

Combining Allocation Rates

The PEEHIP Board voted to eliminate the combining allocation program. All current participating members will be grandfathered in and will experience premium rate increases that will be phased in over a 3-year period. No married couples will be able to begin combining allocations effective October 1, 2010. See rate charts below. (*The rates in years 2 and 3 below assume no further rate increases. If rates change, the premium amounts shown below will change.)

Examples:

- In most cases, a **husband and wife with no other dependents** may find that it is more cost efficient to uncombine and change to two single policies during the Open Enrollment period.
- However, if the couple has each other and additional dependents covered on their family plan, they must use both allocations for the family Hospital Medical Plan and cannot use one of the allocations towards the Optional Plans. The family hospital medical premium will be a reduced rate for two years. They can still purchase the Optional Plans at the normal monthly rate of \$38 or \$45 for family dental.
- If one member is enrolled in the family Hospital Medical Supplemental Plan (premium \$0), the spouse can use his or her allocation and receive the Optional Plans at no cost.
- If a couple was **not** combining allocations but was eligible to combine and one spouse chose to use one allocation for the family Hospital Medical Plan insuring the husband and wife and the spouse chose to use the other allocation to get free Optionals, the couple will continue paying the full family hospital medical premium, and they must begin paying the full amount for the Optionals beginning October 1, 2010. In this situation, members can drop Optionals (all or some) during Open Enrollment and only pay for the Optionals they want to keep.

Combining of Allocation Program 3-Year Phase-Out	
Active Members Combining Allocations and Active & Retired Members (under & over 65) Combining Allocations	New Premium Rates Beginning October 1, 2010
- Year 1: Oct 1, 2010 – Sept 30, 2011	\$ 59
- Year 2: Oct 1, 2011 – Sept 30, 2012	*\$ 118
- Year 3: Oct 1, 2012 – Sept 30, 2013	*\$ 177
Retired Members Combining Allocations not subject to sliding scale (based on 25 years of service)	
Year 1: Oct 1, 2010 – Sept 30, 2011	
- Retiree & Dependent Non-Medicare Eligible (NME)	\$237
- Retiree NME & Dependent Medicare Eligible (ME)	\$127
- Retiree ME & Dependent NME	\$127
- Retiree & Dependent Both ME	\$ 36
Year 2: Oct 1, 2011 – Sept 30, 2012	
- Retiree & Dependent NME	\$309
- Retiree NME & Dependent ME	\$186
- Retiree ME & Dependent NME	\$186
- Retiree & Dependent Both ME	\$ 72

Year 3: Oct 1, 2012 – Sept 30, 2013	
- Retiree & Dependent NME	\$381
- Retiree NME & Dependent ME	\$245
- Retiree ME & Dependent NME	\$245
- Retiree & Dependent Both ME	\$109

Note: Members who retired on or after October 1, 2005, are subject to the sliding scale premiums which are based on years of service and the cost of the insurance program.

Active or retired members who are not enrolled in the Hospital Medical or HMO Plan and are not combining allocations with their spouse can use their state allocation for the Optional Plans or the PEEHIP Supplemental Medical Plan. Full-time active employees will continue to receive all four Optionals at no cost and retirees will continue to receive two Optionals at no cost. If active or retired members choose to use their state allocation for the PEEHIP Supplemental Medical Plan in lieu of the Optional or PEEHIP Hospital Medical Plan, the active or retired allocation will continue to cover the full cost of the PEEHIP Supplemental Medical Plan.