



Senate Adopts Major Change in SHBP Premiums/Benefits

IMMEDIATE ACTION NEEDED. As reported in March, Governor Perdue proposed additional reductions in the State Health Benefit Plan employer contribution. The reduction would have increased the employee premiums by 25%-30% effective January 1, 2010. The House of Representative restored the proposed reductions and transferred the FY 2010 budget to the Senate for action. On March 30, 2009, the Senate Appropriations Committee released the following information.

**Overview of Senate Alternative SHBP Option
(Reprinted from March 30, 2009 Document)**

Overview

In his FY2010 Revised Budget, the Governor proposed to switch state employees to a 30-70 percent match in the employee-employer contribution ratio instead of a 25-75 percent split. This plan would raise \$78 million. The Department of Community health calculated that this would increase some employee premiums by over 25%.

The Senate has proposed a 12-month plan of changes to benefits for state employees and teachers. The plan would emphasize incentives to encourage employees, teachers and retirees to change to the “consumer driven health plans” (CDHPs).

Senate Alternative

The Senate alternative plan would call for a special Open Enrollment period beginning in July to allow members to have the opportunity to switch to more favorable plans, particularly to the Consumer Driven Health Plan (DCHP) option. Participants in CDHPs will see no change in benefits or premiums while those in PPOs and HMOs will see some change in benefits.

Also, the basic premise behind spreading out the various benefits changes over a year rather than in a six month period is that the immediate financial impact on members (especially PPO/HMO participants) will be lessened.

Details of the Proposal

Premium Increases (\$58 million increase in premium revenue)

- 10% premium increase for HMO/PPO in July 09
- 5% premium increase for everyone in January 2010
- **Surcharge Increases**
 - \$10 for tobacco in July 09
 - \$10 for spousal in Jan 10

Plan Design Changes (\$24.3 million expenditure savings)

For HMO/PPO Only

- Raise HMO deductible to \$500/\$1,500
- Change HMO Coinsurance to 85%
- Change PPO coinsurance to 85%/55%
- No Maximum out of pocket changes

TOTAL Savings: \$82.3 million



What you need to do: **The FY 2010 budget is in Conference Committee and will be finalized TODAY (April 2) for final vote on Friday, April 3, 2009.** 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 the *Lt. Governor, Speaker of the House*, your state representative and your state senator, as well as the Chairs of the Senate and House Appropriations Committees **IMMEDIATELY, AND ASK THEM TO SUPPORT THE HOUSE POSITION ON THE FY 2010 BUDGET.** You can find your representative by visiting www.legis.state.ga.us and then clicking on "Find your Legislator" at the bottom of the page. Or visit 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.

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