

Educators Health Alliance Sets 2023-24 School Year Rates

Achieves 21st consecutive rate increase of less than 10 percent

Lincoln, NE – Oct. 28, 2022 – There will be an overall increase of 6.87% in premiums next year for the medical and dental insurance plans used by nearly every Nebraska school district, following action by the Educators Health Alliance (EHA), a consortium of three statewide public school groups that manages the plan. Medical insurance rates for active employees and retirees will increase 7.20%. Dental rates for all employees and retirees will remain unchanged from the 2022-23 rate level.

When the 2023-2024 plan year begins next Sept. 1, it will mark the 21st consecutive rate increase of less than 10 percent. The average annual increase over the past ten years has been 4.5%.

"The COVID pandemic continues to result in disruption for our members. The resulting claim experience and estimating what it will look like in the future makes it difficult to set rates," said Sheri Jablonski, EHA Board Chair. "Given the current rate of inflation, we are particularly pleased we've been able to maintain our streak of more than 20 years without a double-digit increase in rates, and to average an increase of 4.5% for the last decade."

There will be no benefit changes made in 2023-24.

"We believe it is important, particularly in these stressful times, to minimize the change in benefits to our members. We are happy to pass on the news that no benefit changes will be made for the 2023-24 contract year," said Trish Guinan, executive director of the Nebraska State Education Association.

The successful rollout of the alternate network product offering to all districts in areas of the state where network competition is possible will be continued in the 2023-24 plan year.

Jablonski said the single-digit increase in premium rates is made possible due to several factors, including:

- The implementation of several new programs to manage pharmacy costs;
- Programs designed to assist in the management of chronic and emerging diseases, and
- Holding the line on health and administrative cost increases.

"The EHA Board has taken some strategic actions to manage our pharmacy costs, especially specialty medications, which have grown rapidly as a percentage of total pharmacy spending," said Beth Kernes Krause, EHA Vice Chair and Auburn Public Schools Board of Education member.

"The EHA Board understands the financial concerns of our members as well as the fiscal constraints facing school districts," said John Spatz, executive director of the Nebraska Association of School Boards. "With 80,000 members in the plan EHA has the largest risk pool in the state, which allows more predictability and stability in rates. This benefits both districts and individuals and their families."

"The EHA Board takes its responsibility for plan oversight very seriously," said Mike Dulaney, executive director of the Nebraska Council of School Administrators. "We believe the rate increase decision reached for the 2023-24 plan year will allow the EHA to continue to provide a quality, affordable health insurance plan well into the future."

The Educators Health Alliance is a non-profit corporation that was created to procure quality, affordable healthcare insurance for Nebraska educational employees. The rates set by the EHA Board are for the Blue Cross and Blue Shield of Nebraska (BCBSNE) healthcare plan used by more than 400 public school districts 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. Find more information at <u>https://www.ehaplan.org/</u>.

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