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Educators Health Alliance Approves 2020-21 Rates

Lincoln, NE – Oct. 24, 2019 – There will be an overall increase of 6.71 percent 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 will increase 6.97 percent and dental rates 2.00 percent resulting in the overall increase in premiums of 6.71 percent.

When the 2020-2021 plan year begins on Sept. 1, 2020, it will mark the 18th consecutive rate increase of less than 10 percent. The average annual increase over the past ten years has been 3.8 percent.

“While medical inflation and an increase in taxes has resulted in a higher increase than last year, the Board has worked diligently to manage the plan and is pleased to have kept the average increase under 4 percent for the last decade,” said Sheri Jablonski, EHA Board Chair.

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

- A program designed to assist in the management of a chronic diseases;
- Holding the line on health and administrative cost increases;
- Prudent management in the design and choices of benefit plans and;
- The positive effect of the EHA’s state-wide wellness and health promotion program;

“EHA’s wellness program has been instrumental in improving the health of EHA covered employees,” said Jablonski. “The wellness plan continues to expand and has been very well received.”

While the 2020-21 plans will have modest increases in physician and pharmacy copays, the deductibles will remain the same for all plans except the \$3,500 deductible HSA plan, which will have a \$100 increase to \$3,600 due to this plan having no pharmacy and prescription copays. All plans will have a modest increase in out of pocket maximums except the \$4,000 HSA plan, which will have a slight out of pocket maximum decrease.

As the Board evaluated possible benefit changes, it compared EHA benefit changes with employer surveys and found that most employers modified benefits on an annual basis, according to Beth Kernes Krause, EHA Vice Chair and Auburn Public Schools Board of Education member.

“Over the last 9 years, the average employer surveyed reduced their benefits by 13 percent while the EHA benefit reduction over the same time period was less than 6 percent,” said Kernes Krause. “The Board felt it was appropriate to increase physician and pharmacy copays since it had been several years since either of these copays were changed.”

“The EHA Board has taken these actions to help manage the plan and provide a proper balance between premium increases and benefit changes,” said Maddie Fennell, executive director of the Nebraska State Education Association. “We believe these changes will allow the EHA to continue to see single digit rate increases in the future.”

“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. “It is an important responsibility of the EHA Board to balance the health insurance premium increase and the benefit adjustments for both districts and individual employees.”

“Board members take their responsibility for plan oversight very seriously,” said Dr. Mike Dulaney, executive director of the Nebraska Council of School Administrators. “The rate increase and benefit decisions for the coming plan year were well thought out and were thoroughly discussed prior to the Board reaching its decision.”

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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