



## NC ASSOCIATION OF SCHOOL ADMINISTRATORS

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**Date:** April 1, 2009

**To:** Members of the House Insurance Committee

**From:** Katherine W. Joyce, NCASA Assistant Executive Director

**Re:** State Health Plan Changes – Senate Bill 287

The North Carolina Association of School Administrators (NCASA) realizes you are grappling with many difficult issues regarding the measures necessary to keep the State Health Plan viable for the 667,000 people it serves, including the 7,000 school administrators in our membership. As you work on Senate Bill 287 this week, we ask that you consider the following State Health Plan priorities that are important to our membership as well as other school personnel, state employees and retirees:

- Minimize the increase in costs that State Health Plan members will have to pay through deductibles, co-payments and the coinsurance maximum, since any cost increases will negatively impact employees who already are facing tough economic times and may not receive a salary increase this year.
- Minimize the premium increase that employees will face for providing family health coverage through the State Health Plan. The current 8.6 percent premium increase proposed in each of the next two years for family coverage would add a \$42-per-month cost to each employee covering a family. This will be difficult for many to manage, and the higher the premium increase, the more likely that family coverage will be dropped, thereby exacerbating the Plan's need to attract younger and healthier participants.
- Maintain the employer-paid premium since this is a critical tool for the state and school district efforts to attract and retain quality personnel.
- Create a study commission to analyze the State Health Plan and recommend changes that will improve the Plan on a long-term basis and ensure that the commission involves the employee associations like NCASA whose members are directly impacted by changes to the Plan.

We appreciate your consideration of these priorities on this important legislation, and we look forward to working with you to determine the best possible outcome for State Health Plan changes for the next biennium. Please feel free to contact me, if I may provide additional information to assist in your deliberations.