A RESOLUTION

State Health Benefit Plan Calendar Year 2013 Member Contribution Rates

WHEREAS, the State Health Benefit Plan (the "SHBP") is comprised of three health insurance plans, each supported by its own fund: 1) a plan for State employees (O.C.G.A. § 45-18-2), 2) a plan for teachers (O.C.G.A. § 20-2-891), and 3) a plan for non-certificated public school employees (O.C.G.A. § 20-2-911); and

WHEREAS, O.C.G.A. §§ 45-18-14, 20-2-892, and 20-2-920 provide that the Board of Community Health (the "Board") establishes the contributions required of active employees, which represent the active employees' share of the cost of coverage, and must be withheld from salary or other compensation; and

WHEREAS, O.C.G.A. §§ 45-18-14, 20-2-892, and 20-2-920 provide that the Board prescribes the amount of contributions required to be deducted from the annuities of retirees eligible for coverage; and

WHEREAS, O.C.G.A. §§ 45-18-2(b), 20-2-885(c) and 20-2-915(c) provide that coverage under the SHBP shall be subordinated to coverage available to covered retirees who are eligible to participate in the insurance program operated by or on behalf of the federal government under the provisions of 42 U.S.C.A. 1395, commonly known as Medicare; and

WHEREAS, subsidizing only Medicare Advantage options for covered retirees who are eligible for Medicare due to age is the means by which SHBP coverage is subordinated to Medicare coverage; and

WHEREAS, O.C.G.A. § 45-18-5 (c.1) and (d) provide that the Board establishes the coverage rates for local school board members, which rates must be based on the actual claims experience of individuals enrolled in the SHBP pursuant to O.C.G.A. § 45-18-5; and

WHEREAS, the Board is required to establish some member contribution rates that reflect the entire cost of coverage plus administrative fees; and

WHEREAS, the Board is required to establish some member contribution rates that are always the same as the contribution rates for active State employee; and

WHEREAS, SHBP Regulations Section 111-4-1-.04(1)(c) authorizes the Board to establish tobacco surcharges, and the Board desires to continue the $80 monthly tobacco surcharge for Calendar Year 2013; and

WHEREAS, Exhibit One describes the members to which the unsubsidized rates set forth in attachments to Exhibit One apply; and

WHEREAS, Exhibit Two describes the members to which the subsidized rates set forth in attachments to Exhibit Two apply; and

WHEREAS, Exhibits One and Two have been developed in accordance with applicable law; and

WHEREAS, federal laws permit employers to offer TRICARE Supplemental coverage as a voluntary benefit as long as such coverage is not subsidized or endorsed by the employer; and

WHEREAS, TRICARE Supplemental coverage will be made available as a voluntary benefit option for TRICARE-eligible individuals during Calendar Year 2013, and will be clearly designated in all communications as a voluntary benefit that is not endorsed or subsidized by any employer; and

WHERAS, the rates set forth in the attachment to Exhibit Three are the rates for a fully-insured voluntary TRICARE Supplemental coverage plan, and are not subsidized by any employer; and

WHEREAS, SHBP Regulations Section 111-4-1-.04(1)(c) provides that the Board shall establish all member premium rates by resolution, which rates remain in effect until changed by resolution; and

WHEREAS, the rates set forth as attachments to Exhibits One and Two were developed using actuarial projections of expenses under the SHBP benefit options for Calendar Year 2013, which benefit options have been presented to the Board; and

WHEREAS, the Board desires to adopt the rates set forth in Exhibit One as the unsubsidized member premium rates for SHBP benefit options for Calendar Year 2013; and

WHEREAS, the Board desires to adopt the rates set forth in Exhibit Two as the subsidized member premium rates for SHBP benefit options for Calendar Year 2013;

WHEREAS, the Board desires to publish the rates set forth in Exhibit Three as the cost of fully-insured TRICARE Supplemental coverage that will be available as an option during Open Enrollment for Plan Year 2013;

NOW, THEREFORE, BE IT ORDERED by the Board that the rates set forth in Exhibit One are adopted as the unsubsidized SHBP rates for an effective date of coverage of January 1, 2013; and

BE IT FURTHER ORDERED by the Board that the rates set forth in Exhibit Two are adopted as the subsidized SHBP rates for an effective date of coverage of January 1, 2013; and

BE IT FURTHER ORDERED by the Board that the $80 tobacco surcharge shall be applied to all rates set forth in Exhibit One and all rates set forth in Exhibit Two except for Exhibit 2.C; and

BE IT FURTHER ORDERED by the Board that the rates set forth in Exhibit Three are adopted as the rates for the TRICARE Supplemental coverage benefit option for an effective date of coverage of January 1, 2013; and

BE IT FURTHER ORDERED by the Board that the Commissioner shall execute and amend agreements and take other actions necessary to implement these rates and the benefit options for Calendar Year 2013 on which they were based; and

BE IT FURTHER ORDERED by the Board that the Commissioner shall establish such additional rates as may be administratively necessary for the operation of the SHBP; and

BE IT FURTHER ORDERED by the Board that the Commissioner shall take any action appropriate and necessary for the Department to make the voluntary TRICARE Supplemental coverage option available to TRICARE-eligible individuals in a manner that complies with applicable law.

Resolved this 23rd day of August 2012, in public session.

Ross Mason
Chairman

Jamie Pennington
Secretary