



**Governor Perdue Changes Policy on Premiums for Health Insurance**

**INCREASE FOR JANUARY 2010 ABOUT 30% -- MAYBE MORE**

After Reducing the State Health Benefit Fund Balance and OPEB Reserves by \$783 million in FY 2009, Governor Perdue plans to further reduce employer funding for the Health Insurance Plan in his proposed FY2010 budget.

What does this mean for retirees and active employees and teachers? It means that you will begin paying a MUCH LARGER portion of the premium cost. WHY? The Governor proposes to lower the state’s employer contribution from 75% to 70% of the total premium cost. A 5% cut in employer contributions is a much larger dollar amount (\$113.8 million - \$98.5 in state funds) than a simple 5% increase in employee premiums, and translates into a much larger increase for members --- about 28-30% over current premiums, plus the 5% increase already planned for FY 2010.

The reduced funding of \$113.8 million in FY 2010 is a drastic change in the long-established policy of the Georgia Legislature for the state to pay 75% of total premium cost; therefore, it means a permanent cut of at least \$113.8 million every year – not just FY 2010.

Although the following table does not show the established premiums for January 1, 2010, the rates below were released on March 9 by the Department of Community Health (DCH) as “examples” of the employee premiums that will be effective January 1, 2010 if this change in policy is retained. In GSRA’s opinion, the increases shown below are the minimum that will be imposed on January 1<sup>st</sup> because these rates will provide the minimum revenue to pay cost with no cushion (reserves) if expenses are higher than expected or revenue is lower than projected.

Example of Employee Premium Changes				
Plan	Tier	CY 2009 Monthly Premium	CY 2009 with increased premium	Amount of Increase FY 2010
PPO <sup>1</sup>	Single	\$86.10	\$110.38	\$24.28
	Family	262.80	336.91	74.11
HMO	Single	91.10	116.79	25.69
	Family	223.10	286.01	62.91
CDHP/HRA	Single	56.92	72.97	16.05
	Family	178.68	229.07	50.39
Medicare Advantage <sup>2</sup>	Single	17.50	22.44	4.94

<sup>1</sup> Over age 65 Retiree premiums for PPO, HMO, and CDHP/HRA plans will not have a state subsidy and have not been announced, but will be substantially higher than that listed in this table for the PPO, HMO, or CDHP plans.

<sup>2</sup> SHBP Premium plus Medicare Part A and Medicare Part B (\$96.40 in 2009) produces a minimum retiree premium of \$118.84 for single coverage. For 2 people in Medicare Advantage, the premium is \$237.68.

Here is a quick review of recent actions taken by this Administration and the General Assembly that have harmed state employees, teachers and retirees:

- Many state employees are being furloughed without pay;
- Approved salary increases for state employees have been cut;
- State retirees' COLAs have been reduced by 1/3;
- FY 2010 salary increases for state employees and teachers have been eliminated;
- Health Insurance reserves have been reduced by \$783 million and are projected to be reduced to "zero" in FY 2010—even with huge increases in premiums.

So the question is, "How much more should the Governor and General Assembly hope to extract from its workforce and expect them to continue providing services?" The prevalent attitude that state employees and teachers should 'just feel lucky they still have jobs' is very shortsighted. Of course teachers and state employees appreciate their jobs and take pride in doing them well. But you can't build roads and bridges, care for the mentally ill, guard prisoners, educate and protect our children, or provide public safety without a stable and competent workforce.

***What you need to do:***

If you believe that burdening employees, teachers and retirees with large increases in health insurance premiums is excessive even in hard times, and if you want the General Assembly to meet its obligations to its employees and retirees, you are urged to contact your state representative and your state senator. You can find your representative by visiting [www.legis.state.ga.us](http://www.legis.state.ga.us) and then clicking on "Find your Legislator" at the bottom of the page. Or visit [www.mygsra.com](http://www.mygsra.com) home page and go to the "Legislation" tab. From the dropdown menu, click on "contacting legislators". Please take care to follow the GSRA guidelines for communicating with your elected officials.

***You are also urged to contact the Governor, Lt. Governor, Speaker of the House, the DCH Commissioner and every member of the Board of Community Health, and every member of the House and Senate Appropriations Committees. Online GSRA members can click on the links below for contact information. Others please call the number provided to obtain the correct mailing address. (Note that some phone numbers are shared by two or more officials.)***

<b>Georgia Elected Leadership</b>		
<p><b><i>Governor Sonny Perdue</i></b>                      The Office of the Governor                      State of Georgia                      203 State Capitol                      Atlanta, GA 30334                      Phone: 404 656-1776                      FAX: 404 657-7332                      On-Line: <a href="http://gov.georgia.gov">http://gov.georgia.gov</a></p>	<p><b><i>Lt. Governor Casey Cagle</i></b>                      Office of the Lt. Governor                      Administrative Staff                      240 State Capitol                      Atlanta, GA 30334                      Phone: 404 656-5030                      FAX: 404-656-6739                      On-Line: <a href="http://ltgov.georgia.gov">http://ltgov.georgia.gov</a></p>	<p><b><i>House Speaker Glenn Richardson</i></b>                      Office of the Speaker                      332 State Capitol                      Atlanta, GA 30334                      Phone: 404 656-5020                      FAX: 404 656-5644                      E-mail: <a href="mailto:glenn.richardson@house.ga.gov">glenn.richardson@house.ga.gov</a></p>
<b>Department of Community Health</b>		
<p>Rhonda Medows, MD, Commissioner, DCH                      Richard L. Holmes, Chair, Board of Community Health                      Ross Mason, Vice Chair, Board of Community Health                      Inman "Buddy" English, MD, Board of Community Health                      Kim Gay, Board of Community Health                      Ann McKee Parker, Ph. D., Board of Community Health                      D. Raymond Riddle, Board of Community Health                      Archer R. Rose, Board of Community Health</p>		<p><b><i>Mailing address for all:</i></b>                      Georgia Department of Community Health                      Two Peachtree Street                      Atlanta Georgia 30303                      Commissioner Phone: 404 656-4507                      For email, follow this link: <a href="#">email DCH</a></p>

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**REMINDER:**

**Things can move swiftly during the last few days of the General Assembly session. PLEASE DO NOT PUT OFF CONTACTING YOUR LEGISLATORS ON THIS ISSUE!!**