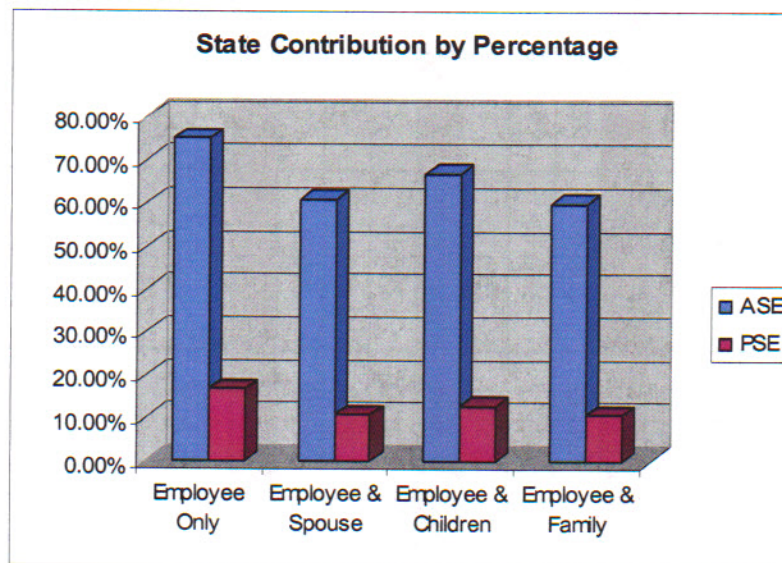


A Comparison of Arkansas State Employee and Public School Employee Insurance

Arkansas State University
Doctorial Cohort XVI

Wednesday, June 25, 2008



Data Gathered From:



Arkansas Department of Finance & Administration

Employee Benefits Division

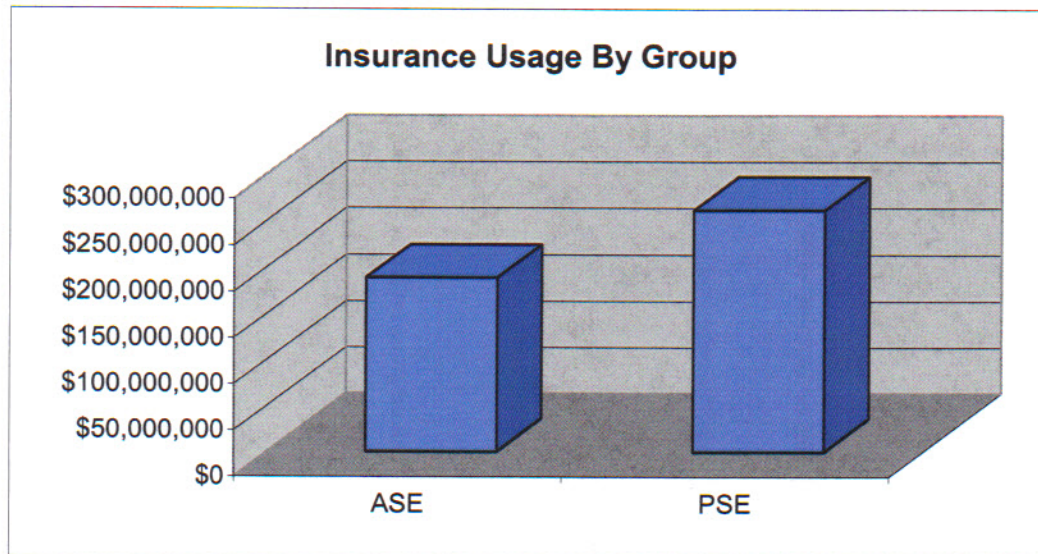
Monthly Premiums for Arkansas State Active Employees

2008 Plan Year Rates - Effective January 1, 2008 - December 31, 2008

HRA DISCOUNT									
	Base Monthly Premium	State Contribution	Total Monthly Employee Cost	Payroll Deduction Amount	One Healthy Discount Level I	One Healthy Discount Level II	Two Healthy Discounts Level I	One Healthy Discount Level I and One Level II	Two Healthy Discounts Level II
				24 Payroll deductions	\$10 monthly savings	\$20 monthly savings	\$20 monthly savings	\$30 monthly savings	\$40 monthly savings
Employee Only									
ARHealth - Health Advantage	\$392.00	\$294.00	\$98.00	\$49.00	\$44.00	\$39.00	-	-	-
ARHealth - NovaSys	\$385.72	\$294.00	\$91.72	\$45.86	\$40.86	\$35.86	-	-	-
ARHealth HD PPO - NovaSys	\$322.96	\$294.00	\$28.96	\$14.48	\$9.48	\$4.48	-	-	-
Employee & Spouse									
ARHealth - Health Advantage	\$930.40	\$563.20	\$367.20	\$183.60	\$178.60	\$173.60	\$173.60	\$168.60	\$163.60
ARHealth - NovaSys	\$915.30	\$563.20	\$352.10	\$176.05	\$171.05	\$166.05	\$166.05	\$161.05	\$156.05
ARHealth HD PPO - NovaSys	\$764.66	\$563.20	\$201.46	\$100.73	\$95.73	\$90.73	\$90.73	\$85.73	\$80.73
Employee & Child(ren)									
ARHealth - Health Advantage	\$587.32	\$391.66	\$195.66	\$97.83	\$92.83	\$87.83	-	-	-
ARHealth - NovaSys	\$569.16	\$391.66	\$177.50	\$88.75	\$83.75	\$78.75	-	-	-
ARHealth HD PPO - NovaSys	\$475.00	\$391.66	\$83.34	\$41.67	\$36.67	\$31.67	-	-	-
Employee & Family									
ARHealth - Health Advantage	\$1,029.68	\$612.84	\$416.84	\$208.42	\$203.42	\$198.42	\$198.42	\$193.42	\$188.42
ARHealth - NovaSys	\$1,013.02	\$612.84	\$400.18	\$200.09	\$195.09	\$190.09	\$190.09	\$185.09	\$180.09
ARHealth HD PPO - NovaSys	\$846.68	\$612.84	\$233.84	\$116.92	\$111.92	\$106.92	\$106.92	\$101.92	\$96.92

Insurance Usage Data

	ASE	PSE
Usage	\$188,200,000	\$260,800,000
# Plan Participants	26,600	46,443
# Lives Covered	47,000	64,000
Usage Average per Employee	\$7,075.19	\$5,615.48
Usage Average per Lives Covered	\$4,004.26	\$4,075.00



Usage Average per Employee

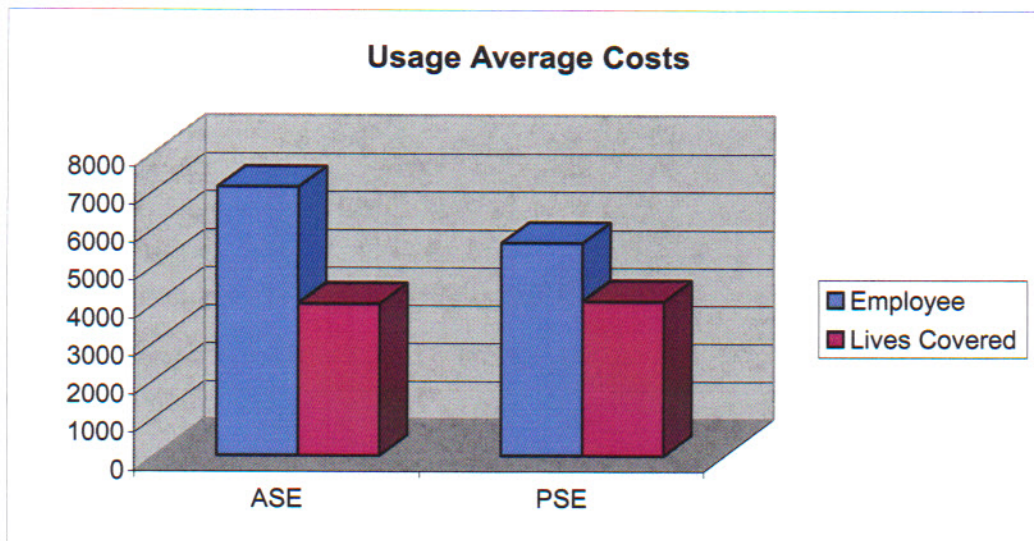
$\$188,200,000 / 26,600 \text{ Employees} = \$7,075.19$

Usage Average per Lives Covered

$\$188,200,000 / 47,000 \text{ Employees} = \$4,004.26$

$\$260,800,000 / 46,443 \text{ Employees} = \$5,615.48$

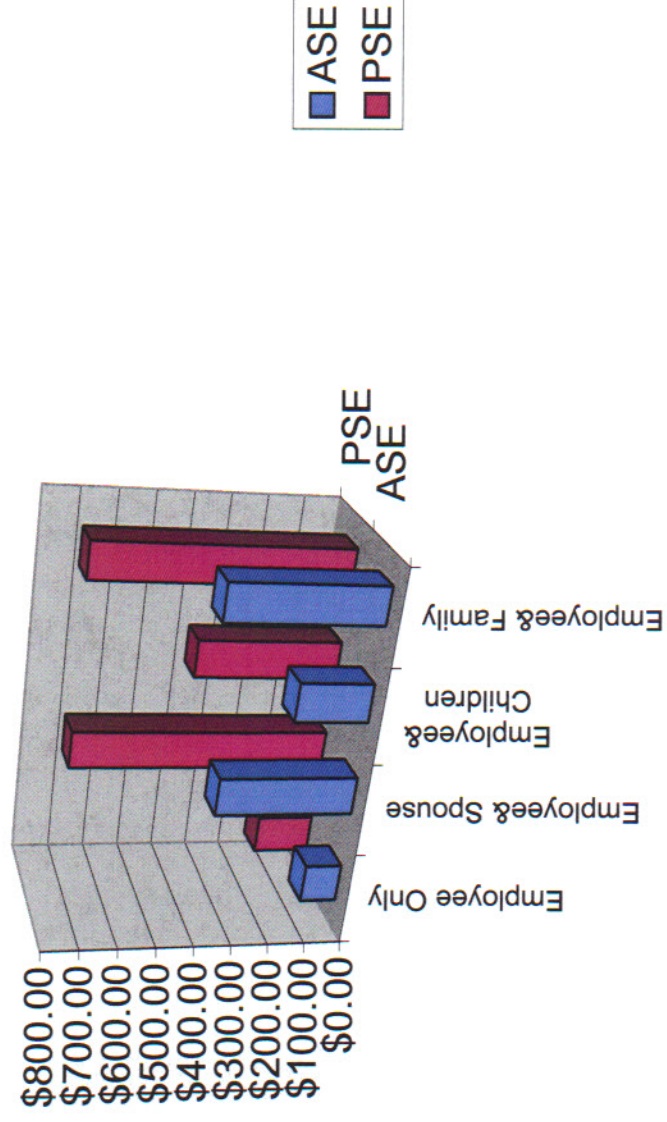
$\$260,800,000 / 64,000 \text{ Employees} = \$4,075.00$



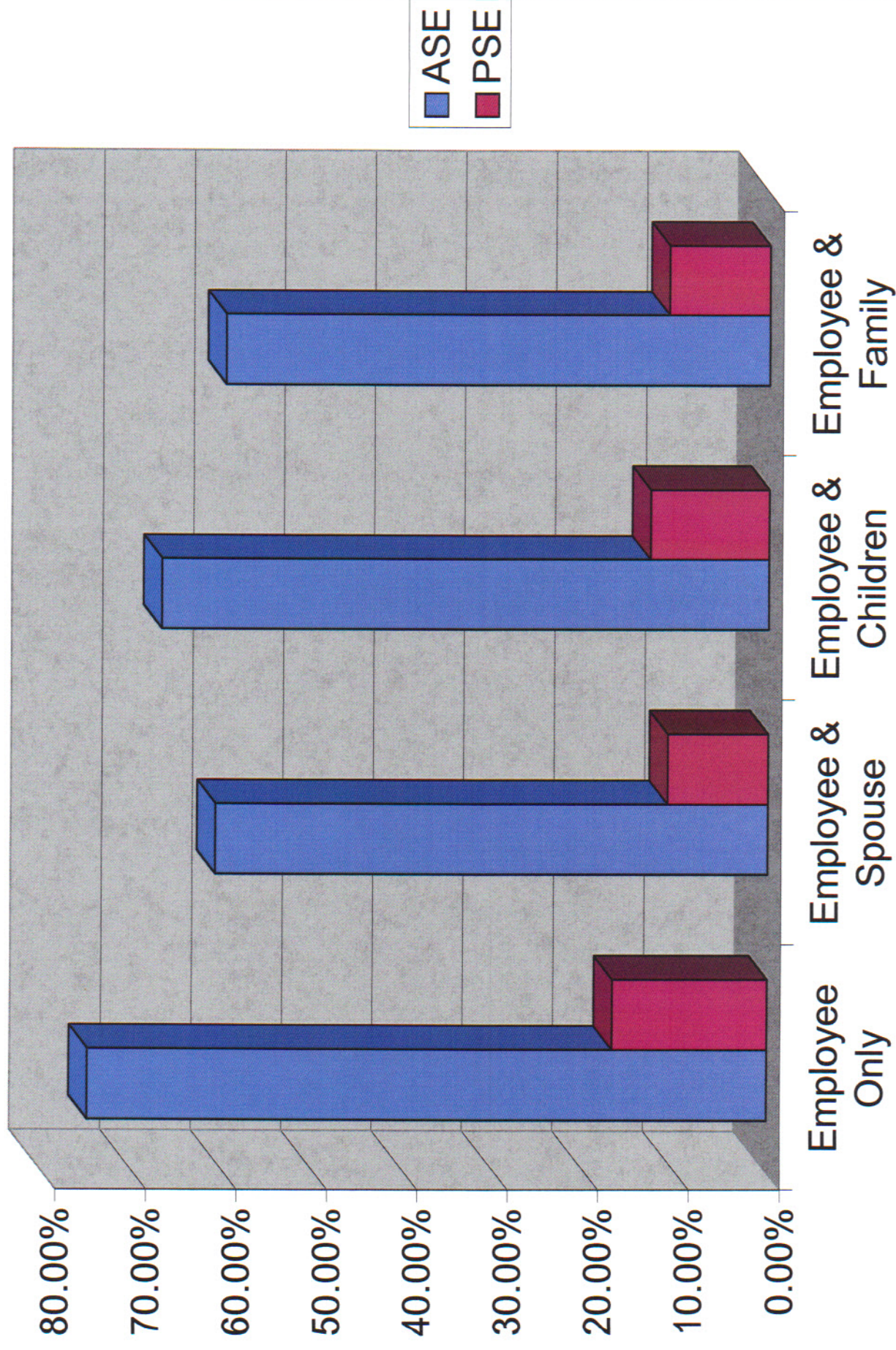
Total Monthly Employee Cost for 2008

	ASE	PSE
Employee Only	\$98.00	\$152.02
Employee& Spouse	\$367.20	\$700.06
Employee& Childr	\$195.66	\$391.98
Employee& Famili	\$416.84	\$701.10

Total Monthly Insurance Cost for 2008



State Contribution by Percentage

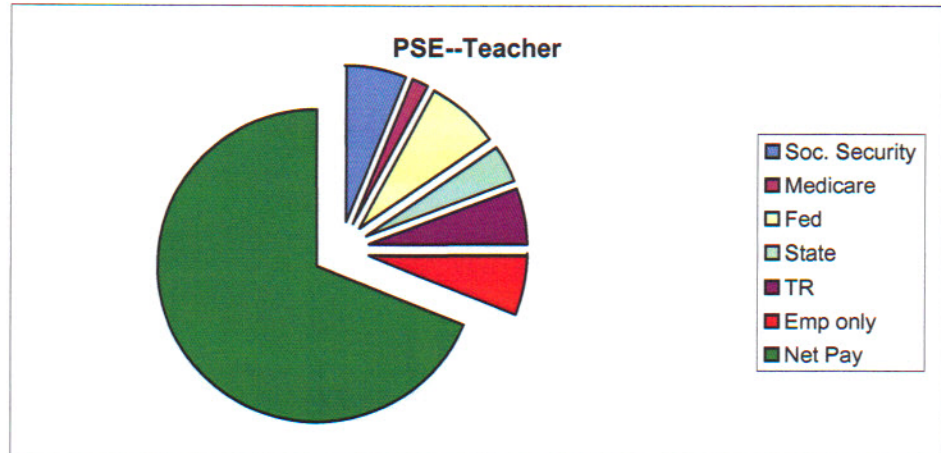


Employee Only Coverage

Employee Coverage Based on Married With 0 Dependents
Figuring Health Insurance not in Cafeteria Plan

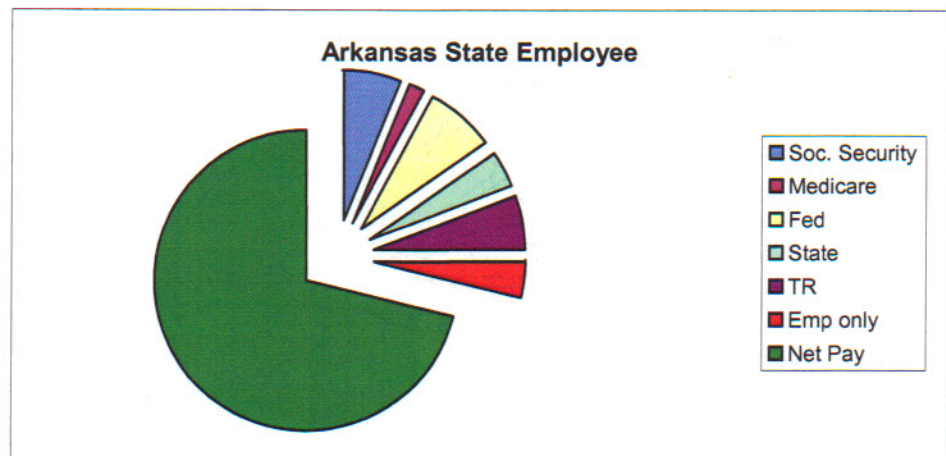
Public School Employee School Teacher

Base Salary	\$2,502.08
Soc. Security	\$155.13
Medicare	\$36.28
Fed	\$187.94
State	\$97.14
TR	\$150.12
Emp only	\$152.02
Net Pay	\$1,723.45



Arkansas State Employee

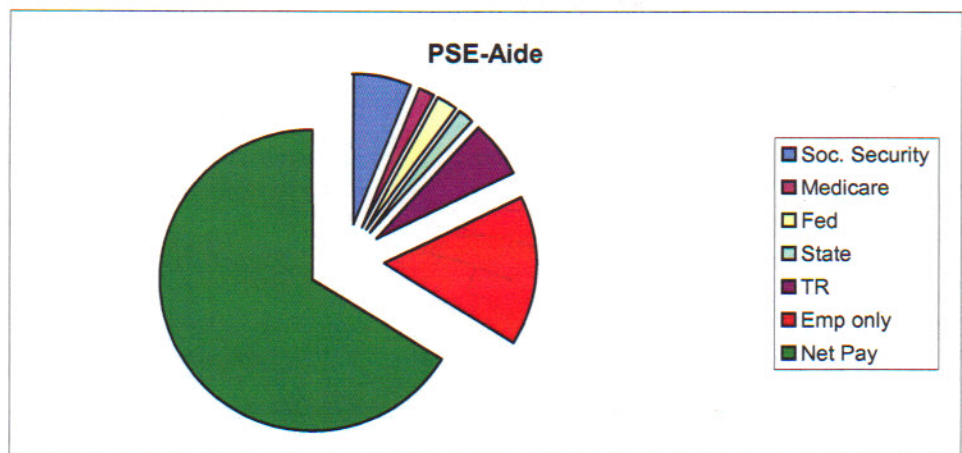
Base Salary	\$2,502.08
Soc. Security	\$155.13
Medicare	\$36.28
Fed	\$187.94
State	\$97.14
TR	\$150.12
Emp only	\$98.00
Net Pay	\$1,777.47



Employee Only Coverage

Aide position at \$8.43 an hour/7.5 hours a day/178 days a year

Base Salary	\$937.84
Soc. Security	\$58.15
Medicare	\$13.60
Fed	\$21.46
State	\$16.27
TR	\$56.27
Emp only	\$152.02
Net Pay	\$620.07



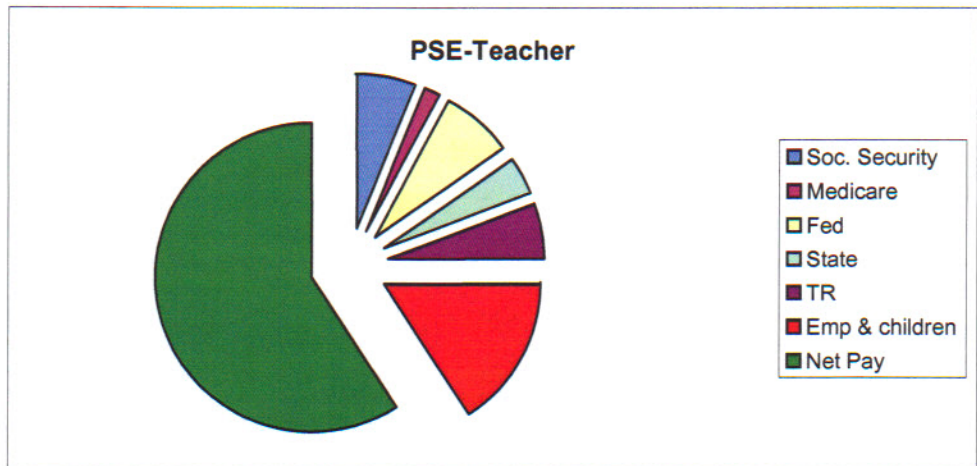
Employee & Children Coverage

Employee Coverage Based on Married With 0 Dependents

Figuring Health Insurance not in Cafeteria Plan

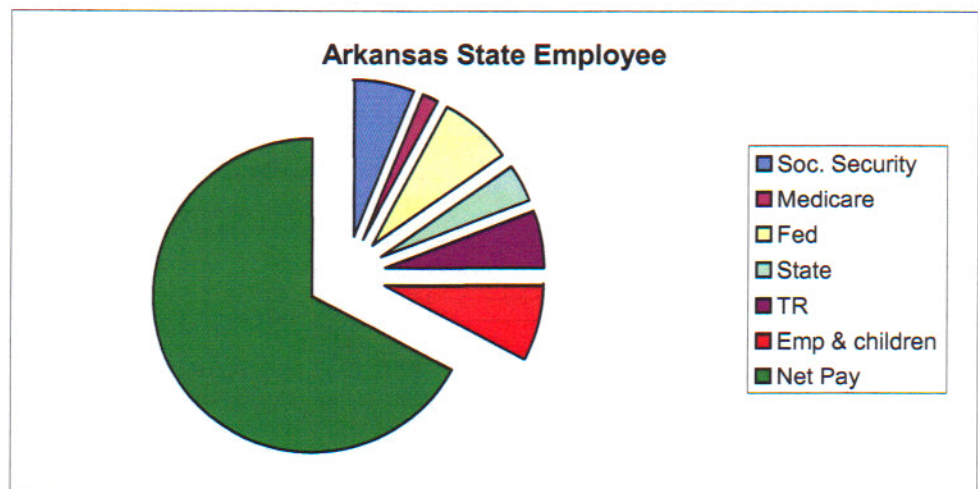
Public School Employee School Teacher

Base Salary	\$2,502.08
Soc. Security	\$155.13
Medicare	\$36.28
Fed	\$187.94
State	\$97.14
TR	\$150.12
Emp & children	\$391.98
Net Pay	\$1,483.49



Arkansas State Employee

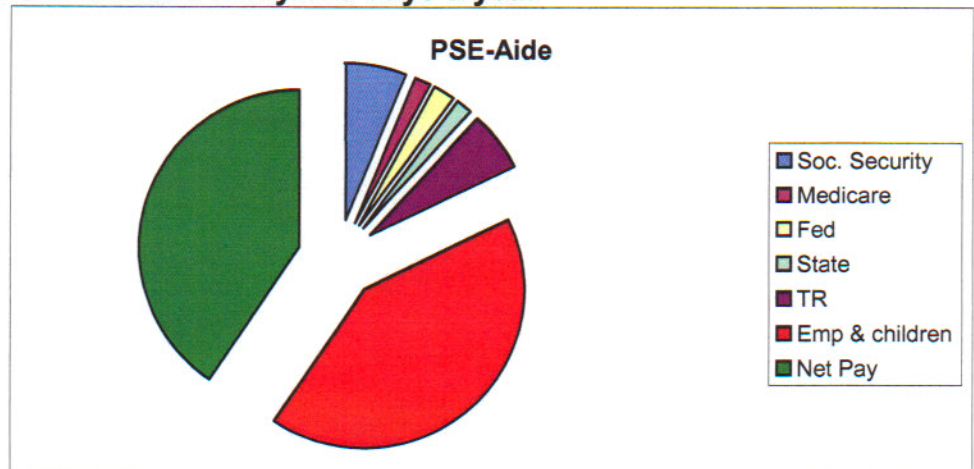
Base Salary	\$2,502.08
Soc. Security	\$155.13
Medicare	\$36.28
Fed	\$187.94
State	\$97.14
TR	\$150.12
Emp & children	\$195.66
Net Pay	\$1,679.81



Employee Only Coverage

Aide position at \$8.43 an hour/7.5 hours a day/178 days a year

Base Salary	\$937.84
Soc. Security	\$58.15
Medicare	\$13.60
Fed	\$21.46
State	\$16.27
TR	\$56.27
Emp & children	\$391.98
Net Pay	\$380.11



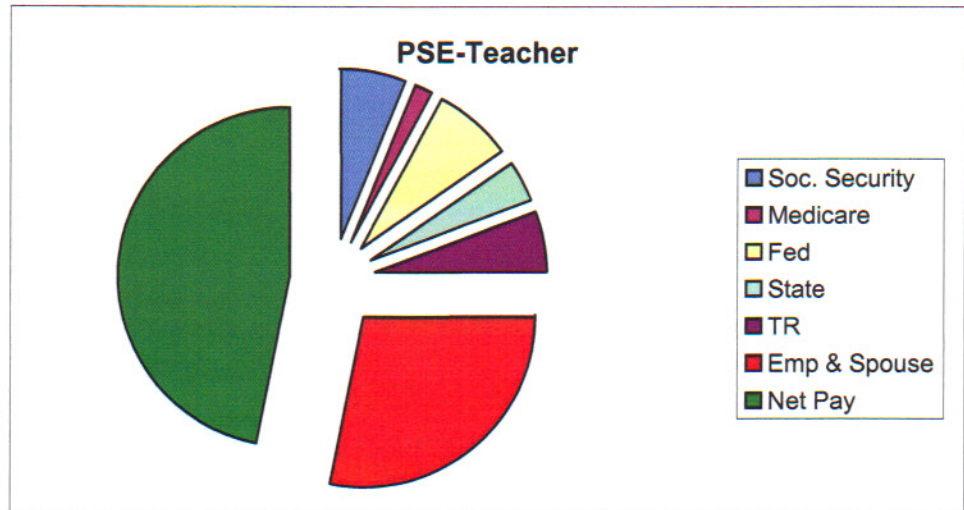
Employee & Spouse Coverage

Employee Coverage Based on Married With 0 Dependents

Figuring Health Insurance not in Cafeteria Plan

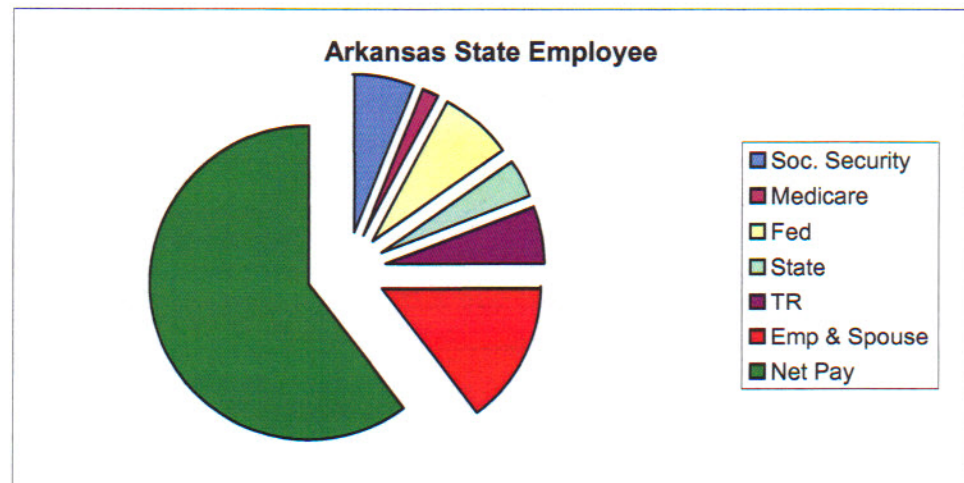
Public School Employee School Teacher

Base Salary	\$2,502.08
Soc. Security	\$155.13
Medicare	\$36.28
Fed	\$187.94
State	\$97.14
TR	\$150.12
Emp & Spouse	\$700.06
Net Pay	\$1,175.41



Arkansas State Employee

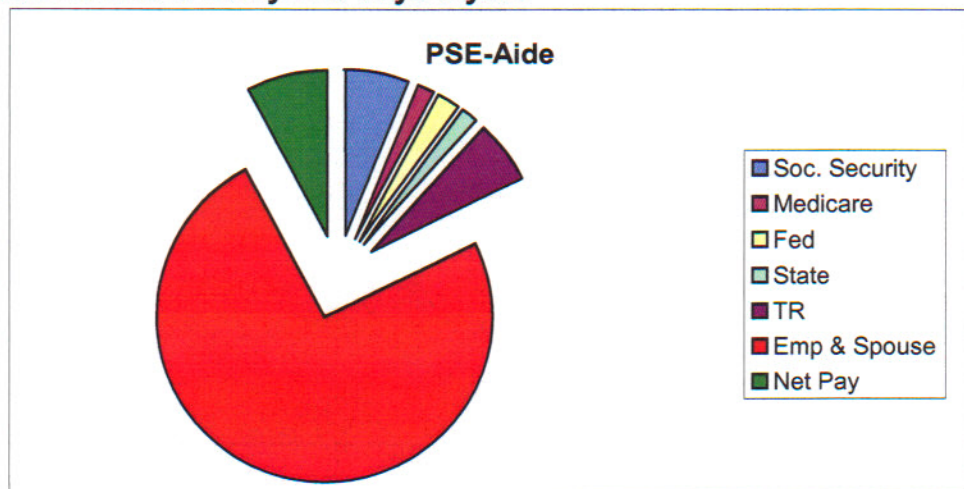
Base Salary	\$2,502.08
Soc. Security	\$155.13
Medicare	\$36.28
Fed	\$187.94
State	\$97.14
TR	\$150.12
Emp & Spouse	\$367.20
Net Pay	\$1,508.27



Employee Only Coverage

Aide position at \$8.43 an hour/7.5 hours a day/178 days a year

Base Salary	\$937.84
Soc. Security	\$58.15
Medicare	\$13.60
Fed	\$21.46
State	\$16.27
TR	\$56.27
Emp & Spouse	\$700.06
Net Pay	\$72.03

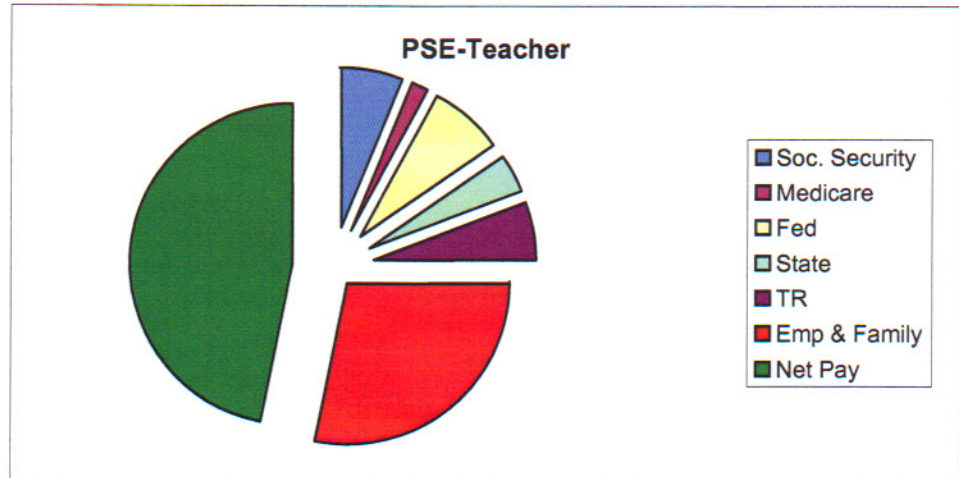


Employee & Family Coverage

Employee Coverage Based on Married With 0 Dependents Figuring Health Insurance not in Cafeteria Plan

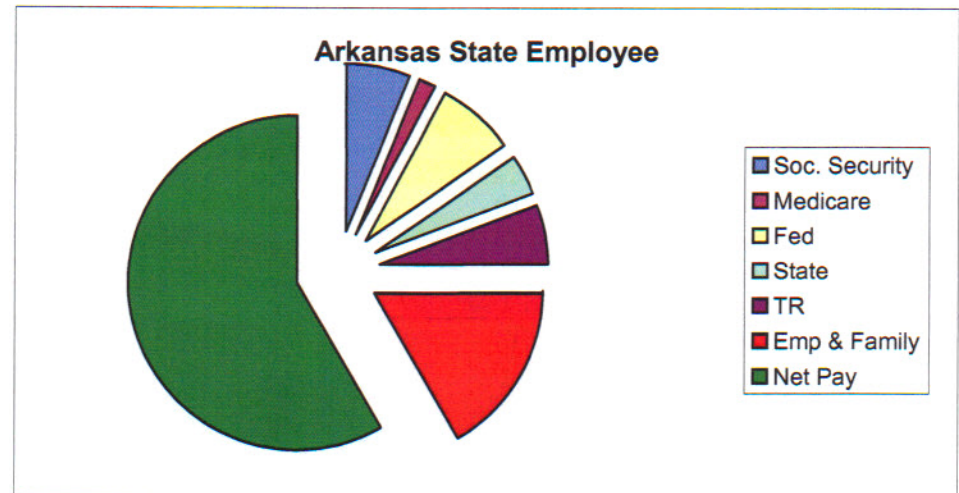
Public School Employee School Teacher

Base Salary	\$2,502.08
Soc. Security	\$155.13
Medicare	\$36.28
Fed	\$187.94
State	\$97.14
TR	\$150.12
Emp & Family	\$701.10
Net Pay	\$1,174.37



Arkansas State Employee

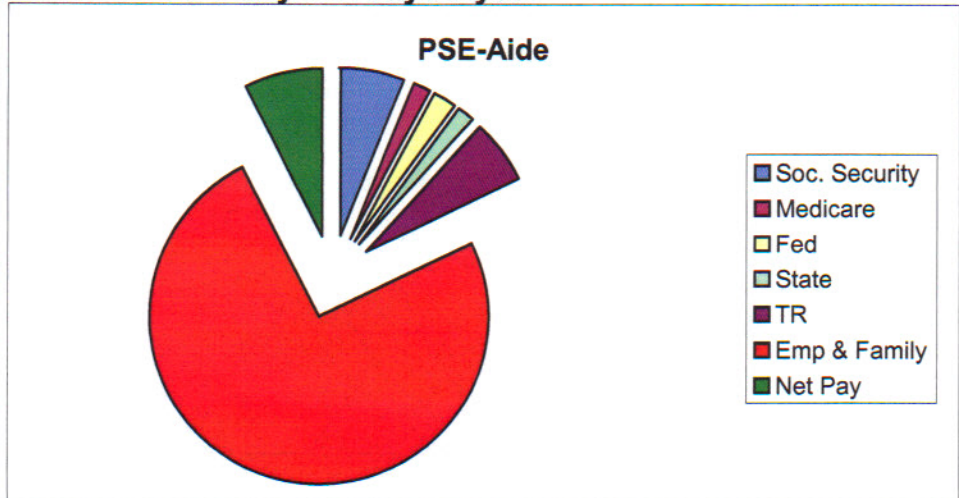
Base Salary	\$2,502.08
Soc. Security	\$155.13
Medicare	\$36.28
Fed	\$187.94
State	\$97.14
TR	\$150.12
Emp & Family	\$416.84
Net Pay	\$1,458.63



Employee Only Coverage

Aide position at \$8.43 an hour/7.5 hours a day/178 days a year

Base Salary	\$937.84
Soc. Security	\$58.15
Medicare	\$13.60
Fed	\$21.46
State	\$16.27
TR	\$56.27
Emp & Family	\$701.10
Net Pay	\$70.99



Insurance Data

	Average Salary		# Plan Participants		Usage		# Covered	
	ASE	PSE	ASE	PSE	ASE	PSE	ASE	PSE
2010 (Projected)						\$306,800,000		
2009 (Projected)						\$281,900,000		
2008			26,600	46,443	\$188,200,000	\$260,800,000	47,000	64,000
2007					\$164,200,000	\$242,600,000		
2006				47,268	\$160,600,000	\$237,000,000		
2005		\$41,489		45,463				
2004		\$39,226		44,797				
2003		\$37,536	32,406	43,848				
2002		\$36,026						
2001		\$34,729						
2000		\$33,691						
1999		\$32,761						
1998		\$32,119						
1997		\$30,987						

Total Monthly Employee Cost

	Employee Only		Employee & Spouse		Employee & Children		Employee & Family	
	ASE	PSE	ASE	PSE	ASE	PSE	ASE	PSE
2010 (Projected)								
2009 (Projected)								
2008	\$98.00	\$152.02	\$367.20	\$700.06	\$195.66	\$391.98	\$416.84	\$701.10
2007								
2006		\$133.78		\$636.22		\$348.70		\$637.90
2005	\$94.52		\$336.74		\$178.12		\$381.40	
2004	\$61.22	\$134.86	\$241.84	\$550.42	\$126.34	\$321.26	\$276.96	\$558.40
2003								
2002	\$73.90		\$236.90		\$151.60		\$260.70	
2001								
2000								
1999								
1998								
1997								

ASE=Arkansas State Employee
PSE=Public School Employee

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 87th General Assembly.

State of Arkansas

87th General Assembly

A BILL

Regular Session, 2009

Bill

By: Senator

Representative

For An Act To Be Entitled

AN ACT TO AMEND ARKANSAS CODE 6-17-1117

Subtitle

AN ACT TO AMEND THE HEALTH
INSURANCE FOR PUBLIC SCHOOL
EMPLOYEES

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code 6-17-1117 is amended to read as follows:

~~(a) Beginning on October 1, 2004, local school districts shall pay the health insurance contribution of one hundred thirty one dollars (\$131) per month for each eligible employee electing to participate in the public school employees' health insurance program.~~

(b) (1) (A) Beginning on October 1, 2009 the Department of Education shall pay the Employee Benefits Division of the Department of Finance and Administration a

31 minimum of ~~sixty one (\$61.00)~~ sixty five percent (65%) per month of the total cost
32 for each eligible employee's health insurance program administered by the State and
33 Public School Life and Health Insurance Board.

34 (B) The Department of Education shall make the total contributions under
35 subdivision (b)(1)(A) of this section by transferring ~~thirty five million dollars~~
36 ~~(\$35,000,000)~~ to the division funds in eleven (11) equal monthly installments.

37 (2) The funds provided to the division under this subsection shall be administered
38 by the board for the benefit of the employee participants of the public school
39 employees' health insurance program.

40 (3) ~~(A) In the event that appropriation or funding is not provided, the~~
41 ~~department shall not be responsible for the increased payments for the public school~~
42 ~~employees' health insurance program as established by this section.~~

43 (B) If funding and appropriation are provided but are inadequate for the
44 total number of employees electing to participate in the public school employees'
45 health insurance program, the department shall pay a proportional share on behalf
46 of each participant to be implemented in increments over a five year period.

47 (C) If funding and appropriation are provided and exceed the amount
48 needed to make the minimum contribution under subdivision (b) (1) (A) of this
49 section, the department shall pay a proportional share of the excess on behalf of
50 each participant.

51 (c) (1) A school district shall:

52 (A) Provide the same employee-provided health insurance benefits for all
53 full-time school district employees; and

54 (B) Pay the same employer contribution rate for each eligible employee
55 electing to participate in the public school employees' health insurance program.

56 ~~(2) If a school district entered into a contract with a superintendent, teacher, or~~
57 ~~other personnel prior to April 11, 2006, and the contract provides for a higher~~
58 ~~employer contribution rate than paid for a majority of the certified personnel in the~~
59 ~~school district, then the school district may continue to pay the higher contribution~~
60 ~~rate as provided under the existing contract but not under extensions, addendums, or~~
61 ~~new contracts created after April 11, 2006, without increasing all other employees~~
62 ~~to the same rate.~~

63 ~~(3) Any school district that entered into contracts with classified personnel prior to~~
64 ~~July 31, 2007 and the contracts provided for a higher employer contribution funding~~

~~amount then is paid for certified personnel in the school district shall freeze the
employer contribution funding amount for classified employees until such time as
the funding amount contributed for certified personnel equals or exceeds the
funding amount provided for classified employees.~~

History. Acts 1995, No. 1194, § 14; 2001, No. 1745, § 1; 2005, No. 1842, § 1; 2006
(1st Ex. Sees.), No. 24, § 1; 2006 (1st Ex. Sess.), No. 25, § a; 2007, No. 229, § 28;
2007, No. 306, § 1; 2007, No. 1009, § 18; 2007, No. 1420, § 32

References

- Arkansas Department of Finance & Administration Employee Benefits Division (2007). *State and Public School Life and Health Insurance Benefits Sub-Committee Minutes for March 17, 2007*. Retrieved April 20, 2008, from http://www.arkansas.gov/dfa/employee_benefits/ebd_board_minutes.html
- Blomeley, S. (2008, April 11). Teachers' insurance costs to go up \$20 million in fall. *Arkansas Democrat- Gazette*. Retrieved April 14, 2008 from <http://www.nwanews.com/adg/National/222389>
- Department Of Finance and Administration. (2005). *State and Public School Life and Health Insurance Board*. Retrieved April 14, 2008, from Arkansas Department of Finance and Administration Web Site: http://www.state.ar.us/dfa/employee_benefits/ebd_index.html
- Department Of Finance and Administration Employee Benefits Division. (2005). *AR Benefits*. Retrieved from http://www.state.ar.us/dfa/employee_benefits/ebd_index.html
- Department Of Finance and Administration Employee Benefits Division. (2008). *Annual Benefits Guide 2008 Plan Year for Arkansas State Employees*. Retrieved from http://www.arbenefits.org/ebd_pages/forms/egASEActive2008.pdf
- Department Of Finance and Administration Employee Benefits Division. (2008). *Annual Benefits Guide 2008 Plan Year for Public School Employees*. Retrieved from http://www.arbenefits.org/ebd_pages/forms/abgPSEActive2008.pdf

Data for this presentation was gathered from the following sources:

Arkansas Department of Education
Arkansas Department of Finance and Administration: Employee Benefits Division (EBD)
Arkansas Education Association (AEA)
Arkansas Public School Computer Network
Farm Bureau Insurance
National Conference of State Legislatures
The Henry J. Kaiser Family Foundation: Health Research & Educational Trust (HRET)

Cohort XVI Insurance Team

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