

Increase Employer Support to PEBB Retiree Health Care Costs

WHEREAS, over 106,000 retired state and local government employees receive health insurance through the Public Employees Benefits Board (PEBB) in Washington State.

WHEREAS, Uniform Medical Plan (UMP) Classic Medicare is the most popular PEBB Medicare plan due to its excellent coverage and reliable track record.

WHEREAS, employers provide a subsidy, known as the Medicare Explicit Subsidy, of 50% of monthly premiums capped at \$183 per month. In 2024, composite UMP Classic Medicare Premiums will be \$715.94 per month, meaning that retirees will pay \$532.94 per month and employers will pay \$183 per month.

WHEREAS, the State Legislature set the Medicare Explicit Subsidy cap at \$182.89 for 2009. That same year, retirees paid \$176.46 per month for UMP Classic Medicare.

WHEREAS, since 2009, the retiree portion of UMP Classic Medicare premiums have increased by \$356.48 per month, while the Medicare Explicit Subsidy cap has increased by only \$0.11.

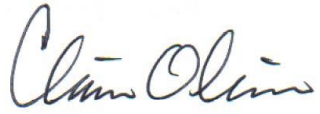
WHEREAS, UMP Classic Medicare retiree premiums have increased by 46% between 2022 and 2024. Premium increases have forced and will continue to force retirees to switch from UMP Classic Medicare to other plans in the PEBB portfolio, most of which are Medicare Advantage Plans.

WHEREAS, many retirees who participated in the Health Care Authority's 2023 listening sessions expressed concerns that the Medicare Advantage plans offered through PEBB are inferior to UMP Classic Medicare in regard to coverage and customer service. Retirees overwhelmingly expressed a desire for PEBB to offer non-Medicare Advantage plans with affordable premiums and comprehensive coverage.

THEREFORE, BE IT RESOLVED: that the Washington State Alliance for Retired Americans (WSARA) support eliminating the \$183 per month cap of the Medicare Explicit Subsidy, so employers pay their fair share of ballooning health care costs.

BE IT FURTHER RESOLVED: that support for eliminating the \$183 per month cap of the Medicare Explicit Subsidy be adopted as a legislative priority.

BE IT FURTHER RESOLVED: that support for eliminating the \$183 per month cap of the Medicare Explicit Subsidy be communicated to the Washington State Legislature.

A handwritten signature in black ink that reads "Clair Oliver". The signature is written in a cursive style with a horizontal line through the middle of the letters.

*Respectfully submitted by Clair Oliver, President,
Retired Public Employees Council of WA/AFSCME Retirees Chapter 10*

Approved by the RPEC Executive Board, August 22, 2023.