



Actuarial Valuation Report

Montgomery County Government

Post-Employment Benefits (Other than Pension)

Fiscal Year 2017

January 26, 2017

Montgomery County
101 Monroe St
Rockville, MD 20850

This report presents the July 1, 2016 Actuarial Valuation results for the **Montgomery County Government and its Participating Agencies (the County)** Post-Employment Benefit (Other than Pension) Plans. The purposes of this report are to:

1. Determine the Plan's 2017 Fiscal Year obligations;
2. Determine the County's 2017 Fiscal Year accruals for the Governmental Accounting Standards Board (GASB) Standard Statement 45;
3. Provide information that may be helpful in future planning for the Post-Employment Benefit Plans.

A summary of the major results is shown in the Executive Summary, while the Principal Valuation Results Section provides more detail.

The Accounting Information Section summarizes GASB Other Post-Employment Benefit (OPEB) accounting treatment including the 2017 Fiscal Year accrual and projected June 30, 2017 Net OPEB Obligation.

This report's costs and liabilities are based upon the data and plan provisions provided by the County, as summarized in the Demographic Information and Plan Provisions Sections, respectively, and the funding method and actuarial assumptions outlined in the Methods and Assumptions Section of this report. This report presents our best estimate of the costs of the Post-Employment Benefit Plans in accordance with accepted actuarial principles and our understanding of GASB Statement 45.

Actuarial Certification

Aon Hewitt, a firm of independent actuarial consultants, was retained by Montgomery County Government (the County) to prepare this information. Tom Vicente is the principal author of this report and is responsible for its content. I am a Member of the American Academy of Actuaries, and meet the Academy's education and experience requirements for preparing this report.

The valuation is based on participant data and plan provisions as of July 1, 2016, provided by the County, and on claims and enrollment information received from the County's health plan vendors. We have accepted the data without audit and have relied upon the sources for the accuracy of the data; however, we did review the information for reasonableness. On the basis of our review of the data, we believe that the information is sufficiently complete and reliable, and that it is appropriate for the purposes intended.

To the best of our knowledge, this report is complete and accurate and conforms to generally accepted actuarial principles and methodology.

This report is intended for the sole use of the addressee. It is intended only to supply sufficient information for the County to comply with the stated purposes of the report, and may not be appropriate for other business purposes. Reliance on information contained in the report by anyone for other than the intended purposes puts the relying entity at risk of being misled because of confusion or failure to understand applicable assumptions, methodologies, or limitations of the report's conclusions.

Respectfully submitted,



Tom Vicente, FSA, EA, MAAA



Brian Blalock, ASA, MAAA, FCA

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Executive Summary

Montgomery County Government (the County) provides healthcare, prescription drug and life insurance benefits to retirees and their dependents. The County pays a portion of the cost for retirees, disabled retirees, spouses and dependents. All full time active employees who retire under a normal, early, disability or discontinued service retirement are eligible for benefits.

Information on Plan Provisions and participation was obtained from the County. Where information provided was incomplete, we have made assumptions. Please see the Methods and Assumptions Section for a full list of the assumptions used.

The County will be funding the full ARC on a long term basis.

The discount rate used for the Fiscal Year 2017 Valuation is 7.5%. The discount rate selection is based on the current investment policy and a contribution policy of contributing the actuarial recommended contribution.

The following tables summarize the valuation results. These results have been calculated based upon assumptions as to current claim cost, projected increases in health care costs, morbidity, mortality, disability, turnover, and interest discount.

This table identifies the value of benefits at July 1, 2016 and GASB 45 OPEB accrual and budgeted additional contributions for funding purposes for the 2016 Fiscal Year, reflecting the Unfunded Liability (UAAL) amortized as a level percentage of pay over an open 30-year period:

Results as of July 1, 2016 (2017 Fiscal Year)

	Total (\$ thousands)
Present Value of all Projected Benefits (PVPB)	\$ 1,817,043
Actuarial Accrued Liability (AAL)	\$ 1,380,894
Assets	<u>334,889</u>
Unfunded AAL	\$ 1,046,005
Annual Required Contribution (ARC)	
Administrative Expenses	\$ 165
Amortization of Unfunded AAL	60,582
Normal Cost	44,092
Interest on above to End of Year	<u>7,863</u>
Total ARC	\$ 112,702
Adjustment to ARC	<u>7,689</u>
Annual OPEB Cost (AOC)	\$ 120,391
FY2017 Expected Pay-Go Benefit Payments	\$ 37,498
FY2017 Expected Implicit Subsidy	\$ 16,070
FY2017 Total Budgeted Additional Contributions ¹	\$ 50,361
Actual FY2016 Net OPEB Obligation (NOO)	\$ 450,133
Expected FY2017 Net OPEB Obligation (NOO)	\$ 467,903

The following is a reconciliation of this year's results with expected results based on the last Valuation:

Reconciliation of Assets (2017 Fiscal Year)
(\$ thousands)

	Expected	Actual
Assets as of 07/01/2015	\$ 303,631	\$ 286,572
Contributions	\$ 50,386	\$ 49,053
Investment Earnings	\$ 24,788	\$ 535
Administrative Expenses	\$ (160)	\$ (1,271)
Assets as of 07/01/2016	\$ 378,645	\$ 334,889
Return	7.50%	0.17%

¹ Total Budgeted Additional Contributions, per the County's FY2017 budget.

Reconciliation of Unfunded Accrued Liability (2017 Fiscal Year)
(\$ thousands)

	Expected	Actual
Assets as of 07/01/2016	\$ 378,645	\$ 334,889
Actuarial Accrued Liability as of 07/01/2016	\$ 1,404,577	\$ 1,380,894
Unfunded Accrued Liability as of 07/01/2016	\$ 1,025,932	\$ 1,046,005

Results as of July 1, 2016 (2017 Fiscal Year)
(\$ thousands)

	UAL	ARC
Expected July 1, 2016 Results ¹	\$ 1,025,932	\$ 115,536
Actual July 1, 2016 Results ²	\$ 1,046,005	\$ 112,702
Difference	\$ 20,073	\$ (2,834)
Factors Contributing to Difference:		
New Demographics and Experience	\$ (31,393)	\$ (3,588)
Asset (Gain)/Loss	43,756	2,724
New Claims and Trends ³	(16,711)	(4,136)
New Retirement Rates	(53,708)	(5,295)
New Termination Rates	837	(100)
New Disability Rates	(8,699)	(1,516)
New Salary Scale	(1,506)	(274)
New Mortality Table	<u>87,497</u>	<u>9,351</u>
	\$ 20,073	\$ (2,834)

AAL: Actuarial Accrued Liability.

ARC: Annual Required Contribution.

¹ Expected 2016 results based on the July 1, 2014 Valuation actuarially projected to July 1, 2016. i.e., results (a) assume no change in the population or assumptions from the 2014 Valuation, (b) reflect the expected increase in GASB OPEB costs due to employees accruing two additional years of service and (c) also reflect the expected increase in costs because future benefits are now two years closer to being paid. Assets at July 1, 2016 assume a return equal to 7.5%.

² Valuation census data as of July 1, 2016, assets, claims, retiree contributions and assumptions as of July 1, 2016.

³ Claims and retiree contributions were updated to reflect more recent experience (including EGWP experience).

Principal Valuation Results

This section presents detailed valuation results for the County's retiree Post-Employment Benefits Programs.

- The Present Value of all Projected Benefits (PVPB) is the total present value of all expected future benefits, based on certain actuarial assumptions. The PVPB is a measure of total liability or obligation. Essentially, the PVPB is the value (on the Valuation Date) of the benefits promised to current and future retirees. The Plan's PVPB at July 1, 2016 is \$1,817,043,000. The majority of this liability (58%) is for current active employees (future retirees).
- The Actuarial Accrued Liability (AAL) is the liability or obligation for benefits earned through the Valuation Date, based on certain actuarial methods and assumptions. The Plan's AAL at July 1, 2016 is \$1,380,894,000. Approximately 44% of this liability is for future retirees. The AAL represents 76% of the PVPB.
- Normal Cost is the value of benefits expected to be earned during the year, again based on certain actuarial methods and assumptions. The Normal Cost at July 1, 2016 is \$44,092,000.

This report develops the AAL and Normal Cost using the Projected Unit Credit Actuarial Cost Method.

The following highlights the County's recognition of key items:

- The July 1, 2016 assets¹ are \$334,889,000 (the asset value was provided to Aon Hewitt by the County).
- The County has decided to fully fund the Annual Required Contributions (ARC).
- Budgeted contributions to the OPEB Trust are \$50,361,000 for FY2017.
- Expected FY2017 pay-go benefit payments (net of retiree contributions) are \$37,498,000.
- Expected FY2017 Implicit Subsidy payments are \$16,070,000.
- The retiree drug subsidy received from Medicare will be used to satisfy part of the above benefit payments.

The tables on the following pages show results by future retirees (actives) and current retirees for the 2017 Fiscal Year.

¹ Under the GASB Standard, only funds set aside exclusively to pay Plan benefits are considered Plan assets.

(\$ thousands)		July 1, 2016 (Fiscal Year 2017)
Present Value of Projected Benefits (PVPB)		
Future Retirees (Actives)	\$	1,048,172
Current Retirees	\$	768,871
Total PVPB	\$	1,817,043
Actuarial Accrued Liability (AAL)		
Future Retirees (Actives)	\$	612,023
Current Retirees	\$	768,871
Total AAL	\$	1,380,894
Assets¹	\$	334,889
Unfunded AAL	\$	1,046,005
Normal Cost (Beginning of Year)	\$	44,092

¹ Under the GASB Standard, only funds set aside exclusively to pay Plan benefits are considered Plan assets.

Accounting Information

The GASB OPEB Accounting Standard was first adopted by the County for the fiscal year ending June 30, 2008. The following tables show the Annual Required Contribution (ARC), Annual OPEB Cost (AOC) and Net OPEB Obligation (NOO) for the fiscal year ending June 30, 2016. The NOO for the 2017 Fiscal Year is a projection, using the results of the July 1, 2016 valuation as a starting point.

Annual Required Contribution (ARC)

The Standard sets the method for determining the County's Post-Retirement Benefits (other than pensions) accrual to include both the value of benefits earned during the year (Normal Cost) and an amortization of the Unfunded Actuarial Accrued Liability (AAL). Accordingly, the following table shows the County's 2017 Fiscal Year accrual based on an open-period 30-year amortization of the Unfunded AAL as a level percentage of pay.

(\$ thousands)

Funding Approach	Discount Rate	Administrative Expenses	Normal Cost	Unfunded AAL Amortization	Interest to EOY	Total Accrual
FYE 06/30/2017	7.50%	\$165	\$44,092	\$60,582	\$7,863	\$112,702

Annual OPEB Cost (AOC)

The Annual OPEB Cost (AOC) is the accounting expense, and is made up of the ARC, plus an adjustment to the ARC, consisting of interest on the Net OPEB Obligation (NOO) at the beginning of the period, less an amortization of the NOO.

(\$ thousands)

Funding Approach	ARC	Interest on NOO	Amortization on NOO	Total AOC
FYE 06/30/2017	\$112,702	\$33,760	(\$26,071)	\$120,391

Required Supplementary Information

Below is the Projected Schedule of Funding Progress:

(\$ thousands)

Fiscal Year Ending June 30,	Discount Rate	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)—(a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b)—(a)] / (c)
2009	8.0%	\$13,710	\$1,076,582	\$1,062,872	1.3%	\$667,400	159.3%
2010 ¹	8.0%	\$35,279	\$1,161,222	\$1,125,943	3.0%	\$681,544	165.2%
2011	6.0%	\$38,168	\$1,737,436	\$1,699,268	2.2%	\$665,746 ²	255.2%
2012	6.0%	\$47,962	\$1,859,450	\$1,811,488	2.6%	\$694,040 ²	261.0%
2013	7.5%	\$92,610	\$1,403,693	\$1,311,083	6.6%	\$618,227 ³	212.1%
2014	7.5%	\$153,327	\$1,093,214	\$939,887	14.0%	\$636,774 ³	147.6%
2015	7.5%	\$239,399	\$1,241,304	\$1,001,905	19.3%	\$649,659 ⁴	154.2%
2016	7.5%	\$286,572	\$1,320,879	\$1,034,307	21.7%	\$669,149 ⁴	154.6%
2017	7.5%	\$334,889	\$1,380,894	\$1,046,005	24.3%	\$716,878 ⁵	145.9%

¹ Based on a projection of results from the July 1, 2008 Valuation.

² Based on employee census provided for the July 1, 2010 Valuation. Payroll to FYE 06/30/2012 based on FY2011 payroll projected at 4.25%.

³ Based on employee census provided for the July 1, 2012 Valuation. Payroll to FYE 06/30/2014 based on FY2013 payroll projected at 3.00%.

⁴ Based on employee census provided for the July 1, 2014 Valuation. Payroll to FYE 06/30/2016 based on FY2015 payroll projected at 3.00%.

⁵ Based on employee census provided for the July 1, 2016 Valuation.

Payout Projection

Future annual payouts are based on the assumptions and contributions detailed in the Methods and Assumptions Section, including the trend rates, the claims costs, and the mortality, retirement and disability rates. The payouts below include expected payments to current retirees, current employees who retire by the dates shown, and their dependents.

That is, for current retirees and dependents, we start with the baseline costs and adjust them for future years based on the trend assumptions in the Method and Assumptions Section of this report. Then we multiply the costs by the number of retirees and dependents expected to be receiving benefits each year, based on the mortality rates. We then subtract retiree contributions per the Method and Assumptions Section, adjusted for future years based on the trend assumptions.

For future retirees (current actives), we apply retirement and disability rates to determine when we expect they will retire, and then multiply the number of retirees by the baseline costs, adjusted for retiree contributions, and trended to future years using the trend rates, all per the Method and Assumptions Section of the report. The number of future retirees and dependents expected to continue receiving benefits each year will be determined by retiree mortality rates.

Year Ending	Total	(\$ thousands)
06/30/2017	\$	53,569
06/30/2018	\$	59,581
06/30/2019	\$	66,110
06/30/2020	\$	72,481
06/30/2021	\$	79,414
06/30/2022	\$	86,471
06/30/2023	\$	93,749
06/30/2024	\$	100,971
06/30/2025	\$	108,223
06/30/2026	\$	115,659

Demographic Information

The following table summarizes active and retiree Demographic Information.

Number of Active Employees

	07/01/2016 ¹	07/01/2014 ²
Count	10,156	9,942
Average Age	46.96	46.44
Average Service	12.21	11.82

Number of Inactive Employees as of July 1, 2016

	Retirees and Survivors	Retiree Spouses ³	Total (Including Active)
Medical	5,059	2,795	18,010
Prescription	4,706	2,570	17,432
Dental	5,583	3,156	18,895
Life	5,810	N/A	15,966

Number of Inactive Employees as of July 1, 2014

	Retirees and Survivors	Retiree Spouses	Total (Including Active)
Medical	4,834	2,729	17,505
Prescription	3,779	2,286	16,007
Dental	5,306	3,067	18,315
Life	5,590	N/A	15,532

¹ We assumed that 87% of these active employees will have medical, prescription and dental coverage at retirement and that 100% will have life insurance coverage at retirement.

² We assumed that 87% of these active employees will have medical, prescription and dental coverage at retirement and that 100% will have life insurance coverage at retirement.

³ Industry ratios of spouses and children per tier in a 3-tier structure were used to estimate the number of dependents (reflected implicitly in the claims costs).

Methods and Assumptions

Actuarial Method

Projected Unit Credit Cost Method.

Normal Cost

Determined for each active employee as the Actuarial Present Value of benefits allocated to the valuation year. The benefit attributed to the valuation year is that incremental portion of the total projected benefit earned during the year in accordance with the Plan's benefit formula. This allocation is based on each individual's service between date of hire and date of exit.

Actuarial Accrued Liability (AAL)

The Actuarial Present Value of Benefits allocated to all periods prior to the valuation year. The attribution period is from the date of hire to the date of exit.

Discount Rate

The discount rate used for the July 1, 2016 (Fiscal Year 2017) Valuation was 7.5%.

Payroll Growth

3.00% for amortization of the Unfunded Liability.

Salary Scale

See Table 1

Trend Rates

See Table 2

Methods and Assumptions

The following demographic assumptions are based on a recent experience study performed by the actuary for the Retirement Plan. These rates were not reviewed by Aon Hewitt; we relied upon the rates provided by the other actuary in preparing this Valuation.

General Inflation	3.00% (Used to in development of base assumptions).
Mortality	
Preretirement	Healthy Retirees and Beneficiaries RP 2014 Fully Generational Scale MP 2015 with separate tables for males and females
Disabled Retirees	RP-2014 Healthy Annuitant Scale MP-2015, (disabled post retirement) Set forward 6 years for Males and 8 years for Females, with separate tables for males and females.
Turnover	See Table 3
Retirement	See Table 4
Disability	See Table 5
Age Difference/Percentage Married	Males are assumed to be three years older than females; 60% of active members are assumed to cover a spouse at retirement.
Coverage	We assumed that 87% (100% for life insurance) of current active employees will be covered at retirement, and that they will elect the benefit plans in the same proportion as current retirees. For current retirees, we valued only those who have current coverage elections, with the assumption that retirees without coverage will not elect coverage in the future.

Methods and Assumptions

Valuation Methodology and Terminology

The post-retirement healthcare benefit obligations were developed within the parameters prescribed by the GASB Statement.

Amortization of UAAL

The UAAL amortization is calculated over an open period of 30 years, as a level percentage of pay.

Reflection of Changes Required Under HealthCare Reform

The results in this report reflect changes required under HealthCare Reform Legislation enacted in 2010, namely extending dependent coverage to age 26, and removal of lifetime maximums where applicable.

Life Insurance Coverage

All participants are assumed to have life insurance coverage upon retirement.

Trend Development

Aon Hewitt developed separate trend curves for the pre-Medicare and Medicare-eligible participants, and developed separate trend curves for medical and pharmacy benefits. The initial trends were selected to be consistent with the trends used in Montgomery County's financial projections. The trends reflect the leveraging associated with the County's plan designs.

Our analysis of internal and external data sources indicates that, although initial trends may be lower than five years ago, the trend curve has not shortened. Trends grade from initial to ultimate rates over a period not less than eight years. The ultimate trend rates are consistent with our assumption that medical trends in the future will exceed general price inflation by about 2%.

These trends include the impact of indirect costs associated with health care reform, such as

- Fees on medical device makers and pharmaceutical companies
- Cost-shifting among the newly insured, remaining uninsured, Medicaid, and Medicare populations
- Administrative simplification

Methods and Assumptions

EGWP Savings

Montgomery County contracted with Caremark to provide pharmacy benefits to Medicare-eligible participants under an Employer Group Waiver Plan (EGWP) effective January 1, 2015. CareFirst is implementing EGWP for the Medicare-eligible members enrolled in the Indemnity plan. Savings to the County will come from several sources:

- Direct federal capitation payments (received on a monthly basis)
- Federal reinsurance payments for catastrophic coverage (received after year-end reconciliation)
- 50% pharmacy manufacturer discount for drug spend within the donut hole, (received quarterly)

Prior to the EGWP arrangement, the County received subsidies for Medicare-eligible Rx claims through the Retiree Drug Subsidy program. GASB accounting standards did not permit the Retiree Drug Subsidy to be reflected in the County's liability for future health care costs. The standards do permit the cost savings from EGWP to offset future health care costs, which reduces the OPEB liability.

Excise Tax on High-Cost Health Plans

For the excise tax, the overall value of the benefit was compared to the excise tax threshold. The values of the benefits were assumed to increase with the valuation trend and the excise tax thresholds were assumed to increase by 2.25% per year. The excise tax threshold is estimated to hit in 2020. The excise tax is estimated to have a minimal impact on liabilities.

Methods and Assumptions

Initial Baseline Cost (2017 Fiscal Year)

Age	United Healthcare HMO	Kaiser	CareFirst Indemnity	CareFirst POS	Future Retirees' Medical ¹	Dental	Prescription Drug Standard Option	Prescription Drug High Option	Prescription Drug Indemnity	Prescription Drug Future Retirees'
40	\$4,165	\$4,016	\$4,594	\$4,315	\$4,766	\$516	\$1,448	\$2,171	\$1,379	\$1,198
45	\$4,828	\$4,655	\$5,325	\$5,003	\$5,525	\$516	\$1,831	\$2,745	\$1,743	\$1,514
50	\$5,790	\$5,582	\$6,386	\$5,999	\$6,626	\$516	\$2,304	\$3,454	\$2,194	\$1,905
55	\$7,112	\$6,858	\$7,845	\$7,369	\$8,140	\$516	\$2,899	\$4,345	\$2,760	\$2,397
60	\$8,820	\$8,505	\$9,729	\$9,140	\$10,095	\$516	\$3,629	\$5,441	\$3,456	\$3,002
65	\$3,329	\$3,528	\$2,849	\$2,551	\$3,117	\$516	\$2,305	\$3,786	\$1,649	\$2,376
70	\$3,803	\$4,031	\$3,255	\$2,914	\$3,561	\$516	\$2,777	\$4,562	\$1,987	\$2,863
75	\$4,158	\$4,407	\$3,559	\$3,186	\$3,893	\$516	\$3,142	\$5,161	\$2,248	\$3,239

Note: Prescription drugs are included in the claims shown for the Kaiser and Indemnity plans. Members in these plans cannot make a separate prescription drug election.

The above claims were developed using paid claims and membership data for the period July 1, 2015 to June 30, 2016, received from the County's Health Plan vendors. Claims were trended from the mid-point of the payment period to the mid-point of the Valuation year, and were then age adjusted based on the morbidity factors shown in this section.

Average Annual Baseline Retiree Contributions (2017 Fiscal Year)—Current Retirees

For current retirees, we applied individual cost-sharing percentages to the following total premium rates:²

	UnitedHealthcare HMO	Kaiser	CareFirst Indemnity	CareFirst POS	Prescription Drugs ³	Dental
Pre-65	\$5,730	\$6,549	\$13,704	\$6,493	\$2,811	\$516
Post-65	\$5,040	\$4,165	\$7,075	\$3,528	\$3,421	\$516

¹ Weighted average reflecting Health Plan elections of current retirees.

² These are a blend of 2016 and 2017 premium equivalent rates. Premium rates used for spouses are lower than the above rates.

³ For drugs, retirees in the High Option pay a percentage of the Standard Option premium, plus the full difference between the High Option and Standard Option premiums.

Methods and Assumptions

Average Annual Baseline Retiree Contributions (2017 Fiscal Year)—Future Retirees

Future retirees will pay the following service-based cost-sharing percentages of the rates below (see note below for retirees hired before January 1, 1987):

Service at Retirement	Retiree Contribution
5 Years	50%
6 Years	48%
7 Years	46%
8 Years	44%
9 Years	42%
10 Years	40%
11 Years	38%
12 Years	36%
13 Years	34%
14 Years	32%
15 Years and Over	30%
Or if Hired Prior to 01/01/1987	20%

	Medical	Prescription Drugs	Dental
Pre-65	\$6,329	\$2,811	\$516
65 +	\$3,997	\$3,421	\$516

Rates for medical represent a weighted average of the rates for UHC HMO, Kaiser HMO and CareFirst POS, based on the enrollment of current retirees.

Rates for prescription drugs are weighted 50% towards the Standard Option and 50% towards the High Option.

Methods and Assumptions

Table 1

Salary Scale Rates

Service	Group A, H, and GRIP	Group E	Group F	Group G
0	6.00%	9.50%	8.00%	9.50%
1	5.50%	9.00%	8.00%	9.00%
2	5.00%	7.00%	8.00%	7.00%
3	4.50%	6.50%	6.50%	6.50%
4	4.00%	6.00%	6.00%	6.00%
5	4.00%	5.50%	5.50%	6.00%
6	4.00%	5.00%	5.00%	6.00%
7	4.00%	4.50%	4.50%	6.00%
8-9	4.00%	4.00%	4.00%	6.00%
10-14	3.25%	4.00%	4.00%	4.50%
15-19	3.25%	4.00%	4.00%	4.00%
20+	3.25%	3.25%	3.25%	3.25%

Methods and Assumptions

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Medical, Prescription Drug and Dental Trends

Fiscal Year		Active Medical and Rx		POS Medical Without Rx		POS Medical With Standard Plan		POS Medical With High Plan		Indemnity Medical With Rx	
Beginning in	Dental	Pre-65	65+	Pre-65	65+	Pre-65	65+	Pre-65	65+	Pre-65	65+
2016	4.50%	7.34%	7.46%	6.80%	5.50%	7.40%	7.53%	7.63%	7.83%	8.11%	7.64%
2017	4.50%	7.00%	7.14%	6.50%	5.35%	7.06%	7.21%	7.27%	7.48%	7.66%	7.30%
2018	4.50%	6.67%	6.82%	6.20%	5.20%	6.72%	6.88%	6.92%	7.13%	7.21%	6.96%
2019	4.50%	6.33%	6.51%	5.90%	5.05%	6.38%	6.56%	6.56%	6.78%	6.76%	6.62%
2020	4.50%	5.99%	6.19%	5.60%	4.90%	6.04%	6.23%	6.20%	6.43%	6.31%	6.28%
2021	4.50%	5.66%	5.87%	5.30%	4.75%	5.70%	5.91%	5.85%	6.08%	5.86%	5.94%
2022	4.50%	5.32%	5.55%	5.00%	4.60%	5.36%	5.59%	5.49%	5.73%	5.41%	5.60%
2023	4.50%	4.98%	5.26%	4.70%	4.50%	5.02%	5.28%	5.13%	5.40%	4.96%	5.25%
2024	4.50%	4.72%	5.00%	4.50%	4.50%	4.75%	5.02%	4.84%	5.10%	4.74%	4.91%
2025	4.50%	4.61%	4.75%	4.50%	4.50%	4.62%	4.76%	4.67%	4.80%	4.62%	4.71%
2026 and	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%

Future years

Methods and Assumptions

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Medical, Prescription Drug and Dental Trends

Fiscal Year Beginning in	UHC Medical Without Rx		UHC Medical With Standard Plan		UHC Medical With High Plan		Kaiser Medical		EGWP
	Pre-65	65+	Pre-65	65+	Pre-65	65+	Pre-65	65+	65+
2016	6.80%	5.50%	7.42%	7.29%	7.65%	7.60%	6.80%	5.50%	9.00%
2017	6.50%	5.35%	7.08%	6.98%	7.29%	7.27%	6.50%	5.35%	8.55%
2018	6.20%	5.20%	6.73%	6.68%	6.93%	6.94%	6.20%	5.20%	8.10%
2019	5.90%	5.05%	6.39%	6.38%	6.58%	6.61%	5.90%	5.05%	7.65%
2020	5.60%	4.90%	6.05%	6.08%	6.22%	6.28%	5.60%	4.90%	7.20%
2021	5.30%	4.75%	5.71%	5.77%	5.86%	5.95%	5.30%	4.75%	6.75%
2022	5.00%	4.60%	5.37%	5.47%	5.50%	5.62%	5.00%	4.60%	6.30%
2023	4.70%	4.50%	5.02%	5.19%	5.14%	5.31%	4.70%	4.50%	5.85%
2024	4.50%	4.50%	4.75%	4.96%	4.85%	5.04%	4.50%	4.50%	5.40%
2025	4.50%	4.50%	4.63%	4.73%	4.67%	4.77%	4.50%	4.50%	4.95%
2026 and Future years	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%

Methods and Assumptions

Table 3

Termination Rates

Service	<u>Group A, H, and GRIP</u>		<u>Group E</u>		<u>Group F & G</u>	
	Male	Female	Male	Female	Male	Female
0	11.50%	12.50%	12.00%	15.00%	6.00%	9.00%
1	9.50%	10.50%	10.00%	12.00%	5.00%	7.00%
2	8.00%	9.50%	6.00%	7.00%	4.00%	5.00%
3	6.00%	6.50%	5.00%	6.50%	3.00%	4.50%
4	4.50%	4.50%	4.00%	4.00%	2.50%	3.50%
5	4.00%	4.25%	3.90%	3.90%	2.25%	3.00%
6	4.00%	4.25%	3.80%	3.80%	2.00%	2.75%
7	4.00%	4.25%	3.70%	3.70%	1.75%	2.50%
8	4.00%	4.25%	3.60%	3.60%	1.50%	2.00%
9	4.00%	4.25%	3.50%	3.50%	1.25%	1.75%
10	3.25%	2.75%	2.00%	2.00%	1.00%	1.50%
11	3.25%	2.75%	1.50%	1.50%	0.75%	1.25%
12	3.25%	2.75%	1.00%	1.00%	0.50%	1.00%
13	3.25%	2.75%	1.00%	1.00%	0.50%	0.75%
14	3.25%	2.75%	1.00%	1.00%	0.50%	0.50%
15	2.00%	2.50%	1.00%	1.00%	0.50%	0.50%
16	2.00%	2.50%	1.00%	1.00%	0.50%	0.50%
17	2.00%	2.50%	1.00%	1.00%	0.50%	0.50%
18	2.00%	2.50%	1.00%	1.00%	0.50%	0.50%
19	2.00%	2.50%	1.00%	1.00%	0.50%	0.50%
20+	2.00%	2.50%	1.00%	1.00%	0.50%	0.50%

Methods and Assumptions

Table 4 – Page 1 of 2

Retirement Rates

Age	Groups A & H (Non-PS)		Group E			Group F		
	< 30 YoS	30+ YoS	< 25 YoS	25 YoS	> 25 YoS	< 25 YoS	25 YoS	> 25 YoS
<42	0.00%	0.00%	3.50%	3.50%	3.50%	2.50%	20.00%	2.50%
42	0.00%	0.00%	3.50%	3.50%	3.50%	2.50%	20.00%	2.50%
43	0.00%	0.00%	3.50%	3.50%	3.50%	2.50%	20.00%	2.50%
44	0.00%	0.00%	3.50%	3.50%	3.50%	2.50%	20.00%	2.50%
45	2.00%	2.00%	3.50%	8.00%	8.00%	2.50%	20.00%	2.50%
46	2.00%	2.00%	3.50%	8.00%	8.00%	3.50%	20.00%	3.50%
47	2.00%	2.00%	3.50%	8.00%	8.00%	4.50%	20.00%	4.50%
48	2.00%	2.00%	3.50%	8.00%	8.00%	5.50%	20.00%	5.50%
49	2.00%	2.00%	3.50%	8.00%	8.00%	6.50%	20.00%	6.50%
50	3.00%	15.00%	10.00%	10.00%	10.00%	10.00%	20.00%	20.00%
51	3.00%	15.00%	10.00%	10.00%	10.00%	10.00%	20.00%	20.00%
52	3.00%	15.00%	10.00%	12.00%	12.00%	10.00%	20.00%	20.00%
53	3.00%	15.00%	10.00%	12.00%	12.00%	15.00%	25.00%	25.00%
54	3.00%	15.00%	10.00%	12.00%	12.00%	15.00%	25.00%	25.00%
55	6.00%	15.00%	15.00%	30.00%	30.00%	15.00%	40.00%	40.00%
56	6.00%	15.00%	15.00%	30.00%	30.00%	15.00%	40.00%	40.00%
57	6.00%	15.00%	15.00%	30.00%	30.00%	15.00%	40.00%	40.00%
58	8.00%	15.00%	15.00%	30.00%	30.00%	15.00%	40.00%	40.00%
59	8.00%	15.00%	15.00%	30.00%	30.00%	15.00%	40.00%	40.00%
60	13.00%	18.00%	25.00%	50.00%	50.00%	25.00%	70.00%	70.00%
61	13.00%	18.00%	25.00%	50.00%	50.00%	25.00%	70.00%	70.00%
62	13.00%	18.00%	25.00%	50.00%	50.00%	25.00%	70.00%	70.00%
63	13.00%	18.00%	25.00%	50.00%	50.00%	25.00%	70.00%	70.00%
64	13.00%	18.00%	25.00%	50.00%	50.00%	25.00%	70.00%	70.00%
65	20.00%	25.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
66	20.00%	25.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
67	20.00%	25.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
68	20.00%	25.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
69	20.00%	25.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
70	40.00%	40.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
71	40.00%	40.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
72	40.00%	40.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
73	40.00%	40.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
74	40.00%	40.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
75	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Methods and Assumptions

Table 4 – Page 2 of 2

Retirement Rates

Age	Group G			GRIP	
	<20 or 21-24 YoS	20 YoS	25+ YoS	< 15 YoS	15+ YoS
<42	2.50%	10.00%	5.00%	0.00%	0.00%
42	5.00%	10.00%	5.00%	0.00%	0.00%
43	5.00%	10.00%	5.00%	0.00%	0.00%
44	5.00%	10.00%	5.00%	0.00%	0.00%
45	7.50%	10.00%	10.00%	0.00%	0.00%
46	7.50%	10.00%	10.00%	0.00%	0.00%
47	7.50%	10.00%	10.00%	0.00%	0.00%
48	7.50%	10.00%	10.00%	0.00%	0.00%
49	7.50%	10.00%	10.00%	0.00%	0.00%
50	10.00%	15.00%	17.50%	0.00%	0.00%
51	10.00%	15.00%	17.50%	0.00%	0.00%
52	12.50%	20.00%	25.00%	0.00%	0.00%
53	12.50%	20.00%	25.00%	0.00%	0.00%
54	12.50%	20.00%	25.00%	0.00%	0.00%
55	20.00%	40.00%	35.00%	3.00%	3.00%
56	20.00%	40.00%	35.00%	3.00%	3.00%
57	20.00%	40.00%	35.00%	6.00%	6.00%
58	20.00%	40.00%	35.00%	6.00%	6.00%
59	20.00%	40.00%	35.00%	6.00%	6.00%
60	40.00%	40.00%	40.00%	6.00%	10.00%
61	40.00%	40.00%	40.00%	6.00%	10.00%
62	40.00%	40.00%	40.00%	8.00%	25.00%
63	40.00%	40.00%	40.00%	8.00%	25.00%
64	40.00%	40.00%	40.00%	8.00%	25.00%
65	100.00%	100.00%	100.00%	20.00%	30.00%
66	100.00%	100.00%	100.00%	20.00%	30.00%
67	100.00%	100.00%	100.00%	20.00%	30.00%
68	100.00%	100.00%	100.00%	20.00%	30.00%
69	100.00%	100.00%	100.00%	20.00%	30.00%
70	100.00%	100.00%	100.00%	50.00%	50.00%
71	100.00%	100.00%	100.00%	50.00%	50.00%
72	100.00%	100.00%	100.00%	50.00%	50.00%
73	100.00%	100.00%	100.00%	50.00%	50.00%
74	100.00%	100.00%	100.00%	50.00%	50.00%
75	100.00%	100.00%	100.00%	100.00%	100.00%

Methods and Assumptions

Table 5

Disability Rates

Age	Non-PS		Group E		Group F		Group G	
	Male	Female	Male	Female	Male	Female	Male	Female
20	0.0257%	0.0068%	0.0515%	0.0315%	0.1029%	0.1125%	0.1029%	0.1125%
25	0.0527%	0.0180%	0.1054%	0.0840%	0.2107%	0.3000%	0.2107%	0.3000%
30	0.1078%	0.0480%	0.2156%	0.2240%	0.4312%	0.8000%	0.4312%	0.8000%
35	0.1323%	0.0705%	0.2646%	0.3290%	0.5292%	1.1750%	0.5292%	1.1750%
40	0.1752%	0.0983%	0.3504%	0.4585%	0.7007%	1.6375%	0.9109%	1.6375%
45	0.3332%	0.2631%	0.6664%	1.2278%	1.3328%	4.3850%	1.5994%	4.3850%
50	0.5537%	0.3537%	1.1074%	1.6506%	2.2148%	5.8950%	2.5692%	5.8950%
55	0.6762%	0.3717%	1.3524%	1.7346%	2.7048%	6.1950%	3.5162%	6.1950%
60	0.7987%	0.3789%	1.3524%	1.7346%	2.7048%	6.1950%	3.5162%	6.1950%
65	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%

Summary of Plan Provisions

Plan

CareFirst Blue Cross–Blue Shield POS, CareFirst Blue Cross-Blue Shield Indemnity (closed to new members), Kaiser HMO, United Healthcare HMO, Caremark Prescription Drug, UCCI Dental PPO, and NVA Vision Plans (see the following pages for plan designs).

Eligibility

Certain groups (Arts & Humanities, Bethesda Urban Partnership, Chevy Chase View, Volunteer Fire Rescue Association, Television, Parole & Probation, and Town of Somerset) participate while employed, but are not eligible upon retirement. The remaining county employees and internal agencies (County Public Safety, County Non-Public Safety, Circuit Court Judges, District Court, States Attorney's Office, Assessment and Taxation, Credit Union, Housing Opportunities Commission, Revenue Authority, Strathmore Hall, Village Of Friendship Heights, and Washington Suburban Transit Commission) are eligible to continue each group insurance coverage after retirement provided that:

- (a) Employees in the Montgomery County Employees' Retirement System retire directly from County service.
- (b) Employees in the Montgomery County Retirement Savings Plan meet certain age and service requirements.

Early Retirement Normal Retirement

Group	Credited Service (Years)	Age	Credited Service (Years)	Age
A, H	15	50	5 ¹ , 10 ²	60
	20	45	30	55 ³
E	15	45	15	55
	20	41	25	46
F	15	45	15	55
	20	41	25	Any Age
G	Not Eligible	Not Eligible	15	55
			20	Any Age

¹ RSP & GRIP employees hired before July 1, 2011.

² RSP & GRIP employees hired after June 30, 2011.

³ Must be Group H and member of SLT Bargaining Unit or in Group A or H and assigned to a supervisory or non-supervisory position in the Police Telecommunicator occupational class series.

Coverage of Spouse and Dependent
After Death of Retiree

The surviving spouses and dependent children who are covered under any of the County sponsored health plans have the right to continue coverage upon the death of the County employee/retiree.

Life Insurance Benefits

Prior to age 65, when an employee retires, the basic life insurance amount will equal the annual base pay before retirement limited to \$200,000. Five years after retirement, the life insurance will be reduced 10% on each anniversary of retirement. However, the insurance amount will never be less than 25% of annual base pay immediately prior to retirement.

At age 65, the amount of insurance is 25% of the annual base pay immediately prior to retirement.

CareFirst Blue Cross Blue Shield

Health Plan	Kaiser Permanente	United Healthcare Select	POS High and Standard Option Plans	POS High and Standard Option Plans	Indemnity Plan (closed to new members)
			In Service Area	Out of Area	
Allergy Testing	\$5 copay.	\$5 copay Primary Care Physician; \$10 copay Specialist.	High Option —In network: covered in full; Out-of-network: 80% after deductible. Standard Option —Same as High Option.	High Option —In network: covered in full; Out-of-network: 80% after deductible. Standard Option —Same as High Option.	80% after deductible.
Deductible	Copay where applicable.	No annual deductible.	High Option —In network: none; Out-of-network: \$300 individual; \$600 family. Standard Option —Same as High Option	High Option —In network: none; Out-of-network: \$250 individual; \$500 family. Standard Option —Same as High Option	\$200 individual deductible; \$400 family deductible.
Diagnostic/Lab/X-Ray	Covered in full.	Covered in full. No Copayment.	High Option —In network: covered in full; Out-of-network: 80% after deductible. Standard Option —Same as High Option.	High Option —In network: covered in full; Out-of-network: 80% after deductible. Standard Option —Same as High Option.	100% up to \$500 for services related to an illness in a calendar year (there is a separate limit of \$500 for services related to an accident in a calendar year); 80% for services in excess of the \$500 limit for either an illness or an accident in a calendar year.
Dr. Office Visits	\$5 copay.	\$5 copay Primary Care Physician; \$10 copay Specialist.	High Option —In network: \$10 copay; Out-of-network: 80% after deductible. Standard Option —In network: \$15 copay; Out-of-network: Same as High Option.	High Option —In network: \$10 copay; Out-of-network: 80% after deductible. Standard Option —In network: \$15 copay; Out-of-network: Same as High Option.	80% after deductible.

CareFirst Blue Cross Blue Shield

Health Plan	Kaiser Permanente	United Healthcare Select	POS High and Standard Option Plans	POS High and Standard Option Plans	Indemnity Plan (closed to new members)
			In Service Area	Out of Area	
Emergency Room	\$50 copay— Waived if admitted to hospital.	\$25 copay (plan definition of emergency must be met)—Waived if admitted to hospital; \$15 copay for Urgent Care Centers.	High Option —In network: \$25 copay waived if admitted to hospital; Out-of-network: 80% after deductible. Standard Option —In network: \$35 copay waived if admitted to hospital; Out-of-network: Same as High Option.	High Option —In network: \$50 copay, waived if admitted; Out-of-network: 80% after deductible. Standard Option —Same as High Option.	Covered in full if life-threatening or accidental injury; 80% after deductible for illness.
Hearing Aids	For minor children. One hearing aid for each hearing impaired ear once every 36 months.	For minor children. One hearing aid for each hearing impaired ear once every 36 months.	High Option — In network for minor children. One hearing aid for each hearing impaired ear once every 36 months. Standard Option —Same as High Option.	High Option — In network for minor children. One hearing aid for each hearing impaired ear once every 36 months. Standard Option —Same as High Option.	Not covered.
Hearing Screening	\$5 copay for hearing exam (hearing aids are excluded).	\$5 copay Primary Care Physician; \$10 copay Specialist.	High Option —In network: childhood hearing screening covered in full; Out-of-network: Childhood hearing screening, 80% not subject to deductible. Standard Option —Same as High Option.	High Option —In network: childhood hearing screening covered in full; Out-of-network: Childhood hearing screening, 80% not subject to deductible. Standard Option —Same as High Option.	Not covered.
Home Health Care Services	Covered in full if medically necessary.	Covered in full. No copayment; 60 visit maximum for skilled care services per calendar year.	High Option —In network: covered in full (90 visits max/calendar year); Out-of-network: 80% after deductible (90 visits max/calendar year). Standard Option —Same as High Option.	High Option —In network: covered in full (40 visits per calendar year); Out-of-network: 80% after deductible (40 visits per calendar year). Standard Option —Same as High Option.	Covered in full; 40 visits maximum/calendar year.

Health Plan (Assumes Primary Coverage)	Kaiser Permanente	United Healthcare Select	CareFirst Blue Cross Blue Shield		
			POS High and Standard Option Plans In Service Area	POS High and Standard Option Plans Out of Area	Indemnity Plan (closed to new members)
Hospice	Covered in full.	Covered in full. (See coverage booklet for eligibility information.)	High Option —In network: covered in full; Out-of- network: 80% after deductible. Standard Option —Same as High Option.	High Option —In network: covered in full; Out-of- network: 80% after deductible. Standard Option —Same as High Option.	Covered in full; \$5,000 maximum.
Hospital	Covered in full.	Covered in full.	High Option —In network: covered in full; Out-of- network: 80% after deductible. Standard Option —In network: covered in full after \$150 copay per admission; Out-of-network: Same as High Option.	High Option —In network: covered in full; Out-of- network: 80% after deductible. Standard Option —In network: covered in full after \$150 copay per admission; Out-of-network: Same as High Option.	Covered in full; 180 day maximum per confinement.
Immunizations	Included in well child care visits up to age 5 at no charge.	\$5 copay Primary Care Physician.	High Option —In network: covered in full; Out-of- network: 80% after deductible. Standard Option —Same as High Option.	High Option —In network: covered in full when billed with office visit; Out-of-network: 80% after deductible. Standard Option —Same as High Option.	Maximum \$15 per immunization (\$45 per calendar year maximum per member); balance paid at 80% after deductible.
In vitro Fertilization	Limited to 3 attempts per live birth. Lifetime maximum of \$100,000.	Limited to 3 attempts per live birth. Lifetime maximum of \$100,000.	Limited to 3 attempts per live birth. Lifetime maximum of \$100,000.	Limited to 3 attempts per live birth. Lifetime maximum of \$100,000.	

Health Plan (Assumes Primary Coverage)	Kaiser Permanente	United Healthcare Select	CareFirst Blue Cross Blue Shield		
			POS High and Standard Option Plans In Service Area	POS High and Standard Option Plans Out of Area	Indemnity Plan (closed to new members)
Mammography Preventive Screening Schedule	Schedule consistent with the current recommendations of the American College of Physicians.	Covered in full. Age 35–39: one baseline mammogram; Age 40–49; One mammogram every two calendar years; Age 50+ One mammogram per calendar year.	High Option —Covered in full. Age 35–39: one baseline mammogram; Age 40–49; One mammogram every two calendar years; Age 50+ One mammogram per calendar year. Standard Option —Same as High Option	High Option —Covered in full. Age 35–39: one baseline mammogram; Age 40–49; One mammogram every two calendar years; Age 50+ One mammogram per calendar year. Standard Option —Same as High Option	Age 35–39: one baseline mammogram; Age 40– 49; One mammogram every two calendar years; Age 50+ One mammogram per calendar year.
Maternity	Covered in full once pregnancy is diagnosed.	No copayment applies after the first visit.	High Option —In network: first visit 100% after \$10 copay; other visits 100%; Out-of- network: 80% after deductible. Standard Option —In network: first visit 100% after \$30 copay; other visits 100%; Out-of-network: Same as High Option.	High Option —In network: covered in full; Out-of- network: 80% after deductible. Standard Option —In network: first visit 100% after \$30 copay; other visits 100%; Out-of-network—Same as High Option.	100% up to amount allowed by plan.
Maximum Lifetime Benefit	Unlimited Maximum.	Unlimited Maximum.	High Option —Unlimited Maximum. Standard Option —Same as High Option	High Option —Unlimited Maximum. Standard Option —Same as High Option	Unlimited Maximum.

Health Plan (Assumes Primary Coverage)	Kaiser Permanente	United Healthcare Select	CareFirst Blue Cross Blue Shield		
			POS High and Standard Option Plans In Service Area	POS High and Standard Option Plans Out of Area	Indemnity Plan (closed to new members)
Out-of-Pocket Annual Maximum	N/A	\$1,100 per individual up to a cap of \$3,600 for a family.	High Option —In network: Individual: \$1,000 plus the annual deductible; Family: \$2,000 plus the annual deductible; Out-of-network: Individual: \$2,000 plus the annual deductible; Family: \$4,000 plus the annual deductible. Standard Option —Same as High Option	High Option —In network: Individual: \$1,000 plus the annual deductible; Family: \$2,000 plus the annual deductible; Out-of-network: Individual: \$2,000 plus the annual deductible; Family: \$4,000 plus the annual deductible. Standard Option —Same as High Option	Individual: \$1,000 plus the annual deductible; Family: \$2,000 plus the annual deductible
Physical	Covered with no copay.	\$5 copay Primary Care Physician. Specialist.	High Option —In network: \$10 copay; Out-of-network: 80% after deductible (limit 1/calendar year). Standard Option —In network: \$15 copay Primary Care Physician; \$30 copay Specialist; Out-of-network: Same as High Option.	High Option —In network: \$10 copay; Out-of-network: 80% after deductible (limit 1/calendar year). Standard Option —In network: \$15 copay Primary Care Physician; \$30 copay Specialist; Out-of-network: Same as High Option.	Up to \$75/exam every 2 years—employee and spouse only; balance is paid at 80% after deductible.
Prescriptions	Kaiser Rx Plan (included with Kaiser HMO Medical Plan): \$5 at on-site pharmacies and for mail order; \$15 at participating community pharmacies.	No Rx Plan included; diabetic supplies covered under a pharmacy rider.	High and Standard Option —No Rx Plan included; diabetic supplies covered under a pharmacy rider.	High and Standard Option —No Rx Plan included; diabetic supplies covered under a pharmacy rider.	80% after deductible. Rx discount program included with mail order feature.

Health Plan (Assumes Primary Coverage)	Kaiser Permanente	United Healthcare Select	CareFirst Blue Cross Blue Shield		
			POS High and Standard Option Plans In Service Area	POS High and Standard Option Plans Out of Area	Indemnity Plan (closed to new members)
Rehabilitation Services	Inpatient: Covered in full (Unlimited). Outpatient: \$5 copay; outpatient services for physical therapy are limited to up to 30 visits; occupational and speech therapy per injury, incident or condition are covered for a period not to exceed 90 days.	\$10 copay/visit. 60 combined visits per year (short-term non- chronic conditions only).	High Option —In network: 100%; Out-of-network: 80% after deductible. Standard Option —Same as High Option.	High Option —In network: covered in full; Out-of- network: 80% after deductible. Standard Option —Same as High Option.	80% after deductible.
Skilled Nursing Facility	Covered in full; 100 days maximum.	Covered in full 60 days maximum.	High Option —In network: covered in full (100 days max/calendar year); Out-of- network: 80% after deductible (100 days max/calendar year). Standard Option —Same as High Option.	High Option —In network: covered in full (60 days max/calendar year); Out-of- network: 80% after deductible (60 days max/calendar year). Standard Option —Same as High Option.	\$30/day, up to 360 days per calendar year; \$10,800 calendar year maximum.
Specialists	\$5 copay.	\$10 copay.	High Option —In network: \$10 copay; Out-of-network: 80% after deductible. Standard Option —In network: \$30 copay; Out-of- network: Same as High Option.	High Option —In network: \$10 copay; Out-of-network: 80% after deductible. Standard Option —In network: \$30 copay; Out-of- network: Same as High Option.	80% after deductible.

Health Plan (Assumes Primary Coverage)	Kaiser Permanente	United Healthcare Select	CareFirst Blue Cross Blue Shield		
			POS High and Standard Option Plans In Service Area	POS High and Standard Option Plans Out of Area	Indemnity Plan (closed to new members)
Substance Abuse/ Mental Health	Inpatient: Covered in full; Outpatient \$5 copay.	Inpatient: Covered in full; Outpatient \$5 copay.	High Option —In network: Inpatient: Covered in full; Outpatient \$10 copay Out-of-network: Inpatient: 80% after deductible; Outpatient: 80% after deductible. Standard Option —Same as High Option.	High Option —In network: Inpatient: Covered in full; Outpatient \$10 copay Out-of-network: Inpatient: 80% after deductible; Outpatient: 80% after deductible. Standard Option —Same as High Option.	Inpatient—100% to 180 days (lifetime maximum does not apply); Outpatient—80% after deductible.
Surgery	Covered in full.	Inpatient: Covered in full; Outpatient: \$25 copay.	High Option —In network: covered in full; Out-of-network: 80% after deductible. Standard Option —Same as High Option.	High Option —In network: covered in full; Out-of-network: 80% after deductible. Standard Option —Same as High Option.	100% up to amount allowed by plan.
Vision (Routine)	\$5 copay for exams; 25% discount on lenses/frames at Kaiser centers; 15% discount off the cost of contact lenses.	\$25 copay/exam; 15%–20% discount through participating optical centers.	High Option —In network: refraction not covered; (pediatric visual screening—covered in full under well child care). Out-of-network: Refraction not covered (pediatric visual screening—80% not subject to deductible under well child care). Standard Option —Same as High Option	High Option —In network: refraction not covered (pediatric visual screening—covered in full under well child care); Out-of-network: Refraction not covered (pediatric visual screening—80% not subject to deductible under well childcare). Standard Option —Same as High Option	None.
Well Child Care	Well baby/well child covered in full up to age 5.	\$5 copay Primary Care Physician.	High Option —In network: \$10 copay; Out-of-network: 80% not subject to deductible (up to age 18). Standard Option —In network: \$15 copay; Out-of-network: Same as High Option.	High Option —In network: \$10 copay; Out-of-network: 80% not subject to deductible (up to age 18). Standard Option —In network: \$15 copay; Out-of-network: Same as High Option.	100% for child wellness (including related lab tests and X-rays) up to age 18.

Prescription Drugs

There are two Caremark prescription drug plan options for retirees who are not in the CareFirst Indemnity plan or the Kaiser HMO Plans.

High Option Prescription Plan

For prescriptions purchased through the retail program at a participating pharmacy for up to a 30 day supply, or through the mail service program for up to a 90 day supply, the following copayments apply: \$5 for generic and \$10 for brand name prescriptions. Retirees who elect the High Option plan will receive a County subsidy based on the cost of the Standard Option plan, and will pay 100% of the difference between the cost of the Standard Option and High Option plans.

Standard Option Prescription Plan

For prescriptions purchased through the retail program at a participating pharmacy for up to a 30 day supply, or through the mail service program for up to a 90 day supply, there is a \$10 copayment for generic prescriptions, a \$20 copayment for preferred brand or "formulary" prescriptions and a \$35 copayment for brand name prescriptions not on the "formulary". There is a \$50 annual deductible which must be satisfied before benefits are received under the Standard Option plan.

Dental

The Traditional Dental Plan (Dental PPO) provides payment for the following covered services, subject to the plan maximums and limitations:

- Class I Services—Diagnostic and Preventive; Payable at 100% of reasonable and customary charges (no more than two in any calendar year).
- Class II Services—Basic Restorative, Endodontics, Periodontics, Maintenance of Prosthodontics and Oral Surgery; Payable at 80% of reasonable and customary charges.
- Class III Services—Major Restorative, Installation of Prosthodontics; Payable at 60% of reasonable and customary charges.
- Class IV Services—Orthodontics; Payable at 60% of reasonable and customary charges.

The maximum benefit, excluding Class IV Services, is \$2,000 per person each year. The lifetime maximum for Class IV Services (orthodontics) is \$1,000 per person.

The annual deductible is \$50 per person, or \$150 for family. The deductible does not apply to Class I Services.