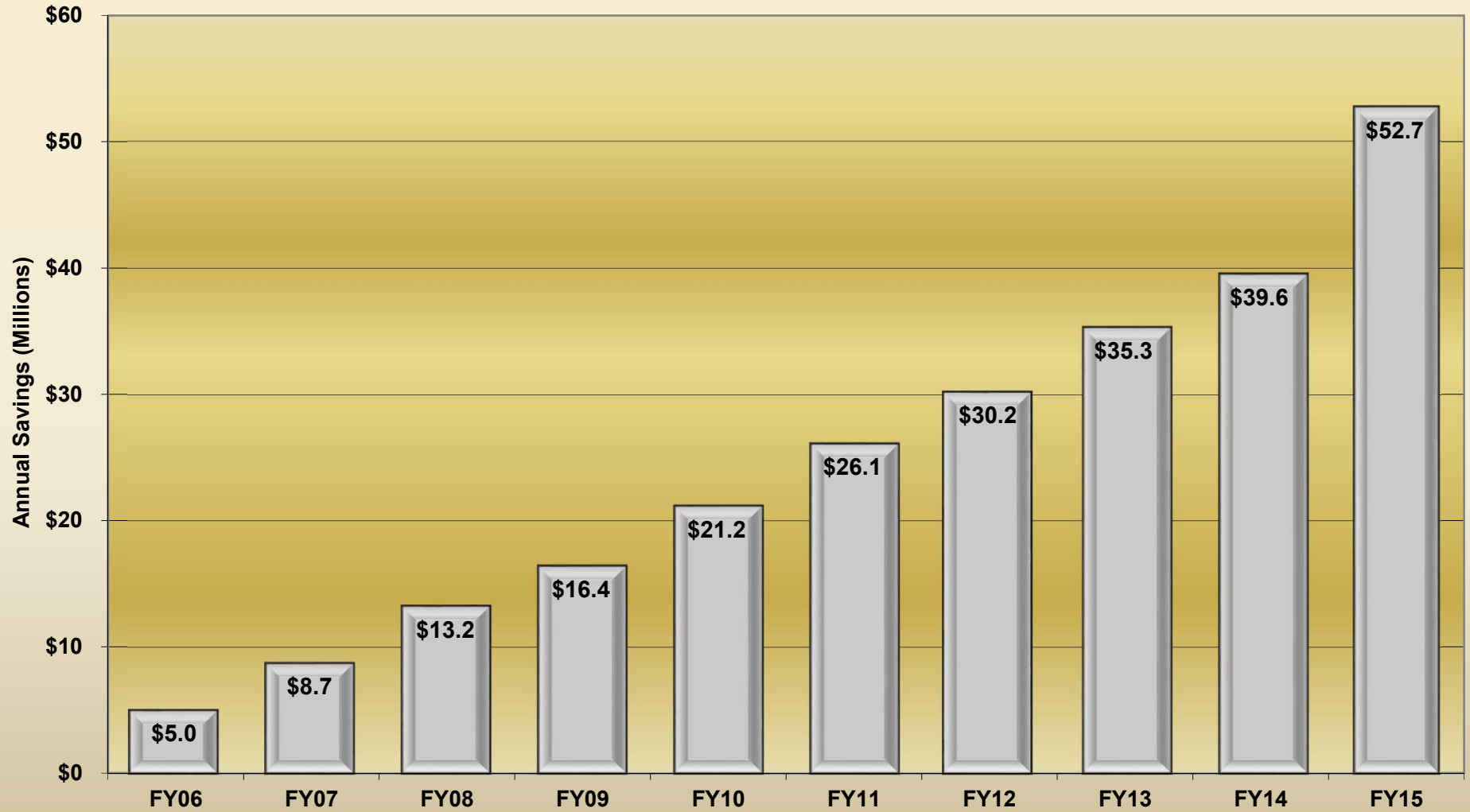


2004 Special Session Impact Annual Cost Savings



State Employees' Health Insurance Plan

Report in accordance with Act 2004-647 (Audited)

SEHIP Funding	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	Estimated FY16
Premiums:											
Premiums paid by State Agencies	\$281,462,460	\$320,768,110	\$323,726,694	\$322,149,399	\$361,845,980	\$356,514,032	\$318,075,308	\$304,451,908	\$320,239,416	\$323,642,791	\$335,643,000
Premiums paid by Active & Retired Members (1)	\$53,512,266	\$53,990,296	\$60,762,571	\$61,010,394	\$70,603,640	\$73,076,378	\$74,763,303	\$71,606,291	\$79,177,124	\$82,468,317	\$81,775,905
Employer Rate per Active Employee (2)	\$668	\$717	\$775	\$775	\$805	\$805	\$765	\$765	\$825	\$825	\$825
Rates Paid by Members for Coverage (3):											
Active Employee	\$20	\$22	24	25	70	75	80	85	90	90	115
Active Family	\$184	\$202	204	230	260	265	270	275	280	280	305
Active Family with Spouse									330	405	440
Retiree <65	\$160	\$174	191	196	211	231	246	261	276	311	336
Retiree <65 and NonMedicare Family	\$322	\$354	389	398	423	453	478	503	528	573	598
Retiree <65 and NonMedicare Family With Spouse									578	698	733
Retiree <65 and Medicare Family	\$268	\$295	312	317	332	352	367	382	407	442	467
Retiree <65 and Medicare Family With Spouse									457	542	577
Medicare Retiree	\$20	\$22	24	25	30	35	40	45	50	50	75
Medicare Retiree and Dependent <65	\$184	\$202	222	227	242	257	272	287	302	312	337
Medicare Retiree and Dependent <65 With Spouse									352	437	472
Medicare Retiree and Medicare Dependent	\$130	\$143	145	146	151	156	161	166	171	171	196
Medicare Retiree and Medicare Dependent With Spouse									221	271	306
Wellness Participation Discount	\$0	\$0	0	0	(25)	(25)	(25)	(25)	(25)	(25)	(25)
Non-Tobacco Usage Discount	(\$20)	(\$22)	(24)	(25)	(30)	(35)	(40)	(45)	(50)	(50)	(60)
Spousal Surcharge Waiver									(50)	(50)	(50)
State Cost for Calculating Retiree Sliding Scale:											
Retiree <65	\$468	\$505	555	555	555	555	555	555	555	555	555
Medicare Retiree (4)	\$302	\$331	331	211	336	336	350	350	350	350	350

Savings (Costs) from 2004 Special Session of Legislature

Act No.	Code Section	Change	Savings (Costs)									
2004-647	36-29-3	Wellness participation discounts forfeited	\$0	\$0	\$0	\$0	\$346,275	\$687,200	\$ 804,425	\$ 932,425	870,925	\$1,338,625
2004-647	36-29-3	Spousal Surcharges									2,813,800	3,594,650
2004-647	36-29-8	Opt not to have coverage	\$112,405	\$189,288	633,175	744,775	1,048,915	1,494,080	1,815,345	2,150,415	3,314,850	5,256,075
2004-647,648	36-29-19.2 & 8	Supplemental coverage for employees and retirees eligible for other coverage (5)	\$2,513,144	\$5,751,655	6,559,924	7,631,675	9,472,356	11,596,707	13,946,185	13,771,070	14,250,699	15,827,434
2004-647	36-29-19.3	Non-Tobacco Usage Discounts Forfeited	\$2,695,500	\$2,877,644	3,137,832	3,204,200	3,650,280	4,110,505	4,300,245	4,667,670	4,793,355	5,026,900
2004-647	36-29-19.4a	Federal Poverty Level assistance	(\$313,384)	(\$58,067)	(1,452,467)	(1,864,982)	(2,353,600)	(1,459,368)	(480,525)	(613,997)	(788,317)	(916,508)
2004-647	36-29-19.4b	State Employees' Children's Health (6) Insurance Program	(\$180,601)	(\$156,656)	(346,919)	(454,299)	(677,560)	(387,824)				
2004-647	36-29-19.5	Pre-tax employee contributions	\$347,899	\$477,277	835,649	966,215	1,623,641	1,597,133	1,294,405	1,180,685	1,307,267	1,375,704
2004-648	36-29-19.7	Retiree contributions based on years of service and reduction in growth of retiree population	(\$174,777)	(\$371,199)	3,874,760	6,186,357	8,058,621	8,450,063	8,561,675	13,256,634	12,990,663	21,238,808
Estimated Total Savings (Costs)			\$5,000,186	\$8,709,942	\$13,241,954	\$16,413,941	\$21,168,928	\$26,088,496	\$ 30,241,755	\$ 35,344,902	39,553,242	\$52,741,688

Notes

- (1) Adjusted for contributions to the Flexible Employees' Benefits Program.
- (2) Credit of \$40 per employee per month granted to agencies in October 2011 and October 2012 resulting in an effective rate of \$765 per employee per month.
- (3) Beginning 10/1/2011, rates will be set on a calendar year basis. Rates in effect 9/30/2011 will remain in effect until 12/31/2011.
- (4) Due to the Blue Advantage fully insured program ending, the cost estimates for the self-insured SEHIP secondary coverage have increased.
- (5) Adjusted for savings attributable to employees enrolled in the Public Education Employees' Health Insurance Plan.
- (6) The SECHIP program ended April 1, 2011 when state employee and retiree children became eligible for the Allkids program.

NOTE: FY06 and FY07 savings/(costs) for retiree savings did not include savings from reduction in growth of retiree population.