



*North Carolina*  
**State Health Plan**  
FOR TEACHERS AND STATE EMPLOYEES



## Board of Trustees Meeting

July 14, 2020

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*A Division of the Department of State Treasurer*



*North Carolina*  
**State Health Plan**  
FOR TEACHERS AND STATE EMPLOYEES



## Proposed 2021 Premium Contribution Rates

*Board of Trustees*

July 14, 2020

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*A Division of the Department of State Treasurer*

# 2021 Employee Premium Rates

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## **Employer/Retirement System Contributions**

- ✓ Approve of 2% decreases in employer/Retirement Systems contributions for permanent employees and retirees to comply with in the FY 2021 State Budget and shown on page 3 of this presentation.

## **80/20 and 70/30 Plan (Self-funded)**

- ✓ Approve the 2021 employee premium rates for the 80/20 and 70/30 plans, as shown on page 4 of this presentation.

## **High Deductible Health Plan**

- ✓ Approve a 2% decrease in the employer premium rate for HDHP as shown on page 5 of this presentation, and approve the 2021 employee premium rate.

## **Medicare Advantage Plan (Approved by the Board 6/15/2020)**

- ✓ 2021 employee premium rates for the MA Base and MA Enhanced plans are included on page 6 of this presentation.

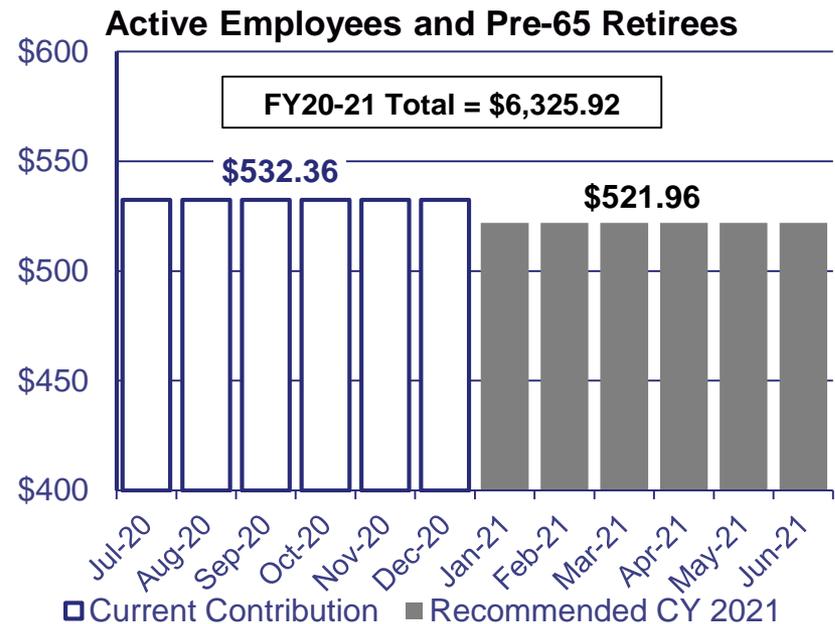
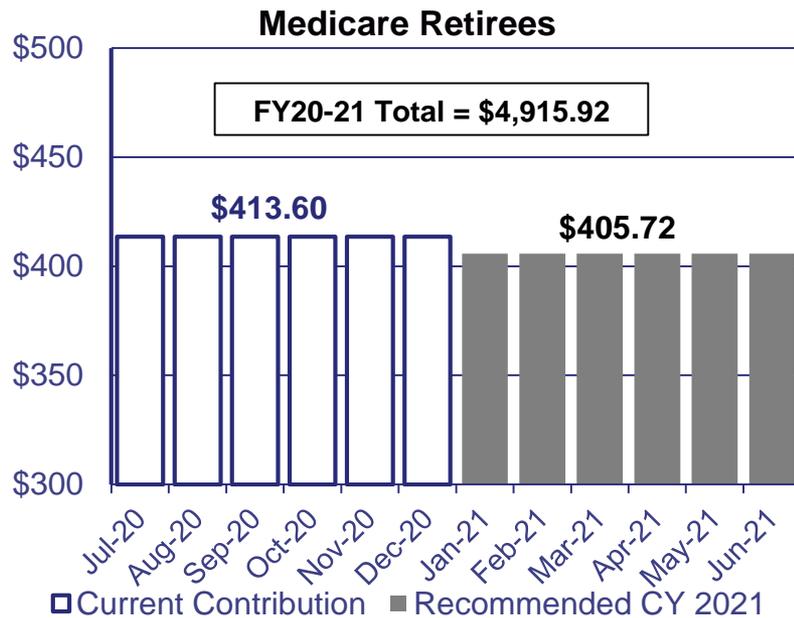
## **Other Member Groups (50% and 100% contributory; COBRA; National Guard, Firefighters, etc.)**

- ✓ Approve premium rate policies for “other member groups,” as described on page 7 of this presentation.

# Employer/Retirement Systems Contributions

## 2021 Recommendation

- The General Assembly modified the appropriated premium amounts which specifies maximum employer/Retirement Systems contributions for Medicare primary subscribers and for non-Medicare primary subscribers (active employees and pre-65/non-Medicare retirees) from what was passed last year.
  - This was in response to cost saving measures due to the COVID-19.
- The fiscal year maximum is translated to monthly contribution amounts the Plan is authorized to collect for each employee, retiree, and disabled member.
- Due to the 0.3% increase on a Fiscal Year basis, the premiums must decrease 2.0 % in 2021 from 2020 levels to comply with SL. 2020-41 (HB 1218) & SL. 2020-45 (SB 818).
- Plan staff recommends decreases to:**
  - \$405.72/month** for the Medicare primary population
  - \$521.96/month** for the non-Medicare primary population



# 80/20 and 70/30 Plans

## 2021 Recommendation

- **Base Premiums:**

- Base premiums would not change for 2021.
- Tobacco Attestation wellness surcharge kept flat at \$60.

- **Dependent Tiers:**

- Premiums for the dependent tiers would not change for 2021.
- The “Subscriber + Family” and “Subscriber + Children” tiers are frozen at the same level since 2018.

Coverage & Tiers	2020 Rates	2021 Rates
<b>80/20 Employees *</b>		
Subscriber Only	\$50.00	<b>\$50.00</b>
Subscriber + Child(ren)	\$305.00	<b>\$305.00</b>
Subscriber + Spouse	\$700.00	<b>\$700.00</b>
Subscriber + Family	\$720.00	<b>\$720.00</b>
<b>80/20 Retirees / Non-Med Dependents</b>		
Subscriber Only	\$50.00	<b>\$50.00</b>
Subscriber + Child(ren)	\$305.00	<b>\$305.00</b>
Subscriber + Spouse	\$700.00	<b>\$700.00</b>
Subscriber + Family	\$720.00	<b>\$720.00</b>

\*Assumes "Yes" completion of tobacco attestation

Actuarial Value	
80/20 Active & Non-Medicare Plans	<b>82.2%</b>
70/30 Active & Non-Medicare Plans	<b>77.7%</b>
70/30 Medicare Plan	<b>86.6%</b>

Coverage & Tiers	2020 Rates	2021 Rates
<b>70/30 Employees *</b>		
Subscriber Only	\$25.00	<b>\$25.00</b>
Subscriber + Child(ren)	\$218.00	<b>\$218.00</b>
Subscriber + Spouse	\$590.00	<b>\$590.00</b>
Subscriber + Family	\$598.00	<b>\$598.00</b>
<b>70/30 Retirees/Non-Med Dependents</b>		
Subscriber Only	\$0.00	<b>\$0.00</b>
Subscriber + Child(ren)	\$218.00	<b>\$218.00</b>
Subscriber + Spouse	\$590.00	<b>\$590.00</b>
Subscriber + Family	\$598.00	<b>\$598.00</b>
<b>70/30 Retirees/Med Dependents</b>		
Subscriber Only	\$0.00	<b>\$0.00</b>
Subscriber + Child(ren)	\$155.00	<b>\$155.00</b>
Subscriber + Spouse	\$425.00	<b>\$425.00</b>
Subscriber + Family	\$444.00	<b>\$444.00</b>

\*Assumes "Yes" completion of tobacco attestation

# High Deductible Health Plan

## 2021 Recommendation

- **Employer Premiums** decrease by the same percentage as non-Medicare premiums.
- **Employee Premiums** would stay the same in 2021.
- HDHP COBRA rates: COBRA participants would pay the full monthly premium (the employer and employee shares).
- Affordability Safe Harbor caps Employee only contributions at \$103.99.

Member Premium	2020 Rates	2021 Rates
<b>HDHP</b>		
Employee Only	\$96.00	\$96.00
Employee + Children	\$284.00	\$284.00
Employee + Spouse	\$513.00	\$513.00
Family	\$617.00	\$617.00

	2019	2020
<b>HDHP Employer Contribution</b>	\$145.50	\$142.66

# Medicare Advantage Plans

## 2021 Approved Rates

- The Board approved these on 6/15/2020. They are included here for completeness.
- The Plan switched Medicare Advantage carriers from United Healthcare to Humana effective 1/1/2021. This resulted in a negotiated monthly premiums of \$0 for the Base plan and \$69 for Enhanced plan.
- Health Insurance Provider Fee (HIP Fee) was repealed effective 2021 due to federal legislation.
- Administration fees are included in all dependent rates and are included with the MA Enhanced Buyup option for subscribers.

	Base Plan		Enhanced Plan			Admin
	Premium	HIP Fee	Premium	Buyup	HIP Fee	
2020	84.00	24.00	84.00	63.00	31.00	4.00
2021	0.00	0.00	0.00	69.00	0.00	4.00

Coverage & Tiers	2020 Rates	2021 Rates
<b>MA Base Retirees/Med Dependents</b>		
Subscriber Only	\$0.00	\$0.00
Subscriber + Child(ren)	\$112.00	\$4.00
Subscriber + Spouse	\$112.00	\$4.00
Subscriber + Family	\$224.00	\$8.00
<b>MA Enhanced Retirees/Med Dependents</b>		
Subscriber Only	\$74.00	\$73.00
Subscriber + Child(ren)	\$256.00	\$146.00
Subscriber + Spouse	\$256.00	\$146.00
Subscriber + Family	\$438.00	\$219.00

# Premium Rates for Other Member Groups

## 2021 Recommendation

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- **100% Contributory Subscribers & COBRA Participants:**
  - Employee Premium + 2021 Employer Premium + Tobacco surcharge (\$0 or \$60)
    - Vary based on Medicare status, coverage, and tier.
  - Tobacco Wellness surcharge also applies for Active, COBRA, and 80/20 Non-Medicare Retirees.
- **50% contributory Subscribers:**
  - Employee Premium + (50% x 2021 Employer Premium) + Tobacco surcharge (\$0 or \$60)
    - Vary based on Medicare status, coverage, and tier.
  - Tobacco Wellness surcharge also applies for Active, COBRA, and 80/20 Non-Medicare Retirees
  - Medicare Advantage subscribers will not add more than the fully insured premium + administrative costs to the Non-contributory premiums in the same tier.
- **National Guard, Firefighters, and Emergency Medical Personnel:**
  - (Employee Premium + 2021 Employer Premium) x 120% + Tobacco surcharge (\$0 or \$60)
    - Vary based on coverage and tier.
  - The additional 20% rate factor to protect against adverse selection (See §135-48.58 NC General Statutes)
  - If the tobacco attestation is not complete, the \$60 tobacco surcharge applies.

# 2021 Premium Rates – Requires Board Vote

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## **Employer/Retirement System Contributions**

- ✓ Approve a 2.0% decrease in employer/Retirement Systems contributions for permanent employees and retirees, as allowed by SL 2020-41 (HB 1218) and SL 2020-45 (SB 818) and shown on page 3 of this presentation.

## **80/20 and 70/30 Plan (Self-funded)**

- ✓ Approve the 2021 Employee premium rates for the 80/20 and 70/30 plans, as shown on page 4 of this presentation.

## **High Deductible Health Plan**

- ✓ Approve a 2.0% decrease in the employer premium rate for HDHP as shown on page 5 of this presentation, and approve the 2021 Employee premium.

## **Other Member Groups (50% and 100% contributory; COBRA; National Guard, Firefighters, etc.)**

- ✓ Approve premium rate policies for “other member groups,” as described on page 7 of this presentation.

# Appendix: Detailed Rate Sheets

# Active Employees and COBRA

## Recommended 2021 Premium Rates

Active Employee Group	80/20 Plan Tobacco Attestation Complete? *		70/30 Plan Tobacco Attestation Complete? *		Employer Contribution
	Yes	No	Yes	No	
<b>Active Employees</b>					
Subscriber Only	\$50.00	\$110.00	\$25.00	\$85.00	\$521.96
Subscriber + Child(ren)	\$305.00	\$365.00	\$218.00	\$278.00	\$521.96
Subscriber + Spouse	\$700.00	\$760.00	\$590.00	\$650.00	\$521.96
Subscriber + Family	\$720.00	\$780.00	\$598.00	\$658.00	\$521.96
<b>Job Share Employees (50% Contributory)</b>					
Subscriber Only	\$310.98	\$370.98	\$285.98	\$345.98	\$260.98
Subscriber + Child(ren)	\$565.98	\$625.98	\$478.98	\$538.98	\$260.98
Subscriber + Spouse	\$960.98	\$1,020.98	\$850.98	\$910.98	\$260.98
Subscriber + Family	\$980.98	\$1,040.98	\$858.98	\$918.98	\$260.98
<b>LOA, Direct Bill &amp; COBRA (100% Contribution)</b>					
Subscriber Only	\$571.96	\$631.96	\$546.96	\$606.96	\$0.00
Subscriber + Child(ren)	\$826.96	\$886.96	\$739.96	\$799.96	\$0.00
Subscriber + Spouse	\$1,221.96	\$1,281.96	\$1,111.96	\$1,171.96	\$0.00
Subscriber + Family	\$1,241.96	\$1,301.96	\$1,119.96	\$1,179.96	\$0.00

\* Tobacco Attestation:

**YES** = Subscriber is not a tobacco user **or** has agreed to participate in a cessation program.

**NO** = Subscriber is a tobacco user and has **not** agreed to participate in a cessation program.

# Non-Medicare Retirees and Disabled Members

## Recommended 2021 Premium Rates

Non-Contributory Non-Medicare Members	80/20 Plan Tobacco Attestation Complete? *		70/30 Plan	Retirement System Contribution
	Yes	No		
<b>Subscriber and All Dependents are Non-Medicare</b>				
Subscriber Only	\$50.00	\$110.00	\$0.00	\$521.96
Subscriber + Child(ren)	\$305.00	\$365.00	\$218.00	\$521.96
Subscriber + Spouse	\$700.00	\$760.00	\$590.00	\$521.96
Subscriber + Family	\$720.00	\$780.00	\$598.00	\$521.96
<b>Medicare Primary for One or More Dependent(s)</b>				
<i>Medicare Primary Dependents on MA Base Plan</i>				
Subscriber + Child(ren)	\$54.00	\$114.00	\$4.00	\$521.96
Subscriber + Spouse	\$54.00	\$114.00	\$4.00	\$521.96
Subscriber + Family	\$58.00	\$118.00	\$8.00	\$521.96
<i>Medicare Primary Dependents on MA Enhanced Plan</i>				
Subscriber + Child(ren)	\$123.00	\$183.00	\$73.00	\$521.96
Subscriber + Spouse	\$123.00	\$183.00	\$73.00	\$521.96
Subscriber + Family	\$196.00	\$256.00	\$146.00	\$521.96
<i>Medicare Primary Dependents on 70/30 Plan</i>				
Subscriber + Child(ren)	\$205.00	\$265.00	\$155.00	\$521.96
Subscriber + Spouse	\$475.00	\$535.00	\$425.00	\$521.96
Subscriber + Family	\$494.00	\$554.00	\$444.00	\$521.96

\* Tobacco Attestation:

**YES** = Subscriber is not a tobacco user **or** has agreed to participate in a cessation program.

**NO** = Subscriber is a tobacco user and has **not** agreed to participate in a cessation program.

**MA** = Medicare Advantage

# 50% Contributory Non-Medicare Retirees

## Recommended 2021 Premium Rates

50% Contributory Non-Medicare Retirees	80/20 Plan Tobacco Attestation Complete? *		70/30 Plan	Retirement System Contribution
	Yes	No		
<b>Retiree and All Dependents are Non-Medicare</b>				
Subscriber Only	\$310.98	\$370.98	\$260.98	\$260.98
Subscriber + Child(ren)	\$565.98	\$625.98	\$478.98	\$260.98
Subscriber + Spouse	\$960.98	\$1,020.98	\$850.98	\$260.98
Subscriber + Family	\$980.98	\$1,040.98	\$858.98	\$260.98
<b>Medicare Primary for One or More Dependent(s)</b>				
<i>Medicare Primary Dependents on MA Base Plan</i>				
Subscriber + Child(ren)	\$314.98	\$374.98	\$264.98	\$260.98
Subscriber + Spouse	\$314.98	\$374.98	\$264.98	\$260.98
Subscriber + Family	\$318.98	\$378.98	\$268.98	\$260.98
<i>Medicare Primary Dependents on MA Enhanced Plan</i>				
Subscriber + Child(ren)	\$383.98	\$443.98	\$333.98	\$260.98
Subscriber + Spouse	\$383.98	\$443.98	\$333.98	\$260.98
Subscriber + Family	\$456.98	\$516.98	\$406.98	\$260.98
<i>Medicare Primary Dependents on 70/30 Plan</i>				
Subscriber + Child(ren)	\$465.98	\$525.98	\$415.98	\$260.98
Subscriber + Spouse	\$735.98	\$795.98	\$685.98	\$260.98
Subscriber + Family	\$754.98	\$814.98	\$704.98	\$260.98

\* Tobacco Attestation:

**YES** = Subscriber is not a tobacco user or has agreed to participate in a cessation program.

**NO** = Subscriber is a tobacco user and has not agreed to participate in a cessation program.

**MA** = Medicare Advantage

# 100% Contributory Non-Medicare Retirees

## Recommended 2021 Premium Rates

100% Contributory Non-Medicare Retirees	80/20 Plan Tobacco Attestation Complete? *		70/30 Plan	Retirement System Contribution
	Yes	No		
<b>Retiree and All Dependents are Non-Medicare</b>				
Subscriber Only	\$571.96	\$631.96	\$521.96	\$0.00
Subscriber + Child(ren)	\$826.96	\$886.96	\$739.96	\$0.00
Subscriber + Spouse	\$1,221.96	\$1,281.96	\$1,111.96	\$0.00
Subscriber + Family	\$1,241.96	\$1,301.96	\$1,119.96	\$0.00
<b>Medicare Primary for One or More Dependent(s)</b>				
<i>Medicare Primary Dependents on MA Base Plan</i>				
Subscriber + Child(ren)	\$575.96	\$635.96	\$525.96	\$0.00
Subscriber + Spouse	\$575.96	\$635.96	\$525.96	\$0.00
Subscriber + Family	\$579.96	\$639.96	\$529.96	\$0.00
<i>Medicare Primary Dependents on MA Enhanced Plan</i>				
Subscriber + Child(ren)	\$644.96	\$704.96	\$594.96	\$0.00
Subscriber + Spouse	\$644.96	\$704.96	\$594.96	\$0.00
Subscriber + Family	\$717.96	\$777.96	\$667.96	\$0.00
<i>Medicare Primary Dependents on 70/30 Plan</i>				
Subscriber + Child(ren)	\$726.96	\$786.96	\$676.96	\$0.00
Subscriber + Spouse	\$996.96	\$1,056.96	\$946.96	\$0.00
Subscriber + Family	\$1,015.96	\$1,075.96	\$965.96	\$0.00

\* Tobacco Attestation:

**YES** = Subscriber is not a tobacco user or has agreed to participate in a cessation program.

**NO** = Subscriber is a tobacco user and has **not** agreed to participate in a cessation program.

**MA** = Medicare Advantage

# Medicare Primary Subscribers

## Recommended 2021 Premium Rates

	Medicare Advantage		Medicare 70/30 Plan	Retirement System Contribution
	Base Plan	Enhanced Plan		
<b>Non-Contributory Medicare Primary Subscribers</b>				
<b>Medicare Primary for Retiree and One or More Dependents</b>				
Subscriber Only	\$0.00	\$73.00	\$0.00	\$405.72
Subscriber + Child(ren)	\$4.00	\$146.00	\$155.00	\$405.72
Subscriber + Spouse	\$4.00	\$146.00	\$425.00	\$405.72
Subscriber + Family	\$8.00	\$219.00	\$444.00	\$405.72
<b>Non-Medicare Primary for Dependent(s)</b>				
<i>Dependents on 80/20 Plan</i>				
Subscriber + Child(ren)	\$255.00	\$328.00	\$255.00	\$405.72
Subscriber + Spouse	\$650.00	\$723.00	\$650.00	\$405.72
Subscriber + Family	\$670.00	\$743.00	\$670.00	\$405.72
<i>Dependents on 70/30 Plan</i>				
Subscriber + Child(ren)	\$218.00	\$291.00	\$218.00	\$405.72
Subscriber + Spouse	\$590.00	\$663.00	\$590.00	\$405.72
Subscriber + Family	\$598.00	\$671.00	\$598.00	\$405.72

# 50% Contributory Medicare Primary Subscribers

## Recommended 2021 Premium Rates

50% Contributory Medicare Retirees	Medicare Advantage		Medicare 70/30 Plan	Retirement System Contribution
	Base Plan	Enhanced Plan		
<b>Medicare Primary for Retiree and One or More Dependents</b>				
Subscriber Only	\$4.00	\$73.00	\$202.86	\$202.86
Subscriber + Child(ren)	\$8.00	\$146.00	\$357.86	\$202.86
Subscriber + Spouse	\$8.00	\$146.00	\$627.86	\$202.86
Subscriber + Family	\$12.00	\$219.00	\$646.86	\$202.86
<b>Non-Medicare Primary for Dependent(s)</b>				
<i>Dependents on 80/20 Plan</i>				
Subscriber + Child(ren)	\$259.00	\$328.00	\$457.86	\$202.86
Subscriber + Spouse	\$654.00	\$723.00	\$852.86	\$202.86
Subscriber + Family	\$674.00	\$743.00	\$872.86	\$202.86
<i>Dependents on 70/30 Plan</i>				
Subscriber + Child(ren)	\$222.00	\$291.00	\$420.86	\$202.86
Subscriber + Spouse	\$594.00	\$663.00	\$792.86	\$202.86
Subscriber + Family	\$602.00	\$671.00	\$800.86	\$202.86

# COBRA and 100% Contributory Medicare Primary Subscribers

## Recommended 2021 Premium Rates

100% Contributory Medicare Primary Subscribers	Medicare Advantage		Medicare 70/30 Plan	Retirement System Contribution
	Base Plan	Enhanced Plan		
<b>Medicare Primary for Retiree and One or More Dependents</b>				
Subscriber Only	\$4.00	\$73.00	\$405.72	\$0.00
Subscriber + Child(ren)	\$8.00	\$146.00	\$560.72	\$0.00
Subscriber + Spouse	\$8.00	\$146.00	\$830.72	\$0.00
Subscriber + Family	\$12.00	\$219.00	\$849.72	\$0.00
<b>Non-Medicare Primary for Dependent(s)</b>				
<i>Dependents on 80/20 Plan</i>				
Subscriber + Child(ren)	\$259.00	\$328.00	\$660.72	\$0.00
Subscriber + Spouse	\$654.00	\$723.00	\$1,055.72	\$0.00
Subscriber + Family	\$674.00	\$743.00	\$1,075.72	\$0.00
<i>Dependents on 70/30 Plan</i>				
Subscriber + Child(ren)	\$222.00	\$291.00	\$623.72	\$0.00
Subscriber + Spouse	\$594.00	\$663.00	\$995.72	\$0.00
Subscriber + Family	\$602.00	\$671.00	\$1,003.72	\$0.00

# Firefighters, Rescue Squad Workers, and National Guard

## Recommended 2021 Premium Rates

Firefighters, Rescue Squad Workers, and National Guard	80/20 Plan Tobacco Attestation Complete? *		70/30 Plan Tobacco Attestation Complete? *		Employer Contribution
	Yes	No	Yes	No	
Subscriber Only	686.35	746.35	656.35	716.35	\$0.00
Subscriber + Child(ren)	\$992.35	\$1,052.35	\$887.95	\$947.95	\$0.00
Subscriber + Spouse	\$1,466.35	\$1,526.35	\$1,334.35	\$1,394.35	\$0.00
Subscriber + Family	\$1,490.35	\$1,550.35	\$1,343.95	\$1,403.95	\$0.00

\* Tobacco Attestation:

**YES** = Subscriber is not a tobacco user or has agreed to participate in a cessation program.

**NO** = Subscriber is a tobacco user and has not agreed to participate in a cessation program.



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## **Operations Update**

### ***Board of Trustees***

July 14, 2020

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**Board of Trustees Meeting Currently in Closed Session**