



North Carolina
State Health Plan
FOR TEACHERS AND STATE EMPLOYEES



Proposed 2020 Premium Contribution Rates

Board of Trustees

September 12, 2019

A Division of the Department of State Treasurer

2020 Premium Rates – Approved 08/27/2019

Employer/Retirement System Contributions

- ✓ Conditionally Approve a 4% increase in employer/Retirement Systems contributions for permanent employees and retirees, as assumed from the expected FY 2020 State Budget.

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

- ✓ Approve the 2020 Employee premium rates for the 80/20 and 70/30 plans.

High Deductible Health Plan

- ✓ Conditionally approve a 4% increase in the employer premium rate for HDHP and approve the 2020 Employee premium.

Medicare Advantage Plan

- ✓ Conditionally Approve a 4% increase in the employer premium rate for HDHP and Approve the 2020 employee premium.

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

- ✓ Approve premium rate policies for “other member groups.”

2020 Employee Premium Rates

Employer/Retirement System Contributions

- ✓ Approval of **2.65%** increases in employer/Retirement Systems contributions for permanent employees and retirees, as passed in HB 226 (SL 2019-209) on 8/30/19 and shown on page 4 of this presentation.

80/20 and 70/30 Plan (Self-funded) – No Changes

- ✓ The 2020 Employee premium rates for the 80/20 and 70/30 plans remain the same as approved by the Board on 8/27/2019, as shown on page 4 of this presentation.

High Deductible Health Plan

- ✓ Approve a **2.65%** increase in the employer premium rate for HDHP as shown on page 6 of this presentation. The employee portion remains the same.

Medicare Advantage Plan – No Changes

- ✓ The 2020 Employee premium rates for the MA Base and MA Enhanced plans remain the same as approved by the Board on 8/27/2019.

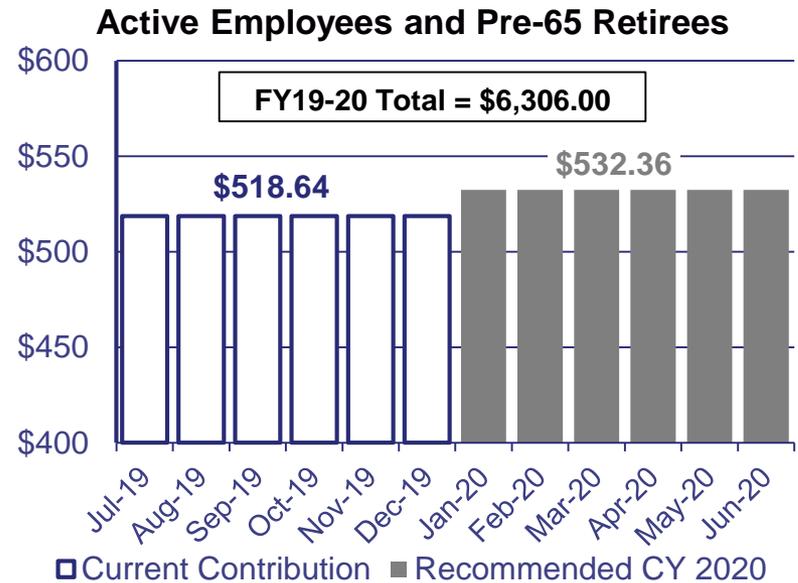
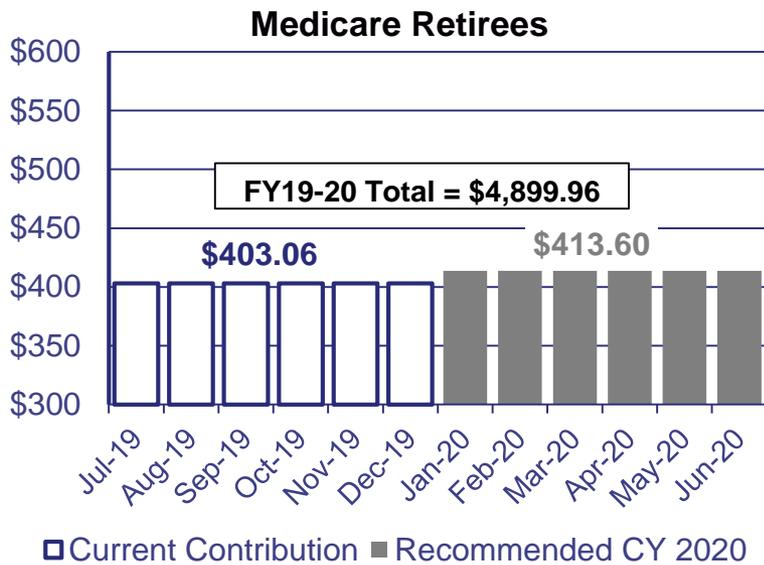
Other Member Groups (50% and 100% contributory; COBRA; National Guard, Firefighters, etc.)

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

Employer/Retirement Systems Contributions

2020 Recommendation

- The State Budget 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) was passed on 8/30/2019 as part of HB 226 (SL 2019-209).
- As stated in HB 226, the maximum amount of \$4,900 for Medicare primary subscribers and \$6,306 for non-Medicare primary subscribers in FY 2020. This is a 3.31% increase from FY 2019.
 - HB 226 has increased FY 2021 rates by 5.41% to average out at close to 4.00% increase over the Biennium.
- The fiscal year maximum is translated to monthly contribution amounts the Plan is authorized to collect for each employee, retiree, and disabled member.
- For 2020, The State Health Plan is increasing the monthly employer/Retirement Systems contributions, beginning January 2020. **Plan staff recommends 2.65% increases to:**
 - \$413.60/month for the Medicare primary population**
 - \$532.36/month for the non-Medicare primary population**



Employer Premium Projections

Non-Medicare Contributions

Year	Months	GA HB 226 (as of 8/30/19)	
		Cap	Increase
2018	Jul - Dec	6,104	
2019	Jan - Jun		
2020	Jul - Dec	6,306	3.3%
	Jan - Jun		
2021	Jul - Dec	6,647	5.4%
	Jan - Jun		
2022	Jul - Dec	6,913	4.0%
	Jan - Jun		
2023	Jul - Dec	7,190	4.0%
	Jan - Jun		
2024	Jul - Dec	7,478	4.0%
	Jan - Jun		
2025	Jan - Jun	7,777	4.0%

4.0% increase beyond FY 2021 is assumed.

Year	Months	SHP Operation (CY Basis)		
		Monthly Prem	Increase	FY Premium
2018	Jul - Dec	498.68		6,103.92
2019	Jan - Jun	518.64	4.0%	
	Jul - Dec			
2020	Jan - Jun	532.36	2.6%	6,306.00
	Jul - Dec			
2021	Jan - Jun	575.46	8.1%	6,646.92
	Jul - Dec			
2022	Jan - Jun	576.70	0.2%	6,912.96
	Jul - Dec			
2023	Jan - Jun	621.62	7.8%	7,189.92
	Jul - Dec			
2024	Jan - Jun	624.70	0.5%	7,477.92
	Jul - Dec			
2025	Jan - Jun	671.46	7.5%	7,776.96

High Deductible Health Plan

2020 Recommendation

- Employer Premiums for the HDHP is increased by **2.65%**, the same increase as the Employer Premium for Actives & Non-Medicare Retirees.
- Employee Premiums would stay the same in 2020.
- HDHP COBRA rates: COBRA participants would pay the full monthly premium (the employer and employee shares)
- Affordability Safe Harbor caps Employee only contributions at \$101.79

Member Premium	2019 Rates	2020 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

	2019	2020
HDHP Employer Contribution	\$141.75	\$145.50

Premium Rates for Other Member Groups

2020 Recommendation

- **100% Contributory Subscribers & COBRA Participants:**

- Employee Premium + 2020 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 2020 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 + 2020 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.

2020 Premium Rates – Requires Board Vote

Employer/Retirement System Contributions

- ✓ Approve a 2.65% increase in employer/Retirement Systems contributions for permanent employees and retirees, as from the HB 226 (SL 2019-209) and shown on page 3 of this presentation.

High Deductible Health Plan

- ✓ Approve a 2.65% increase in the employer premium rate for HDHP as shown 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.

Appendix: Detailed Rate Sheets

Active Employees and COBRA

Recommended 2020 Premium Rates

Active Employee Group	80/20 Plan Tobacco Attestation Complete? *		70/30 Plan Tobacco Attestation Complete? *		Employer Contribution
	Yes	No	Yes	No	
Active Employees					
Subscriber Only	\$50.00	\$110.00	\$25.00	\$85.00	\$532.36
Subscriber + Child(ren)	\$305.00	\$365.00	\$218.00	\$278.00	\$532.36
Subscriber + Spouse	\$700.00	\$760.00	\$590.00	\$650.00	\$532.36
Subscriber + Family	\$720.00	\$780.00	\$598.00	\$658.00	\$532.36
Job Share Employees (50% Contributory)					
Subscriber Only	\$316.18	\$376.18	\$291.18	\$351.18	\$266.18
Subscriber + Child(ren)	\$571.18	\$631.18	\$484.18	\$544.18	\$266.18
Subscriber + Spouse	\$966.18	\$1,026.18	\$856.18	\$916.18	\$266.18
Subscriber + Family	\$986.18	\$1,046.18	\$864.18	\$924.18	\$266.18
LOA, Direct Bill & COBRA (100% Contribution)					
Subscriber Only	\$582.36	\$642.36	\$557.36	\$617.36	\$0.00
Subscriber + Child(ren)	\$837.36	\$897.36	\$750.36	\$810.36	\$0.00
Subscriber + Spouse	\$1,232.36	\$1,292.36	\$1,122.36	\$1,182.36	\$0.00
Subscriber + Family	\$1,252.36	\$1,312.36	\$1,130.36	\$1,190.36	\$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 2020 Premium Rates

Non-Contributory Non-Medicare Members	80/20 Plan Tobacco Attestation Complete? *		70/30 Plan	Retirement System Contribution
	Yes	No		
Subscriber and All Dependents are Non-Medicare				
Subscriber Only	\$50.00	\$110.00	\$0.00	\$532.36
Subscriber + Child(ren)	\$305.00	\$365.00	\$218.00	\$532.36
Subscriber + Spouse	\$700.00	\$760.00	\$590.00	\$532.36
Subscriber + Family	\$720.00	\$780.00	\$598.00	\$532.36
Medicare Primary for One or More Dependent(s)				
<i>Medicare Primary Dependents on MA Base Plan</i>				
Subscriber + Child(ren)	\$162.00	\$222.00	\$112.00	\$532.36
Subscriber + Spouse	\$162.00	\$222.00	\$112.00	\$532.36
Subscriber + Family	\$274.00	\$334.00	\$224.00	\$532.36
<i>Medicare Primary Dependents on MA Enhanced Plan</i>				
Subscriber + Child(ren)	\$232.00	\$292.00	\$182.00	\$532.36
Subscriber + Spouse	\$232.00	\$292.00	\$182.00	\$532.36
Subscriber + Family	\$414.00	\$474.00	\$364.00	\$532.36
<i>Medicare Primary Dependents on 70/30 Plan</i>				
Subscriber + Child(ren)	\$205.00	\$265.00	\$155.00	\$532.36
Subscriber + Spouse	\$475.00	\$535.00	\$425.00	\$532.36
Subscriber + Family	\$494.00	\$554.00	\$444.00	\$532.36

* 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 2020 Premium Rates

50% Contributory Non-Medicare Retirees	80/20 Plan Tobacco Attestation Complete? *		70/30 Plan	Retirement System Contribution
	Yes	No		
Retiree and All Dependents are Non-Medicare				
Subscriber Only	\$316.18	\$376.18	\$266.18	\$266.18
Subscriber + Child(ren)	\$571.18	\$631.18	\$484.18	\$266.18
Subscriber + Spouse	\$966.18	\$1,026.18	\$856.18	\$266.18
Subscriber + Family	\$986.18	\$1,046.18	\$864.18	\$266.18
Medicare Primary for One or More Dependent(s)				
<i>Medicare Primary Dependents on MA Base Plan</i>				
Subscriber + Child(ren)	\$428.18	\$488.18	\$378.18	\$266.18
Subscriber + Spouse	\$428.18	\$488.18	\$378.18	\$266.18
Subscriber + Family	\$540.18	\$600.18	\$490.18	\$266.18
<i>Medicare Primary Dependents on MA Enhanced Plan</i>				
Subscriber + Child(ren)	\$498.18	\$558.18	\$448.18	\$266.18
Subscriber + Spouse	\$498.18	\$558.18	\$448.18	\$266.18
Subscriber + Family	\$680.18	\$740.18	\$630.18	\$266.18
<i>Medicare Primary Dependents on 70/30 Plan</i>				
Subscriber + Child(ren)	\$471.18	\$531.18	\$421.18	\$266.18
Subscriber + Spouse	\$741.18	\$801.18	\$691.18	\$266.18
Subscriber + Family	\$760.18	\$820.18	\$710.18	\$266.18

* 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 2020 Premium Rates

100% Contributory Non-Medicare Retirees	80/20 Plan Tobacco Attestation Complete? *		70/30 Plan	Retirement System Contribution
	Yes	No		
Retiree and All Dependents are Non-Medicare				
Subscriber Only	\$582.36	\$642.36	\$532.36	\$0.00
Subscriber + Child(ren)	\$837.36	\$897.36	\$750.36	\$0.00
Subscriber + Spouse	\$1,232.36	\$1,292.36	\$1,122.36	\$0.00
Subscriber + Family	\$1,252.36	\$1,312.36	\$1,130.36	\$0.00
Medicare Primary for One or More Dependent(s)				
<i>Medicare Primary Dependents on MA Base Plan</i>				
Subscriber + Child(ren)	\$694.36	\$754.36	\$644.36	\$0.00
Subscriber + Spouse	\$694.36	\$754.36	\$644.36	\$0.00
Subscriber + Family	\$806.36	\$866.36	\$756.36	\$0.00
<i>Medicare Primary Dependents on MA Enhanced Plan</i>				
Subscriber + Child(ren)	\$764.36	\$824.36	\$714.36	\$0.00
Subscriber + Spouse	\$764.36	\$824.36	\$714.36	\$0.00
Subscriber + Family	\$946.36	\$1,006.36	\$896.36	\$0.00
<i>Medicare Primary Dependents on 70/30 Plan</i>				
Subscriber + Child(ren)	\$737.36	\$797.36	\$687.36	\$0.00
Subscriber + Spouse	\$1,007.36	\$1,067.36	\$957.36	\$0.00
Subscriber + Family	\$1,026.36	\$1,086.36	\$976.36	\$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 2020 Premium Rates

Non-Contributory Medicare Primary Subscribers	Medicare Advantage		Medicare 70/30 Plan	Retirement System Contribution
	Base Plan	Enhanced Plan		
Medicare Primary for Retiree and One or More Dependents				
Subscriber Only	\$0.00	\$74.00	\$0.00	\$413.60
Subscriber + Child(ren)	\$112.00	\$256.00	\$155.00	\$413.60
Subscriber + Spouse	\$112.00	\$256.00	\$425.00	\$413.60
Subscriber + Family	\$224.00	\$438.00	\$444.00	\$413.60
Non-Medicare Primary for Dependent(s)				
<i>Dependents on 80/20 Plan</i>				
Subscriber + Child(ren)	\$255.00	\$329.00	\$255.00	\$413.60
Subscriber + Spouse	\$650.00	\$724.00	\$650.00	\$413.60
Subscriber + Family	\$670.00	\$744.00	\$670.00	\$413.60
<i>Dependents on 70/30 Plan</i>				
Subscriber + Child(ren)	\$218.00	\$292.00	\$218.00	\$413.60
Subscriber + Spouse	\$590.00	\$664.00	\$590.00	\$413.60
Subscriber + Family	\$598.00	\$672.00	\$598.00	\$413.60

50% Contributory Medicare Primary Subscribers

Recommended 2020 Premium Rates

50% Contributory Medicare Retirees	Medicare Advantage		Medicare 70/30 Plan	Retirement System Contribution
	Base Plan	Enhanced Plan		
Medicare Primary for Retiree and One or More Dependents				
Subscriber Only	\$112.00	\$182.00	\$206.80	\$206.80
Subscriber + Child(ren)	\$224.00	\$364.00	\$361.80	\$206.80
Subscriber + Spouse	\$224.00	\$364.00	\$631.80	\$206.80
Subscriber + Family	\$336.00	\$546.00	\$650.80	\$206.80
Non-Medicare Primary for Dependent(s)				
<i>Dependents on 80/20 Plan</i>				
Subscriber + Child(ren)	\$367.00	\$437.00	\$461.80	\$206.80
Subscriber + Spouse	\$762.00	\$832.00	\$856.80	\$206.80
Subscriber + Family	\$782.00	\$852.00	\$876.80	\$206.80
<i>Dependents on 70/30 Plan</i>				
Subscriber + Child(ren)	\$330.00	\$400.00	\$424.80	\$206.80
Subscriber + Spouse	\$702.00	\$772.00	\$796.80	\$206.80
Subscriber + Family	\$710.00	\$780.00	\$804.80	\$206.80

COBRA and 100% Contributory Medicare Primary Subscribers

Recommended 2020 Premium Rates

100% Contributory Medicare Primary Subscribers	Medicare Advantage		Medicare 70/30 Plan	Retirement System Contribution
	Base Plan	Enhanced Plan		
Medicare Primary for Retiree and One or More Dependents				
Subscriber Only	\$112.00	\$182.00	\$413.60	\$0.00
Subscriber + Child(ren)	\$224.00	\$364.00	\$568.60	\$0.00
Subscriber + Spouse	\$224.00	\$364.00	\$838.60	\$0.00
Subscriber + Family	\$336.00	\$546.00	\$857.60	\$0.00
Non-Medicare Primary for Dependent(s)				
<i>Dependents on 80/20 Plan</i>				
Subscriber + Child(ren)	\$367.00	\$437.00	\$668.60	\$0.00
Subscriber + Spouse	\$762.00	\$832.00	\$1,063.60	\$0.00
Subscriber + Family	\$782.00	\$852.00	\$1,083.60	\$0.00
<i>Dependents on 70/30 Plan</i>				
Subscriber + Child(ren)	\$330.00	\$400.00	\$631.60	\$0.00
Subscriber + Spouse	\$702.00	\$772.00	\$1,003.60	\$0.00
Subscriber + Family	\$710.00	\$780.00	\$1,011.60	\$0.00

Firefighters, Rescue Squad Workers, and National Guard

Recommended 2020 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	698.83	758.83	668.83	728.83	\$0.00
Subscriber + Child(ren)	\$1,004.83	\$1,064.83	\$900.43	\$960.43	\$0.00
Subscriber + Spouse	\$1,478.83	\$1,538.83	\$1,346.83	\$1,406.83	\$0.00
Subscriber + Family	\$1,502.83	\$1,562.83	\$1,356.43	\$1,416.43	\$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.