



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



## Premium Contribution Rates

*Board Trustees Meeting*

November 20, 2015

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*A Division of the Department of State Treasurer*

# Presentation Overview

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- Executive Administrator Action on 2016 Group Premiums
- COBRA Rates for High Deductible Health Plan
  - *Requires Board Approval*

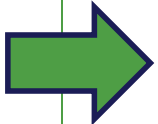
# 2016 Group Premiums

# Board Action on 2016 Premium Contribution Rates

## Excerpt from August 2015 Meeting

### Staff Recommendations:

1. Approve 2.83% member premium rate increases on the self-funded benefit options administered by BCBSNC for January 1, 2016, as shown on pages 9-13 of the presentation.
2. Approve increases in member Medicare Advantage rates to reflect 2016 MA renewal rates, as shown on pages 8, 9, and 13 of the presentation.
3. Approve increases in the “other member groups,” as described on page 14 of the presentation. [COBRA, 100%, 50%, National Guard, etc.]
4. Approve a 2.83% increase in the total monthly premium rate for HDHP, with increases for employers and employees as shown on page 17 of the presentation.
5. Authorize the Executive Administrator to alter group billing rates effective January 1, 2016 to reflect any increase in the maximum employer contribution enacted by the General Assembly for fiscal year 2015-16 when it becomes law, except rates for “other member groups” will remain the same as described on page 14 of the presentation.



# State Budget: Funding for Employer Contributions

- General Assembly passed a budget with sufficient funding to increase the State's employer contribution by nearly 3.5% beginning January 1, 2016

Maximum Annual Employer Contributions	FY 2015-16
Non-Medicare Members	\$5,471
Medicare Members	\$4,251

- Governor signed the bill into law on September 18, 2015
- Executive Administrator established for following employer contributions for CY 2016

Monthly Employer Contributions	CY 2015	CY 2016	% Increase
Non-Medicare Members	\$448.12	\$463.68	3.47%
Medicare Members	\$348.24	\$360.24	3.45%

# COBRA Rates for High Deductible Health Plan

# Background and Recommendation

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- The Board approved rates for the 2015 High Deductible Health Plan (HDHP) at the August 2014 meeting and approved rates for the 2016 HDHP at the August 2015 meeting
- Although COBRA rates have been approved for all other Plan options, no COBRA rates have ever been set for the HDHP
  - Therefore, COBRA rates need to be established for 2015 *and* 2016
- Federal law allows for up to a 2% administrative fee for COBRA coverage
- In August, the Board approved COBRA rates for other 2016 Plan options
  - The approved rates do *not* charge any additional fee to 2016 COBRA members
- **To be consistent, Plan staff recommends that former employees not be charged an additional administrative fee for HDHP COBRA coverage**
  - **COBRA members would simply pay the total premium (employee and employer share) for HDHP coverage (see page 8)**
- 2015 monthly enrollment in the HDHP has been approximately 175 to 250 subscribers

# Recommended Monthly HDHP COBRA Rates

## Approved 2015 Monthly HDHP Premium Rates

Coverage Tier	Employee Share	Employer Share	Total Premium
Employee Only	\$92.38	\$117.62	\$210.00
+Child(ren)	\$262.16	\$117.62	\$379.78
+Spouse	\$468.94	\$117.62	\$586.56
+Family	\$562.94	\$117.62	\$680.56

Recommended COBRA Rates
\$210.00
\$379.78
\$586.56
\$680.56

## Approved 2016 Monthly HDHP Premium Rates

Coverage Tier	Employee Share	Employer Share	Total Premium
Employee Only	\$93.16	\$122.78	\$215.94
+Child(ren)	\$267.74	\$122.78	\$390.52
+Spouse	\$480.38	\$122.78	\$603.16
+Family	\$577.04	\$122.78	\$699.82

Recommended COBRA Rates
\$215.94
\$390.52
\$603.16
\$699.82



# HDHP COBRA Rate Recommendation

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## Vote Required:

Plan staff recommends approval of the HDHP COBRA premium contribution rates for calendar years 2015 and 2016 shown on Page 8