

## **Significant Decisions Regarding Future Rating and Underwriting Rules**

### **Cash-in-Lieu, Eligibility, and Participation Changes**

The EHA Board adopted the following:

1. Statement on cash-in-lieu. The decision to offer cash-in-lieu of insurance is a local decision governed by the locally-negotiated employment contract. The EHA urges all parties to consult legal and tax advisors on this issue and to carefully review the legal opinions obtained by EHA, which are available to EHA participants.
2. Effective September 1, 2008 any EHA subgroup that has less than 75% enrollment, (excluding those covered under a spouse's plan), shall remain eligible under the EHA and be subject to a 5% premium rate surcharge.
3. Effective September 1, 2008 any EHA subgroup that has less than 50% enrollment, (excluding only those covered by EHA under a spouse's plan), shall remain eligible under the EHA and be subject to a 5% premium rate surcharge.
4. Effective September 1, 2008 any EHA subgroup where the employer contribution to the premium is less than 50% of the single rate shall remain eligible under the EHA and be subject to a 5% premium rate surcharge.
5. Effective September 1, 2008 any EHA subgroup where the employer contribution is made exclusively for health insurance premiums only, with no options, and such contribution is in the amount of 100% of the single and 100% of the family rates shall be subject to a 5% premium rate reduction.
6. The subgroup determinations in numbers 2 through 5 above shall be applied at the subgroup application level. This means there may be multiple subgroups individually measured for the population of a single employer.
7. The rate determinations made from numbers 2 through 5 above shall be applied cumulatively.
8. There will be an open enrollment effective September 1, 2008 for subgroups affected by numbers 2 through 5 above.

### **4 Tier Rate Structure and Early Retiree Coverage**

The EHA Board adopted the following resolution:

The EHA Board study the 4 tier structure and retiree insurance being part of the regular plan instead of a separate group with decisions to be made by or at the March 2008 EHA Board meeting to be implemented for the 2008-09 school year as has been previously announced.