



ARKANSAS EDUCATION ASSOCIATION
An NEA State Affiliate

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Memorandum

Date: November 1, 2012

To: Senator Johnny Key, Senate Chair
Representative Randy Stewart, House Chair
Of the Joint Subcommittee on Public School Employee Health Insurance

From: Donna Morey, AEA President
Rich Nagel, AEA Executive Director

Re: Review of Issues Related to Public School Employee Health Insurance and Some Findings of Facts

1. The average monthly health insurance contribution of Arkansas 239 individual school districts, excluding Education Service Cooperatives (ESC) and Charter Schools (CS), is \$148.25. However, when school districts are taken as a whole group and monthly contributions are weighted according to the total number of employees, the average monthly contribution is \$170.19.
2. There is a correlation between employer contribution and employee participation in the Public School Health Insurance Group.

Monthly Employer Contribution	Employee Participation
\$131	61.9%
\$132-\$149	65.1%
State Average	65.7%
\$150-\$199	63.3%
\$200+	78.2%
3. One hundred and seventeen out of the 239 school districts, excluding ESC and CS, contribute the minimum \$131 per month, and of this group 74 have a 3rd Quarter ADM below 1,000 students.
4. Excluding ESC, CS and retirees, 65% (29,208) of the Public School Health Insurance Program participants are licensed employees and 35% (15,696) are classified employees.
5. One hundred and twenty-two out of the 239 school districts make monthly health insurance contributions above the \$131, and together they contribute \$21.1 M. Forty-nine of these school districts have a 3rd Quarter ADM below 1,000 students.
6. Active Public School Employees contribute \$122.3 M (44.5%) of the total group premiums while active state employees contribute \$59.9 M (28%) of their total group premiums.
7. The Arkansas State Employee insurance program has a goal of providing 70% of the employee premium and 50% of the family premium.
8. The Kaiser Family Foundation's (KFF's) 2012 Employer Health Benefits Survey reports that nationally, employees pay 18% and employers pay 82% of single coverage premiums, and employees pay 28% and employers pay 72% of the family coverage premiums.
9. The same KFF report found that the average annual premiums for employer sponsored health plans are \$5,615 for single and \$15,745 for family.