items that are currently \$0 member cost share (CADD pumps, enteral pumps, etc.) to the DME cost share	Potentially large negative effect for people on the PT plans; no associated savings for doing this
Dental	Delta Dental of Oregon (Moda)	Oral surgical services - Bone replacement grafts are limited to once per single tooth or multiple teeth within a quadrant in any 3-year period.	Need more information
Dental	Delta Dental of Oregon (Moda)	Prosthetic services - Re-cement or re-bond implant/abutment supported crown or fixed partial denture is limited to once in any 12- month period.	Need more information
Dental	Delta Dental of Oregon (Moda)	Prosthetic services - The final crown and implant abutment over a single implant are covered. This benefit is limited to once per tooth or tooth space over the lifetime of the implant. The final implant-supported bridge retainer and implant abutment, or pontic are covered. The benefit is limited to once per tooth or tooth space over the lifetime of the implant.	Need more information



MERCER

MAKE TOMORROW, TODAY