



## **School Groups Approve Low 4.9% Rate Increase for EHA Plan** *Increase to Take Effect September 1, 2016*

Lincoln, NE, Oct. 29, 2015 – Premium rates for the health insurance plan used by nearly every Nebraska school district will rise by just 4.9 percent next year, following action by the Educators Health Alliance, a consortium of three statewide public school education groups that manages the plan.

When the 2016-17 plan year opens Sept. 1, 2016, it will mark the 14<sup>th</sup> consecutive rate increase of less than 10 percent, said Neal Clayburn, chair of the EHA Board of Directors. In six of the past seven years, the rate adjustment has been less than 5 percent.

The EHA rates are quite favorable when compared to projected increases of 12 to 31 percent for individual health care policies in Nebraska in 2016, as reported by the Omaha World-Herald on Sept. 1.

The rates set by the EHA board are for the Blue Cross and Blue Shield of Nebraska (BCBSNE) health care plan used by more than 400 public school district and affiliate groups in the state. The plan is governed by the Nebraska Association of School Boards, the Nebraska Council of School Administrators and the Nebraska State Education Association. More than 80,000 Nebraskans are covered by the plan, making it the largest health plan in the state.

The 4.9 percent increase is for all plan options. Rate increases in the previous five years were 1.91 percent; 2.30 percent; 6.40 percent; 2.99 percent; and zero percent.

The 2016-17 plan includes modest increases to deductibles, drug copays and out-of-pocket limits to keep up with medical costs, said Clayburn. Current deductibles have been in place since 2013, and current brand name drug copays have been in place since 2009. Generic drug copays have been in effect since 2005, and will not change for most members. Clayburn said the board was pleased with the rate in the face of ever-growing medical costs.

“Our board’s strong management of the plan, and judicious use of health care benefits by plan members, have worked to keep plan costs stable,” said Clayburn. “All involved have worked hard to help our plan avoid the huge spikes in premium costs that other plans have experienced.”

Growing use of an EHA wellness program has also been instrumental in keeping costs reined in, said Beth Kernes Krause, EHA vice chair and Auburn Public Schools Board of Education member. “Nearly every Nebraska school district participates in the wellness program, and our rates indicate it is making a difference,” she said.

Jack Moles, EHA secretary and Superintendent of Johnson County Schools, said good management by BCBSNE and collaboration of the three education stakeholders keeps the plan vibrant and effective. “Favorable rate experiences don’t just happen. This has taken a lot of diligence, a lot of hard work by a lot of people,” said Moles. “All should be applauded for their effort.”

The statewide health care plan was formed 45 years ago. A 12-member board representing NSEA, the Nebraska Association of School Boards and the Nebraska Council of School Administrators governs the health care plan.