

## JOINT HEALTH CARE COMMITTEE

### MEMORANDUM

DATE: March 1, 2013

FROM: Abel Bult-Ito, Chair - Joint Health Care Committee (JHCC)

SUBJECT: Motion as approved for your consideration at the 02-28-2013 Meeting

TO: Michelle Rizk, Interim Chief Human Resource Officer

Dear Michelle,

The Joint Health Care Committee (JHCC) met on February 27 and 28, 2013, in Anchorage for the numbers meeting for the group to recommend the employee contribution rates for FY14.

Timothy Armbruster provided three sets of rates based on three different assumptions; a low projected health care costs increase for FY14 (Lockton trend), a high projected health care costs increase (Premera trend), and a medium projection based on a blend of the Lockton and Premera trends. After careful consideration and lengthy discussion of these projections, the committee made the following motion for your consideration and action:

**Motion 13.5: Accept the FY14 employee contribution rates as presented for the Medium Projection trend that uses a blend of the Lockton trend and Premera's Book of Business trend.** The specific rates and how they compare to FY13 are attached to this memo.

Items supporting this recommendation were:

- The Medium Projection trend represents a relatively conservative estimate of expected FY14 increases in health care costs. This is expected to protect the employee contribution pool from unanticipated larger increases in costs or larger migration to a plan with lower employee contributions.
- The FY13 large claims costs (claims over \$50,000 each) are projected to increase from FY12. Consequently, these proposed rates are based on projected larger costs for large claims in FY14.

Please provide a written response to the intent of motion 13.5 within the 20-day timeframe in accordance to the Collective Bargaining Agreements between the University and the Union represented groups.

Respectfully,

A handwritten signature in blue ink, appearing to read 'Abel Bult-Ito', with a stylized flourish at the end.

Abel Bult-Ito, Professor of Neurobiology  
Chair Joint Health Care Committee

Cc: Local Union Presidents, Staff Alliance President, and JHCC committee members

**University of Alaska**  
**FY13 Actual and FY14 Proposed Employee Rate Comparison**  
**Base Annual Rates**

<i>Line #</i>		Headcount projection as of Feb 2013	FY13 Actual Rates	FY14 Proj Rates	FY14 \$ Change	FY14 % Change
	<b>"750" Plan</b>					
1	EE	678	\$2,280	\$2,073	(\$207)	-9.08%
2	EE + SP	485	4,560	4,146	(\$414)	-9.08%
3	EE + CH	97	4,104	3,110	(\$994)	-24.22%
4	EE + 2CH	69	4,104	3,939	(\$165)	-4.02%
5	EE + 3 or more CH	23	4,104	4,561	\$457	11.14%
6	EE + SP + 1CH	164	6,384	5,183	(\$1,201)	-18.81%
7	EE + SP + 2CH	184	6,384	6,012	(\$372)	-5.83%
8	EE + SP + 3 or more CH	112	6,384	6,634	\$250	3.92%
	<b>HDHP Plan</b>					
9	EE	724	\$1,465	\$1,333	(\$132)	-9.01%
10	EE + SP	439	2,930	2,666	(\$264)	-9.01%
11	EE + CH	83	2,637	2,000	(\$637)	-24.16%
12	EE + 2CH	54	2,637	2,533	(\$104)	-3.94%
13	EE + 3 or more CH	22	2,637	2,933	\$296	11.22%
14	EE + SP + 1CH	243	4,102	3,333	(\$769)	-18.75%
15	EE + SP + 2CH	266	4,102	3,866	(\$236)	-5.75%
16	EE + SP + 3 or more CH	138	4,102	4,266	\$164	4.00%
	<b>CDHP Plan</b>					
17	EE	56		\$1,183		
18	EE + SP	36		2,366		
19	EE + CH	8		1,775		
20	EE + 2CH	5		2,248		
21	EE + 3 or more CH	1		2,603		
22	EE + SP + 1CH	17		2,958		
23	EE + SP + 2CH	19		3,431		
24	EE + SP + 3 or more CH	11		3,786		

*PROPOSED UA Choice FY14 Rates for 750 Plan and High Deductible Health Plan*

<b>26 Payrolls</b>				
<b>750 Plan</b>	<b>Employee Bi-Weekly Charge</b>	<b>Dependent Bi-Weekly Charge</b>	<b>Total Bi-Weekly Charge</b>	<b>Annual Charge</b>
Employee (EE)	\$79.74	N/A	\$ 79.74	\$ 2,073
EE + Spouse	\$79.74	\$79.74	\$159.48	\$ 4,146
EE + 1 Child	\$79.74	\$39.89	\$119.63	\$ 3,110
EE + 2 Children	\$79.74	\$71.77	\$151.51	\$ 3,939
EE + 3 or more Children	\$79.74	\$95.70	\$175.44	\$ 4,561
EE, Spouse, 1 child	\$79.74	\$119.62	\$199.36	\$ 5,183
EE, Spouse, 2 children	\$79.74	\$151.50	\$231.24	\$ 6,012
EE, Spouse, 3 or more Children	\$79.74	\$175.43	\$255.17	\$ 6,634
<b>High Deductible Health Plan (HDHP)</b>	<b>Employee Bi-Weekly Charge</b>	<b>Dependent Bi-Weekly Charge</b>	<b>Total Bi-Weekly Charge</b>	<b>Annual Charge</b>
Employee (EE)	\$51.27	N/A	\$ 51.27	\$ 1,333
EE + Spouse	\$51.27	\$ 51.27	\$102.54	\$ 2,666
EE + 1 Child	\$51.27	\$ 25.66	\$ 76 .93	\$ 2,000
EE + 2 Children	\$51.27	\$ 46.16	\$ 97.43	\$ 2,533
EE + 3 or more Children	\$51.27	\$ 61.54	\$112.81	\$ 2,933
EE, Spouse, 1 child	\$51.27	\$ 76.93	\$128.20	\$ 3,333
EE, Spouse, 2 children	\$51.27	\$ 97.43	\$148.70	\$ 3,866
EE, Spouse, 3 or more Children	\$51.27	\$112.81	164.08	\$ 4,266
<b>19 Payrolls</b>				
<b>750 Plan</b>	<b>Employee Bi-Weekly Charge</b>	<b>Dependent Bi-Weekly Charge</b>	<b>Total Bi-Weekly Charge</b>	<b>Annual Charge</b>
Employee (EE)	\$109.11	N/A	\$109.11	\$ 2,073
EE + Spouse	\$109.11	\$109.11	\$218.22	\$ 4,146
EE + 1 Child	\$109.11	\$ 54.58	\$163.69	\$ 3,110
EE + 2 Children	\$109.11	\$ 98.22	\$207.33	\$ 3,939
EE + 3 or more Children	\$109.11	\$130.95	\$240.06	\$ 4,561
EE, Spouse, 1 child	\$109.11	\$163.69	\$272.80	\$ 5,183
EE, Spouse, 2 children	\$109.11	\$207.32	\$316.43	\$ 6,012
EE, Spouse, 3 or more Children	\$109.11	\$240.06	\$349.17	\$ 6,634
<b>High Deductible Health Plan (HDHP)</b>	<b>Employee Bi-Weekly Charge</b>	<b>Dependent Bi-Weekly Charge</b>	<b>Total Bi-Weekly Charge</b>	<b>Annual Charge</b>
Employee (EE)	\$70.16	N/A	\$ 70.16	\$ 1,333
EE + Spouse	\$70.16	\$ 70.16	\$140.32	\$ 2,666
EE + 1 Child	\$70.16	\$ 35.11	\$105.27	\$ 2,000
EE + 2 Children	\$70.16	\$ 63.16	\$133.32	\$ 2,533
EE + 3 or more Children	\$70.16	\$ 84.22	\$154.38	\$ 2,933
EE, Spouse, 1 child	\$70.16	\$105.27	\$175.43	\$ 3,333
EE, Spouse, 2 children	\$70.16	\$133.32	\$203.48	\$ 3,866
EE, Spouse, 3 or more Children	\$70.16	\$154.37	\$224.53	\$ 4,266

*PROPOSED UA Choice FY14 Rates for the Consumer Directed Health Plan (CDHP)*  
*Note: This is a High Deductible Health Plan with a Health Savings Account. This plan has different benefits from a regular HDHP and restrictions on eligibility apply.*

*Please see the plan information before choosing this plan.*

<b>26 Payrolls</b>				
Consumer Directed Health Plan (CDHP) (26 pay)	Employee Bi-Weekly Charge	Dependent Bi-Weekly Charge	Total Bi-Weekly Charge	Annual Charge
Employee (EE)	\$45.50	N/A	\$ 45.50	\$ 1,183
EE + Spouse	\$45.50	\$ 45.50	\$ 91.00	\$ 2,366
EE + 1 Child	\$45.50	\$ 22.77	\$ 68.27	\$ 1,775
EE + 2 Children	\$45.50	\$ 40.97	\$ 86.47	\$ 2,248
EE + 3 or more Children	\$45.50	\$ 54.62	\$100.12	\$ 2,603
EE, Spouse, 1 child	\$45.50	\$ 68.27	\$113.77	\$ 2,958
EE, Spouse, 2 children	\$45.50	\$ 86.47	\$131.97	\$ 3,431
EE, Spouse, 3 or more Children	\$45.50	\$100.12	\$145.62	\$ 3,786

<b>19 Payrolls</b>				
Consumer Directed Health Plan (CDHP) (19 pay)	Employee Bi-Weekly Charge	Dependent Bi-Weekly Charge	Total Bi-Weekly Charge	Annual Charge
Employee (EE)	\$62.27	N/A	\$ 62.27	\$ 1,183
EE + Spouse	\$62.27	\$ 62.27	\$124.54	\$ 2,366
EE + 1 Child	\$62.27	\$ 31.16	\$ 93.43	\$ 1,775
EE + 2 Children	\$62.27	\$ 56.06	\$118.33	\$ 2,248
EE + 3 or more Children	\$62.27	\$ 74.74	\$137.01	\$ 2,603
EE, Spouse, 1 child	\$62.27	\$ 93.43	\$155.70	\$ 2,958
EE, Spouse, 2 children	\$62.27	\$118.32	\$180.59	\$ 3,431
EE, Spouse, 3 or more Children	\$62.27	\$137.00	\$199.27	\$ 3,786

2013 Health Savings Account limits are \$3,250 for an individual, and \$6,450 for family coverage. See the enrollment guide for more information on health savings accounts.