



2025 Premiums

Board of Trustees Meeting

April 25, 2024

2025 Employee and Employer Premium – Overview

- The State Health Plan (Plan) is changing billing responsibilities from Blue Cross NC to iTedium.
- New vendor moves up timeline to have Employee and Employer rates in place **by June 1st**.
- Otherwise, premiums typically discussed at July Board meeting after Appropriations legislation is passed.
- Board of Trustees will be asked to approve
 - **Medicare Advantage Premium** – Impacts 4,200 Retirees; 22,000 Dependents
 - **Retirement Health Trust Fund Contributions** – Impacts 1,700 Retirees
 - **Other Minor Changes**
 - Employer Premiums –Impacts 700 COBRA Employees; 61 Leave of Absence (LOA), Part-time, and Job Share Employees.

Medicare Advantage Premium – Overview

- Medicare Advantage is FULLY INSURED coverage (Plan pays premiums to a vendor who in turn pays claims).
- Humana was awarded contract effective Jan 1, 2021, for 3 years with 2 optional years (2024 & 2025).
- Humana offered a \$0 premium for all years with the following provision:
 - “Humana will hold the proposed rate(s) unless there are material changes to existing or implementation of new federal regulations or requirements that would impact Group Medicare.”
- Inflation Reduction Act (2022) instituted benefit redesign for Medicare Part D (Rx) coverage effective 2025:
 - Set a member Out of Pocket (OOP) Maximum for Rx of \$2,000.
 - Increased insurer payments for claims above OOP Max.
 - Allows for DHHS (Federal) to negotiate prices directly with Rx manufacturer.

Medicare Advantage Premiums – 2025 Recommendation

- Humana increased rate of MA premium for Base Plan from \$0 to \$33.
 - This affects 4,200 full or half contributory retirees and 22,000 dependents.
- While no changes are proposed, members are still responsible for the Enhanced Buyup portion, dependent premiums, and associated admin fees where applicable.

	Base Plan Premium	Enhanced Plan Premium	Buyup	Admin
2024	0.00	0.00	69.00	4.00
2025	33.00	33.00	63.00	4.00

Coverage & Tiers	2024 Rates	2025 Rates
MA Base Retirees/Med Dependents		
Subscriber Only	\$0.00	\$0.00
Subscriber + Child(ren)	\$4.00	\$37.00
Subscriber + Spouse	\$4.00	\$37.00
Subscriber + Family	\$8.00	\$74.00
MA Enhanced Retirees/Med Dependents		
Subscriber Only	\$73.00	\$67.00
Subscriber + Child(ren)	\$146.00	\$167.00
Subscriber + Spouse	\$146.00	\$167.00
Subscriber + Family	\$219.00	\$267.00

Retiree Contributions: 2025 Recommendation

- The State Budget Appropriations Legislation (SL 2023-134) **recommends** a maximum Retiree Contribution for the 2024-25 Fiscal Year of \$5,405.
- This language allows the Board of Trustees to set rates **above** the recommended amount.
- **Plan staff recommends** increasing premiums with respect to Self-Insured (Aetna) retirees to comply with the recommended rate
 - **Increase RHBT premium** from 448.74 (CY 2024) to **\$452.08/month** (CY 2025) per Self-Insured retiree.
- **Plan staff recommends** increasing premiums with respect to Fully-Insured (Humana MA) retirees to prevent falling below TSR by 12/31/2025.
 - **Increase RHBT premium** from 448.74 (CY 2024) to **\$534.00/month** (CY 2025) per Fully-Insured retiree.

RHBT=Retiree Health Benefit Trust Fund
TSR= Target Stabilization Reserve

Retiree Contributions: 2025 Recommendation

- Retiree Contribution recommendation has minimal impact for 100% and 50% contributory retirees (less than 20 years of service).

Self Insured (Aetna) Contribution Responsibility					
	2024 Retiree System Portion		2025 Retiree System Portion		Count
	Retiree	RHBT	Retiree	RHBT	
100% Contributory	448.74	0.00	452.08	0.00	400
50% Contributory	224.37	224.37	226.04	226.04	1,300
Fully Covered	0.00	448.74	0.00	452.08	68,000

Fully Insured (Humana MA) Contribution Responsibility					
	2024 Retiree System Portion		2025 Retiree System Portion		Count
	Retiree	RHBT	Retiree	RHBT	
100% Contributory	0.00	0.00	0.00	0.00	1,400
50% Contributory	0.00	224.37	0.00	267.00	2,800
Fully Covered	0.00	448.74	0.00	534.00	160,000

- These amounts are in addition to what the member pays for their and their dependent's coverage. 100% and 50% contributory Medicare Advantage Retirees are limited to paying only the Medicare Advantage Premium (\$33 + \$4 Admin).

Other Contributions: 2025 Recommendation

Employer Contributions:

- The State Budget Appropriations Legislation (SL 2023-134) specifies the maximum Employer contribution for the 2024-25 Fiscal Year of \$8,095.
- The fiscal year maximum is translated to monthly contribution amounts the Plan is authorized to collect for each employee.
- The 7.1% increase on a Fiscal Year basis, the CY 2025 premiums can increase \$0.08 from 2024 levels.
- **Plan staff recommends increase:**
 - From \$674.54 (2024) to **\$674.62**/month for the employers (Also applicable to 700 COBRA Members).

No Changes for: (see appendix):

- **Employee Premiums:**
 - Subscriber and Dependent Premiums for each tier will remain frozen at the **same level as 2018**.
- HDHP Employee and Employer Premiums.
- Methodology for calculating 50% and 100% contributory employees and retirees.

2025 Premium Rates – Requires Board Vote

Medicare Advantage Plan

- Accept Humana Proposal of \$33 PMPM
- Approve 2025 employee premium rates for the MA Base and MA Enhanced plans as shown on page 4 of this presentation.
- This will increase the expenses by \$66M.

Retirement System Contributions

- Approve of a 0.7% increase for Self-Insured (Aetna) retirees, and 19.0% increase for Fully Insured (Humana MA) retirees as shown on page 5 of this presentation.
- This will bring projected cash reserve equal to TSR by the end of CY 2025.
- This will increase income by \$155M above recommended contribution levels.

Employer Contributions

- Approve Employer Premium contribution in compliance with SL 2023-134 as shown on page 7 of this presentation.

TSR= Target Stabilization Reserve



Appendix: Unchanged Rate Summary and Detailed Rate Sheets

Enhanced PPO 80/20 and Base PPO 70/30 Plans

Coverage & Tiers	2024 Rates	2025 Rates
Enhanced PPO (80/20) Employees *		
Subscriber Only	\$50.00	\$50.00
Subscriber + Child(ren)	\$305.00	\$305.00
Subscriber + Spouse	\$700.00	\$700.00
Subscriber + Family	\$720.00	\$720.00
Enhanced PPO (80/20) Retirees / Non-Med Dependents		
Subscriber Only	\$50.00	\$50.00
Subscriber + Child(ren)	\$305.00	\$305.00
Subscriber + Spouse	\$700.00	\$700.00
Subscriber + Family	\$720.00	\$720.00

*Assumes "Yes" completion of tobacco attestation

Coverage & Tiers	2024 Rates	2025 Rates
Base PPO (70/30) Employees *		
Subscriber Only	\$25.00	\$25.00
Subscriber + Child(ren)	\$218.00	\$218.00
Subscriber + Spouse	\$590.00	\$590.00
Subscriber + Family	\$598.00	\$598.00
Base PPO (70/30) Retirees/Non-Med Dependents		
Subscriber Only	\$0.00	\$0.00
Subscriber + Child(ren)	\$218.00	\$218.00
Subscriber + Spouse	\$590.00	\$590.00
Subscriber + Family	\$598.00	\$598.00
Base PPO (70/30) Retirees/Med Dependents		
Subscriber Only	\$0.00	\$0.00
Subscriber + Child(ren)	\$155.00	\$155.00
Subscriber + Spouse	\$425.00	\$425.00
Subscriber + Family	\$444.00	\$444.00

*Assumes "Yes" completion of tobacco attestation

High Deductible Health Plan

Member Premium	2024 Rates	2025 Rates
HDHP		
Employee Only	\$96.00	\$96.00
Employee + Children	\$284.00	\$284.00
Employee + Spouse	\$513.00	\$513.00
Family	\$617.00	\$617.00

	2024	2025
HDHP Employer Contribution	\$184.36	\$184.36

- Affordability Safe Harbor caps Employee only contributions at \$105.29.

Premium Rates for Other Member Groups: 2025 Recommendation

- **100% Contributory Subscribers & COBRA Participants:**
 - Employee Premium + 2025 Employer/RHBT 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 pay more than the fully insured premium + administrative costs.

- **50% contributory Subscribers:**
 - Employee Premium + (50% x 2025 Employer/RHBT 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 pay more than the fully insured premium + administrative costs.
 -

- **National Guard, Firefighters, and Emergency Medical Personnel:**
 - (Employee Premium + 2025 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.

Active Employees and COBRA Recommended 2025 Premium Rates

Active Employee Group	Enhanced PPO (80/20) Tobacco Attestation Complete? *		Base PPO (70/30) Tobacco Attestation Complete? *		Employer Contribution
	Yes	No	Yes	No	
Active Employees					
Subscriber Only	\$50.00	\$110.00	\$25.00	\$85.00	\$674.62
Subscriber + Child(ren)	\$305.00	\$365.00	\$218.00	\$278.00	\$674.62
Subscriber + Spouse	\$700.00	\$760.00	\$590.00	\$650.00	\$674.62
Subscriber + Family	\$720.00	\$780.00	\$598.00	\$658.00	\$674.62
Job Share Employees (50% Contributory)					
Subscriber Only	\$387.31	\$447.31	\$362.31	\$422.31	\$337.31
Subscriber + Child(ren)	\$642.31	\$702.31	\$555.31	\$615.31	\$337.31
Subscriber + Spouse	\$1,037.31	\$1,097.31	\$927.31	\$987.31	\$337.31
Subscriber + Family	\$1,057.31	\$1,117.31	\$935.31	\$995.31	\$337.31
LOA Fully Paid & PartTime (100% Contribution)					
Subscriber Only	\$724.62	\$784.62	\$699.62	\$759.62	\$0.00
Subscriber + Child(ren)	\$979.62	\$1,039.62	\$892.62	\$952.62	\$0.00
Subscriber + Spouse	\$1,374.62	\$1,434.62	\$1,264.62	\$1,324.62	\$0.00
Subscriber + Family	\$1,394.62	\$1,454.62	\$1,272.62	\$1,332.62	\$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 2025 Premium Rates

Non-Medicare Subscribers	Enhanced PPO (80/20) Tobacco Attestation Complete? *		Base PPO (70/30)	Retirement System Contribution
	Yes	No		
Subscriber and All Dependents are Non-Medicare				
Subscriber Only	\$50.00	\$110.00	\$0.00	\$452.08
Subscriber + Child(ren)	\$305.00	\$365.00	\$218.00	\$452.08
Subscriber + Spouse	\$700.00	\$760.00	\$590.00	\$452.08
Subscriber + Family	\$720.00	\$780.00	\$598.00	\$452.08
Medicare Primary for One or More Dependent(s)				
<i>Medicare Primary Dependents on MA Base Plan</i>				
Subscriber + Child(ren)	\$87.00	\$147.00	\$37.00	\$452.08
Subscriber + Spouse	\$87.00	\$147.00	\$37.00	\$452.08
Subscriber + Family	\$124.00	\$184.00	\$74.00	\$452.08
<i>Medicare Primary Dependents on MA Enhanced Plan</i>				
Subscriber + Child(ren)	\$150.00	\$210.00	\$100.00	\$452.08
Subscriber + Spouse	\$150.00	\$210.00	\$100.00	\$452.08
Subscriber + Family	\$250.00	\$310.00	\$200.00	\$452.08
<i>Medicare Primary Dependents on Base PPO (70/30) Plan</i>				
Subscriber + Child(ren)	\$205.00	\$265.00	\$155.00	\$452.08
Subscriber + Spouse	\$475.00	\$535.00	\$425.00	\$452.08
Subscriber + Family	\$494.00	\$554.00	\$444.00	\$452.08

* 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 2025 Premium Rates

50% Contributory Non-Medicare Subscribers	Enhanced PPO (80/20) Tobacco Attestation Complete? *		Base PPO (70/30)	Retirement System Contribution
	Yes	No		
Retiree and All Dependents are Non-Medicare				
Subscriber Only	\$276.04	\$336.04	\$226.04	\$226.04
Subscriber + Child(ren)	\$531.04	\$591.04	\$444.04	\$226.04
Subscriber + Spouse	\$926.04	\$986.04	\$816.04	\$226.04
Subscriber + Family	\$946.04	\$1,006.04	\$824.04	\$226.04
Medicare Primary for One or More Dependent(s)				
<i>Medicare Primary Dependents on MA Base Plan</i>				
Subscriber + Child(ren)	\$313.04	\$373.04	\$263.04	\$226.04
Subscriber + Spouse	\$313.04	\$373.04	\$263.04	\$226.04
Subscriber + Family	\$350.04	\$410.04	\$300.04	\$226.04
<i>Medicare Primary Dependents on MA Enhanced Plan</i>				
Subscriber + Child(ren)	\$376.04	\$436.04	\$326.04	\$226.04
Subscriber + Spouse	\$376.04	\$436.04	\$326.04	\$226.04
Subscriber + Family	\$476.04	\$536.04	\$426.04	\$226.04
<i>Medicare Primary Dependents on Base PPO (70/30) Plan</i>				
Subscriber + Child(ren)	\$431.04	\$491.04	\$381.04	\$226.04
Subscriber + Spouse	\$701.04	\$761.04	\$651.04	\$226.04
Subscriber + Family	\$720.04	\$780.04	\$670.04	\$226.04

* 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 2025 Premium Rates

100% Contributory Non-Medicare Subscribers	Enhanced PPO (80/20) Tobacco Attestation Complete? *		Base PPO (70/30)	Retirement System Contribution
	Yes	No		
Retiree and All Dependents are Non-Medicare				
Subscriber Only	\$502.08	\$562.08	\$452.08	\$0.00
Subscriber + Child(ren)	\$757.08	\$817.08	\$670.08	\$0.00
Subscriber + Spouse	\$1,152.08	\$1,212.08	\$1,042.08	\$0.00
Subscriber + Family	\$1,172.08	\$1,232.08	\$1,050.08	\$0.00
Medicare Primary for One or More Dependent(s)				
<i>Medicare Primary Dependents on MA Base Plan</i>				
Subscriber + Child(ren)	\$539.08	\$599.08	\$489.08	\$0.00
Subscriber + Spouse	\$539.08	\$599.08	\$489.08	\$0.00
Subscriber + Family	\$576.08	\$636.08	\$526.08	\$0.00
<i>Medicare Primary Dependents on MA Enhanced Plan</i>				
Subscriber + Child(ren)	\$602.08	\$662.08	\$552.08	\$0.00
Subscriber + Spouse	\$602.08	\$662.08	\$552.08	\$0.00
Subscriber + Family	\$702.08	\$762.08	\$652.08	\$0.00
<i>Medicare Primary Dependents on Base PPO (70/30) Plan</i>				
Subscriber + Child(ren)	\$657.08	\$717.08	\$607.08	\$0.00
Subscriber + Spouse	\$927.08	\$987.08	\$877.08	\$0.00
Subscriber + Family	\$946.08	\$1,006.08	\$896.08	\$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 2025 Premium Rates

Non-Contributory Medicare Primary Subscribers	Medicare Advantage		Medicare Base PPO (70/30)	Ret System Contribution	
	Base Plan	Enhanced Plan		PPO Plan	MA Plans
Medicare Primary for Retiree and One or More Dependents					
Subscriber Only	\$0.00	\$67.00	\$0.00	\$452.08	\$534.00
Subscriber + Child(ren)	\$37.00	\$167.00	\$155.00	\$452.08	\$534.00
Subscriber + Spouse	\$37.00	\$167.00	\$425.00	\$452.08	\$534.00
Subscriber + Family	\$74.00	\$267.00	\$444.00	\$452.08	\$534.00
Non-Medicare Primary for Dependent(s)					
<i>Dependents on Enhanced PPO (80/20) Plan</i>					
Subscriber + Child(ren)	\$255.00	\$322.00	\$255.00	\$452.08	\$534.00
Subscriber + Spouse	\$650.00	\$717.00	\$650.00	\$452.08	\$534.00
Subscriber + Family	\$670.00	\$737.00	\$670.00	\$452.08	\$534.00
<i>Dependents on Base PPO (70/30) Plan</i>					
Subscriber + Child(ren)	\$218.00	\$285.00	\$218.00	\$452.08	\$534.00
Subscriber + Spouse	\$590.00	\$657.00	\$590.00	\$452.08	\$534.00
Subscriber + Family	\$598.00	\$665.00	\$598.00	\$452.08	\$534.00

50% Contributory Medicare Primary Subscribers Recommended 2025 Premium Rates

50% Contributory Medicare Retirees	Medicare Advantage		Medicare Base PPO (70/30)	Ret System Contribution	
	Base Plan	Enhanced Plan		PPO Plan	MA Plans
Medicare Primary for Retiree and One or More Dependents					
Subscriber Only	\$37.00	\$100.00	\$226.04	\$226.04	\$267.00
Subscriber + Child(ren)	\$74.00	\$200.00	\$381.04	\$226.04	\$267.00
Subscriber + Spouse	\$74.00	\$200.00	\$651.04	\$226.04	\$267.00
Subscriber + Family	\$111.00	\$300.00	\$670.04	\$226.04	\$267.00
Non-Medicare Primary for Dependent(s)					
<i>Dependents on Enhanced PPO (80/20) Plan</i>					
Subscriber + Child(ren)	\$292.00	\$355.00	\$481.04	\$226.04	\$267.00
Subscriber + Spouse	\$687.00	\$750.00	\$876.04	\$226.04	\$267.00
Subscriber + Family	\$707.00	\$770.00	\$896.04	\$226.04	\$267.00
<i>Dependents on Base PPO (70/30) Plan</i>					
Subscriber + Child(ren)	\$255.00	\$318.00	\$444.04	\$226.04	\$267.00
Subscriber + Spouse	\$627.00	\$690.00	\$816.04	\$226.04	\$267.00
Subscriber + Family	\$635.00	\$698.00	\$824.04	\$226.04	\$267.00

COBRA and 100% Contributory Medicare Primary Subscribers Recommended 2025 Premium Rates

100% Contributory Medicare Primary Subscribers	Medicare Advantage		Medicare Base PPO (70/30)	Ret System Contribution	
	Base Plan	Enhanced Plan		PPO Plan	MA Plans
Medicare Primary for Retiree and One or More Dependents					
Subscriber Only	\$37.00	\$100.00	\$452.08	\$0.00	\$0.00
Subscriber + Child(ren)	\$74.00	\$200.00	\$607.08	\$0.00	\$0.00
Subscriber + Spouse	\$74.00	\$200.00	\$877.08	\$0.00	\$0.00
Subscriber + Family	\$111.00	\$300.00	\$896.08	\$0.00	\$0.00
Non-Medicare Primary for Dependent(s)					
<i>Dependents on Enhanced PPO (80/20) Plan</i>					
Subscriber + Child(ren)	\$292.00	\$355.00	\$707.08	\$0.00	\$0.00
Subscriber + Spouse	\$687.00	\$750.00	\$1,102.08	\$0.00	\$0.00
Subscriber + Family	\$707.00	\$770.00	\$1,122.08	\$0.00	\$0.00
<i>Dependents on Base PPO (70/30) Plan</i>					
Subscriber + Child(ren)	\$255.00	\$318.00	\$670.08	\$0.00	\$0.00
Subscriber + Spouse	\$627.00	\$690.00	\$1,042.08	\$0.00	\$0.00
Subscriber + Family	\$635.00	\$698.00	\$1,050.08	\$0.00	\$0.00

Firefighters, Rescue Squad Workers, and National Guard Recommended 2025 Premium Rates

Firefighters, Rescue Squad Workers, and National Guard	Enhanced PPO (80/20) Tobacco Attestation Complete? *		Base PPO (70/30) Tobacco Attestation Complete? *		Employer Contribution
	Yes	No	Yes	No	
Subscriber Only	869.54	929.54	839.54	899.54	\$0.00
Subscriber + Child(ren)	\$1,175.54	\$1,235.54	\$1,071.14	\$1,131.14	\$0.00
Subscriber + Spouse	\$1,649.54	\$1,709.54	\$1,517.54	\$1,577.54	\$0.00
Subscriber + Family	\$1,673.54	\$1,733.54	\$1,527.14	\$1,587.14	\$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.