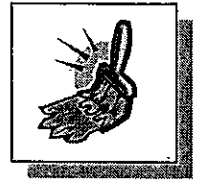


Public School Employee Health Insurance Petition & Ideas

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As of November 28, 3,924 public school employees throughout the state of Arkansas have signed this petition asking for help and relief from the burden of staggering health insurance premium costs. Teachers, secretaries, bus drivers, mechanics, cafeteria workers, superintendents, janitors, nurses, principals and paraprofessionals have all signed the petition. This is not an issue that only affects teachers. School districts that are not represented on the petition are primarily absent because I was not able to reach them via email. I was relying on people forwarding the email to friends in other schools.

What I have learned:

- All other Arkansas state employees pay premiums that are substantially less than those required of school personnel.
- Provider(s) and policies are the same for school employees and state employees.
- PSE rates are not higher because we are sick more often, predominantly women who have babies, or any of the myriad of other reasons that have been offered over the years. Rates for school employees are higher because of the structure of the funding formula, and the fact that we are technically considered employees of the local school districts, not the state of Arkansas, although many people disagree with that assertion.
- ASE benefits and payroll are provided directly to employees by the state. 100% of employment positions are funded by the Legislature each year, however the state normally operates with less than 100% of those funded positions, generally around 80% (exact figures should be available from budget and finance experts.) The remaining allotted funds are deposited into their health insurance fund. This results in a surplus, the amount of which varies from year to year. This does not happen with the Public School Employee fund since local districts each handle their employment needs and budgets separately. These are the surplus amounts for each fund:
 - Projected surplus for 2011: ASE - \$72.7 million, PSE - \$5.3 million
 - Projected surplus for 2012: ASE - \$46.2 million, PSE - \$7.9 million

(Source: www.ARBenefits.org. Minutes from meeting on May 11, 2012 of the State and Public School Life and Health Insurance Board.)

Requests for ACTION on this issue:

1. Exclusively for the purposes of health insurance, combine all Arkansas state and public school employees into one fund. One group, in which everyone continues to have access to the same policies, but pays the same premium amounts. In such a large pool of employees it should not be too difficult to equalize the disparity between the two groups while keeping premium amounts reasonable. If more funds are needed to complete the equalization, there are surplus funds in the Arkansas state budget this year, some of which could be appropriated to supplement this fund.

All other operating funds can continue to be separately distributed to school districts. Health insurance can and should continue to be managed by the Employee Benefits Division for all employees. There have been prior legal decisions supporting the separation of the two entities, and we feel that these decisions have contributed to this unbearable situation. The Legislature has the power to correct this problem if they choose to do so. Some rationale supporting this action:

- EBD is already in place managing coverage.
- Insurance provider(s) and premiums are the same for school and state employees. This structure is already in place.
- Funds to operate public schools come directly from the state, so to say we are not state employees flies in the face of common sense.
- School districts may be considered "political subdivisions" of the state, yet who are we asking for funds to help offset insurance costs? The state of Arkansas.
- If a school district is in financial or academic distress, who takes over and manages that district? The state of Arkansas.
- Prior legal decisions concluding that school employees are not employees of the state did not pertain to health insurance. They referred to other issues. Health insurance is a much larger issue affecting thousands of people, unlike isolated cases that affect very few people.

Why could we not do this? Everyone, the state of Arkansas and all of its employees, would benefit from a more stable health insurance fund that probably would not demand constant attention. It would relieve the painful burden that is unfairly placed on school personnel. A workforce that is not struggling to make it from paycheck to paycheck will have much less stress, and be better able to do this extremely important job.

2. The new premium amounts go into effect January 1st, 2013. In order to alleviate some of the burden that school employees will feel at that time, allocate funds to school districts, specifically earmarked to offset health insurance premiums, for THIS school year. Budgets are in place already for this school year since the fiscal year is from July 1 to June 30. Some districts may not be able to appropriate their own funds at this time, therefore relief from the state for this purpose would be the best option.
3. Set firm guidelines ensuring that there is adequate and vigorous competition among health insurance providers. Competition should help to keep premiums from rising 20-30% per year, and prevent a monopoly situation in which one company can set any premium amounts they choose.
4. In the event that the Legislature is not able to reach an agreement to create one health insurance pool for all employees, there should be rules firmly in place protecting funds intended for insurance. Additional money needs to be allocated to local school districts specifically designated for health insurance premiums. If all money is in each local district's general funds there is always the possibility that it could be used for other purposes.

Monthly Premiums for Public School Active Employees
2013 Plan Year Rates

Monthly Premiums for Public School Active Employees

2013 Plan Year Rates - Effective January 1, 2013 - December 31, 2013

	Base Monthly Premium	State and Plan Contribution	School District Contribution	Total Monthly Employee Cost
Employee Only				
Gold	\$469.68	\$111.98	\$131.00	\$226.70
Silver	\$370.04	\$81.48	\$131.00	\$157.56
Bronze	\$182.78	\$41.78	\$131.00	\$10.00
Employee & Spouse				
Gold	\$1,186.36	\$28.16	\$131.00	\$1,027.20
Silver	\$927.00	\$82.14	\$131.00	\$713.86
Bronze	\$421.00	\$47.52	\$131.00	\$242.48
Employee & Child(ren)				
Gold	\$821.66	\$109.18	\$131.00	\$581.48
Silver	\$643.58	\$108.48	\$131.00	\$404.10
Bronze	\$299.78	\$60.46	\$131.00	\$108.32
Employee & Family				
Gold	\$1,538.32	\$377.36	\$131.00	\$1,029.96
Silver	\$1,200.54	\$353.76	\$131.00	\$715.78
Bronze	\$538.02	\$162.02	\$131.00	\$245.00

Monthly Premiums for Arkansas State Active Employees
2013 Plan Year Rates

Monthly Premiums for Arkansas State Active Employees

2013 Plan Year Rates - Effective January 1, 2013 - December 31, 2013

	Base Monthly Premium	State Contribution	Plan Contribution	Total Monthly Employee Cost	Per-Payroll Deduction Amount - 24 payroll
Employee Only					
Gold	\$441.26	\$294.56	\$50.92	\$95.78	\$47.89
Silver	\$237.74	\$175.62	\$0.00	\$62.12	\$31.06
Bronze	\$148.70	\$148.70	\$0.00	\$0.00	\$0.00
Employee & Spouse					
Gold	\$1,015.20	\$552.03	\$95.43	\$367.74	\$183.87
Silver	\$534.10	\$251.58	\$0.00	\$282.52	\$141.26
Bronze	\$317.36	\$240.14	\$0.00	\$77.22	\$38.61
Employee & Child(ren)					
Gold	\$708.22	\$438.73	\$75.85	\$193.64	\$96.82
Silver	\$375.60	\$234.16	\$0.00	\$141.44	\$70.72
Bronze	\$227.16	\$199.32	\$0.00	\$27.84	\$13.92
Employee & Family					
Gold	\$1,282.16	\$735.41	\$127.13	\$419.62	\$209.81
Silver	\$671.96	\$347.36	\$0.00	\$324.60	\$162.30
Bronze	\$395.80	\$303.60	\$0.00	\$92.20	\$46.10

State Contribution is funded by legislation

Plan Contribution is funded by ASE Trust Fund as Claims Reserve Allocation

Arkansas Democrat-Gazette Opinion Article

*Guest writer Insuring the future Gap unfair to school employees Arkansas Democrat-Gazette
(Little Rock) September 17, 2012 Monday*

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Arkansas Democrat-Gazette (Little Rock)

September 17, 2012 Monday

SECTION: EDITORIAL

LENGTH: 731 words

HEADLINE: Guest writer Insuring the future Gap unfair to school employees

BYLINE: BY **SHELLEY BRANSCUM** SPECIAL TO THE DEMOCRAT-GAZETTE

BODY:

This is my 25th year of teaching. There have been many issues that have come and gone over the years that have moved me, enraged me, encouraged me, and a few that I have never been able to figure out.

The biggest head-scratcher of my career has always been health insurance. Yes, health insurance. Not working with children; I know what to do with them. Nothing to do with government regulations; we have all learned how to live with them.

Health insurance is provided for public school employees, as it is for all state employees. However, there is a vast disparity between what teachers and other school employees pay and the premiums enjoyed by the rest of the state work force.

If the difference was small, and if it was for a valid reason, I would not have puzzled and fumed over it for decades. Anyone who doubts the accuracy of my statements can view the premium charts at ARBenefits.org for themselves.

We have a choice between gold, silver or bronze levels of coverage. Clumsy attempts to give the appearance of some Olympian winnings notwithstanding, here are a few examples of what you will find: At the gold plan level, a state employee who needs to cover his or her family—that is, a spouse and children—will pay \$419 a month. A public school employee with exactly the same policy will pay \$1,029. Yes, that is per month; and yes, that is a difference of about \$600 per month. A state employee needing to cover just the employee and a spouse can do so for \$367; a public school employee must pay \$1,027 for the same policy.

At the silver level, the state employee can cover his/her family for \$324 per month; public school employees must shell out \$715 for the same policy.

To cover only myself at the gold level will cost \$226 per month; a state employee with the same plan will pay \$95. Silver, \$157 for me versus \$62. Bronze (which has an extremely high deductible and co-pay rate) is \$10 for myself and \$0 for the others.

Some school districts contribute substantial amounts to offset these premiums, school districts that are much larger and have more funds available for such things. Mountain View School District does make a \$50 contribution to try to take the sting out of the premiums, and I really appreciate that. If they covered all of it for everyone, that would add up to a lot of money that needs to be spent elsewhere in the budget.

This is a rapidly rising expense they should not have to be burdened with, so my comments should not be misunderstood as a complaint toward the school district.

My complaint is with whoever is responsible for deciding that teachers, bus drivers, cafeteria workers, secretaries, teacher's aides, and all the other hardworking people who take care of everyone's children are not deserving of the same reasonably priced health insurance that all other state employees have available to them.

It turns out there is a committee that makes these determinations, but if you write letters to them, they do not answer. At least that was my experience a few years ago-maybe it will be different when I do so again. (And you can bet I will!) Somebody has to answer for these outrageous and unconscionable amounts being charged for something we need, and soon will be required to have. Premiums for some plans have risen by about 20 percent this year.

We are all so busy, and dealing with these things tends to drop further and further down the to-do list. Clearly though, doing nothing is not an option.

I know a number of highly talented educators who have left the profession because they could not afford to support themselves or their families. The kitchen sink of requirements, stress and low pay (compared to equally educated professionals in other careers) is already enough to cause them to leave this valuable and noble profession. We can't afford to lose them. Our kids deserve to have the best people around them. This life is tough, tougher for some than others, and losing great educators and staff hurts the ones who most need our care and guidance.

I for one will not allow this to go unchallenged. I encourage my colleagues and friends to make phone calls and write letters, and maybe if there is enough public pressure in the right places, we will see some equity in the future.

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This article was published 09/17/2012

LOAD-DATE: September 17, 2012

