

Educators Health Alliance

2008-09 Contract Year Renewal Effective September 1, 2008

Premium Rate Changes

The EHA Board is pleased to announce for the sixth consecutive year that the rates will increase by an overall amount of less than 10%.

The Medical rates will increase an average of 5.16%

The Dental rates will decrease an average of 1.82%

The overall composite rates will increase an average of 4.79%

Premium Rate Tiers

Premium rates for all Medical and Dental plans will be in a 4-tier structure. This replaces the former 2-tier (Employee only and Family) structure. Rates will change from the 2 tiers by a different amount for each of the new 4 tiers. The new four tiers are defined as follows:

- Employee (or retiree) only
- Employee (or retiree) and Child(ren) only
- Employee (or retiree) and Spouse only
- Employee (or retiree), Spouse and Child(ren)

Existing employees will be automatically slotted into the proper tier based on each employee's current coverage and the enrollment information on file with BCBS. For example, an existing employee currently covered as Family, with only a spouse and no children enrolled, would be reclassified automatically into the Employee and Spouse only premium rate tier.

Please note the January 2008 "Inside the EHA" Newsletter at the EHA website for additional information about the 4-tier rate structure.

Open Enrollment

There will be an Open Enrollment period for employees and dependents that are eligible to participate but have not previously enrolled in the EHA medical plan. Individuals who would be classified as 'Late Enrollees' under the EHA Underwriting Guidelines will have the opportunity to enroll, add dependents, or add dependent coverage in one of the new three tiers that include dependents. In addition to opening up the eligibility to enroll, the 'Late Enrollee' penalties of pre-existing conditions exclusions, coverage waiting periods,

and late fees will not be applied to individuals enrolling during this period. The enrollment period will be open from May 1, 2008 through September 30, 2008, with a coverage effective date of September 1, 2008.

Benefits

No changes are being made to the existing Medical and Dental Benefit plans.

The EHA Board directed Blue Cross Blue Shield to develop additional examples of lower cost benefit designs and report on these designs at the April 9, 2008 meeting. The EHA Board will consider the offering of an additional lower cost benefit plan at this time.