

## **EHA Board of Directors Approves 2013-2014 Rates and Benefits**

The Educators Health Alliance (EHA) Board of Directors on October 16, 2012 approved the rate renewal for the 2013-14 contract year and is pleased to be able to provide this important budget information in advance of the new labor bargaining timetable set by the State of Nebraska.

The rates will increase by an average of 6.4%. This follows increase of 4.5%, 0.0% and 2.99% in the previous 3 years. The new rates will represent the 11th consecutive year the rate increase has been less than 10%. This has been achieved even in light of substantial ongoing medical inflation.

“The EHA continues to work diligently to achieve the rate stability and increases below health insurance industry averages that our members expect and deserve”, noted EHA Board Chair Beth Kernes Krause.

As part of the renewal, modest changes are being made to deductibles, coinsurance and copays in order to keep pace with inflation and keep rates as low as possible.

Additionally, the EHA will be retaining an independent firm to complete a process of dependent eligibility verification to make sure only eligible individuals are covered under the plan. This is similar to the processes recently completed by the State of Nebraska and the University of Nebraska regarding their health insurance programs.

The active employee rates will increase by 6.25% for all rate and benefit categories.

The medical rates for the Early Retiree/Direct Bill members will increase by 9.4% as the historical rate relationships are restored following the use of funds from the Early Retirement Reinsurance Program (ERRP), a Federal program that is part of the Patient Protection and Affordable Care Act (PPACA), which paid for a portion of the present rates. Also, premium holidays have been used to benefit these members while keep premiums at agreed on rate levels.

The dental rates will rise by 5.94% for all participants including active and early retiree categories.

Kernes Krause said the EHA Board was particularly pleased that we are able to keep the rate increase to a reasonable amount in light of the cost pressures on health insurance plans. These pressures result from medical inflation and provisions of the PPACA including expansions in coverage to dependents to age 26, the removal of copays for nearly all preventive services & coverage for women’s preventive services, and health insurance excise taxes beginning in 2014. Kernes Krause noted that we are hopeful the preventive services will result in lower cost in the long term, but in the short term they are adding to the cost, citing a 53% increase in EHA preventive services expense in the last 10 months.

The EHA plan’s insurance coverage with Blue Cross Blue Shield of Nebraska includes more than 70,000 education employees, early retirees and their dependents in over 400 school groups.