



VIA E-MAIL

**Q-433  
R-013**

November 19, 2014

**TO:** All Locals with Legacy Qwest Members  
All Retiree Chapters with Legacy Qwest Members

**FROM:** Reed Roberts, Assistant to the Vice President  
Brenda Roberts, Administrative Director  
Jay Boyle Staff Representative

**SUBJECT:** The 2015 Pre- Medicare Health Care Rates

Attached is documentation from Legacy Qwest on how the 2015 Pre- Medicare Health Care rates were determined. As you can see the cost of health care continues to rise and the pool of the insured has decreased over the prior 3 years. This information along with the fact that the Retiree Cost Caps have remained the same provides for higher premiums.

The information below has tiered enrollment for the Pre-65 Occ plans for 2012, 2013, and 2014:

The Occ Pre-65 retiree plans were 7% over budget in 2012.

The Occ Pre-65 retiree plans were 4% over budget in 2013.

The PPO and CDHP plans are driving the plans to be over budget. The HDHP population has been significantly under budget.

2013 -> 2014 Rate Change	
PPO	3% decrease
HDHP	11.5% decrease



2014 → 2015 Rate Change
PPO 17.5% increase
CDHP 14.5% increase
HDHP 10.0% decrease

The larger increase in 2015 is based on a couple years of being over budget, in addition to the rate decrease given to the PPO plan the year before.

Finally, the CenturyLink subsidy is capped so the retiree pays the full amount of the increase. This is why a 17.5% increase in the total rate for the PPO turns into a 50%+ retiree contribution increase.

Please let us know if you have any questions

JTB:vk/opeiu30 afl-cio

Attachment

cc: District 7 Staff

