



Educators Health Alliance Approves 4.99% Increase in Rates

Lincoln, NE, Oct. 25, 2018 – There will be an overall increase of 4.99% in premiums next year for the health and dental insurance plans used by nearly every Nebraska school district. The Educators Health Alliance (EHA), a consortium of three statewide public school groups, manages the plan. Health insurance rates will increase 5.2% and dental rates 1.0%, resulting in the overall increase in premiums of 4.99%.

When the 2019-20 plan year begins on Sept. 1, 2019, it will mark the 17th consecutive rate increase of less than 10%. The 4.99% increase follows the 0% increase in the current year that began September 1, 2018, according to EHA Board of Directors Chair Neal Clayburn. The average annual increase over the past ten years has been 3.6%.

“This is good news for school districts and school employees across Nebraska,” said Clayburn. “Keeping the increase in rates low is made possible because school employees and their families have made wise decisions regarding their health care, because of the EHA Board’s strong management of the plan, and due to the expertise provided by EHA’s insurer, Blue Cross and Blue Shield of Nebraska.

“All involved have worked hard to help our plan avoid the huge spikes in premium costs that other plans have experienced. Indeed, the EHA has kept the rate of increase over the longer term at a rate lower than indicated by comparative national averages.”

Under the 2019-20 plan, there are no changes to the office visit and emergency room copays. There are also no changes to the prescription drug copays or coinsurance. The plan does include modest increases in deductibles while keeping member out-of-pocket maximums the same for nearly all members. The high deductible plans have additional out-of-pocket increases. These benefit changes – the first in three years – are less than often seen in other plans and keep the EHA plans very comprehensive and competitive.

Rate increases in the previous nine years were 0%; 7.99%; 4.9%; 1.91%; 2.30%; 6.40%; 2.99%; 0%; and 4.6%.

“The EHA Board is pleased that we were able to achieve the renewal with minimal increases in member out-of-pocket costs,” said Clayburn.

Clayburn said the 4.99% rate increase following a one-year freeze in premium rates is made possible due to several factors, including:

- The impact of the EHA’s state-wide wellness and health promotion program;

- Pharmacy benefit management programming that has led to reduced pharmacy trends;
- A program designed to assist in the management of a chronic diseases;
- Holding the line on health and administrative cost increases and;
- Continued prudent management in the design and choices of benefit plans.

EHA health insurance rates for the 2019-20 plan year apply to ten available active employee health benefit plans, three early retiree benefit plans, and five dental benefit plans.

“The Educators Health Alliance unites its sponsor organizations in providing a cost-effective health care program for members that provides peace of mind regarding healthcare and contributes positively to the educational system in Nebraska,” said Beth Kernes Krause, EHA Vice Chair and Auburn Public Schools Board of Education member. “I also want to emphasize the important role our EHA wellness program has played in improving the health and wellness of EHA covered employees. The wellness plan continues to expand and includes options for individuals and school groups to earn financial incentives for achieving goals set by the program.”

“The EHA Board understands the financial concerns of our education members as well as the fiscal constraints facing school districts,” said John Spatz, executive director of the Nebraska Association of School Boards. “We are pleased to be able to hold the line on health insurance premiums for both districts and individual employees.”

“The Board’s decision to set the rates is made only after careful review of the plan’s financial status,” said Mike Dulaney, executive director of the Nebraska Council of School Administrators. “This is the result of the cost-saving measures taken by the EHA Board as well as by employees and their families. The EHA has been able to offer stability in rates – which is very important and helpful to both our school districts and their employees.”

“The EHA has taken action to help plan participants be careful stewards of their health and informed consumers of health care,” said Maddie Fennell, executive director of the Nebraska State Education Association. “This is one of the many benefits of our statewide risk pool. It ensures affordable health care insurance for members of the plan – and healthier school employees are better for our students.

“Healthier teachers and school employees mean lower absenteeism rates. Additionally, healthier teachers have been tied to higher academic achievement,” Fennell said. “In fact, a 2015 [study](#) showed a dramatic correlation between teacher wellness ratings and student ACT scores.”

The Educators Health Alliance is a non-profit corporation that was created to procure quality, affordable health care insurance for Nebraska educational employees. 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 a 12-member board representing 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.

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For more information, contact Neal Clayburn, EHA Chair, 402-475-7611, neal.clayburn@nsea.org