



## Educators Health Alliance Approves 0% Increase in Rates

There will be no increase in health insurance premium rates for groups and early retirees participating in the Educators Health Alliance (EHA) for the 2011-12 plan year, beginning September 1, 2011, according to EHA Board of Directors Chairman Dr. Dan E. Ernst.

"This is great news for school districts and school employees across Nebraska," said Ernst. "The zero percent increase in rates is made possible in large part because school employees and their families have made wise decisions regarding their health care."

Additionally, the EHA announced that the premium rates for the 2012-13 year, beginning September 1, 2012, will be limited to an increase of no more than 4 percent from the current year rates. This action provides an unprecedented length of time of budget certainty for EHA participants.

Ernst said the one-year freeze in premium rates and the second year 4 percent cap on the increase is made possible due to a number of factors, including:

- A significant decline in medical inflation trends;
- Recent lower than anticipated utilization rates in hospital and physician services;
- Pharmacy benefit management leading 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;
- The projected impact of the 2011 implementation of a state-wide wellness and health promotion program and;
- Prudent management over time in the design and choices of benefit plans.

EHA health insurance rates for the 2011-12 plan year apply to all available seven active employee health benefit plans, three early retiree benefit plans, and five dental benefit plans

The EHA plan will offer the same benefit plans in the 2011-12 plan year. Additionally, the benefits and offerings will be enhanced to comply with the provisions of the new health reform law including 100 percent coverage of preventative services, removal of the lifetime benefit maximums, expansion of coverage to qualifying dependents up to the age of 26 and removal of preexisting conditions exclusions for dependents under the age of 19.

"The EHA Board appreciates the expertise provided by its insurer, Blue Cross Blue Shield of Nebraska, and will work with its representatives in early 2012 to determine the 2012-13 rates," said Ernst. "Based on our claims experience, cost-saving measures and current projections, the Board is pleased to be able to assure participants that those rates will reflect no more than a 4 percent increase."

"The EHA Board understands the financial concerns of our education members as well as the fiscal constraints facing school districts," said John Bonaiuto, 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 decision to freeze premium rates was 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 taken action to help plan participants be careful stewards of their health and informed consumers of health care," said Craig R. Christiansen, 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."

The Educators Health Alliance is a non-profit corporation that was created to procure quality, affordable health care insurance for Nebraska educational employees. The EHA is managed by a Board of Directors consisting of members selected by the Nebraska State Education Association, the Nebraska Association of School Boards and the Nebraska Council of School Administrators. The EHA plan provides medical and dental insurance coverage for more than 70,000 Nebraskans.

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