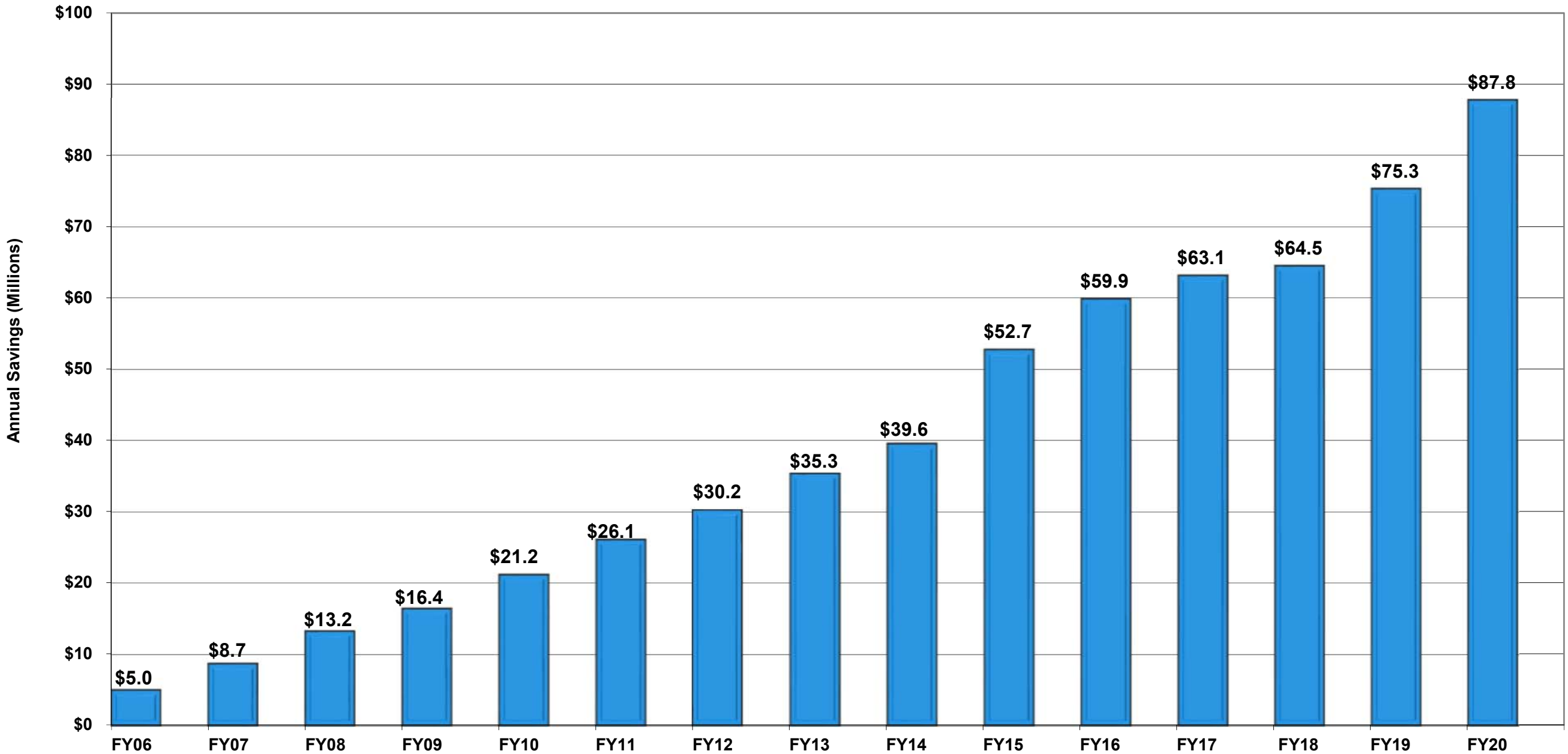


2004 Special Session Impact

Annual Cost Savings



State Employees' Health Insurance Plan
Report in accordance with Act 2004-647

SEHIP Funding	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
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	\$317,209,135	\$320,659,045	\$350,803,551	\$354,480,567	\$360,061,856
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	\$92,040,354	\$95,641,837	\$96,591,680	\$95,282,664	\$95,085,598
Employer Rate per Active Employee (2)	\$668	\$717	\$775	\$775	\$805	\$805	\$765	\$765	\$825	\$825	\$825	\$850	\$930	\$930	\$930
Rates Paid by Members for Coverage (3):															
Active Employee	\$20	\$22	\$24	\$25	\$70	\$75	\$80	\$85	\$90	\$90	\$115	\$115	\$115	\$115	\$115
Active Family	\$184	\$202	\$204	\$230	\$260	\$265	\$270	\$275	\$280	\$280	\$305	\$305	\$305	\$305	\$305
Active Family with Spouse									\$330	\$405	\$440	\$440	\$440	\$440	\$440
Retiree <65	\$160	\$174	\$191	\$196	\$211	\$231	\$246	\$261	\$276	\$311	\$336	\$336	\$359	\$359	\$359
Retiree <65 and NonMedicare Family	\$322	\$354	\$389	\$398	\$423	\$453	\$478	\$503	\$528	\$573	\$598	\$598	\$621	\$621	\$621
Retiree <65 and NonMedicare Family With Spouse									\$578	\$698	\$733	\$733	\$756	\$756	\$756
Retiree <65 and Medicare Family	\$268	\$295	\$312	\$317	\$332	\$352	\$367	\$382	\$412	\$442	\$467	\$467	\$490	\$490	\$490
Retiree <65 and Medicare Family With Spouse									\$362	\$442	\$467	\$467	\$490	\$490	\$490
Medicare Retiree	\$20	\$22	\$24	\$25	\$30	\$35	\$40	\$45	\$50	\$50	\$75	\$75	\$75	\$75	\$75
Medicare Retiree and Dependent <65	\$184	\$202	\$222	\$227	\$242	\$257	\$272	\$287	\$302	\$312	\$337	\$337	\$337	\$337	\$337
Medicare Retiree and Dependent <65 With Spouse									\$352	\$437	\$472	\$472	\$472	\$472	\$472
Medicare Retiree and Medicare Dependent	\$130	\$143	\$145	\$146	\$151	\$156	\$161	\$166	\$171	\$171	\$196	\$196	\$196	\$196	\$196
Medicare Retiree and Medicare Dependent With Spouse									\$221	\$271	\$306	\$306	\$306	\$306	\$306
Wellness Participation Discount	\$0	\$0	\$0	\$0	(\$25)	(\$25)	(\$25)	(\$25)	(\$25)	(\$25)	(\$25)	(\$25)	(\$25)	(\$25)	(\$25)
Non-Tobacco Usage Discount	(\$20)	(\$22)	(\$24)	(\$25)	(\$30)	(\$35)	(\$40)	(\$45)	(\$50)	(\$50)	(\$60)	(\$60)	(\$60)	(\$60)	(\$60)
Spousal Surcharge Waiver									(\$50)	(\$50)	(\$50)	(\$50)	(\$50)	(\$50)	(\$50)
Gap In Care Surcharge											\$25	\$25	\$25	\$25	\$25
State Cost for Calculating Retiree Sliding Scale:															
Retiree <65	\$468	\$505	\$555	\$555	\$555	\$555	\$555	\$555	\$555	555	\$555	\$555	\$555	\$555	\$555
Medicare Retiree (4)	\$302	\$331	\$331	\$211	\$336	\$336	\$350	\$350	\$350	350	\$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	\$ 1,775,225	\$ 2,211,725	\$ 1,840,175	\$ 2,136,450	\$ 1,839,825	
2004-647	36-29-3	Gaps In Care Surcharges										16,775	5,700	15,375	235,525	1,100,425		
2004-647	36-29-3	Spousal Surcharges									2,813,800	\$3,594,650	3,426,200	3,279,850	3,228,550	3,212,200	3,255,000	
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	6,169,350	6,289,150	5,967,810	7,432,560	7,622,280	
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	13,879,251	15,168,102	15,586,741	20,340,078	21,059,586	
2004-647		Health Reimbursement Account											1,126,562	1,642,596	2,788,334	3,224,268	3,945,355	
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	5,580,900	5,511,600	5,341,440	5,229,360	5,184,900	
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)	(1,098,262)	(1,241,142)	(1,340,641)	(1,327,625)	(1,430,904)	
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	1,754,183	1,856,341	1,832,109	1,901,461	2,015,018	
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	27,232,377	28,400,921	29,213,922	32,934,593	43,181,114	
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	\$ 59,862,561	\$ 63,124,843	\$ 64,473,815	\$ 75,318,870	\$ 87,772,599	

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.