

State Employees Brace for Increases in Health Care

During negotiations of the 2009 – 2011 state employee contract, Local 17 and other state employee unions bargained aggressively to stem the escalation of member medical costs. These efforts resulted in maintaining the premium sharing between the employer/employee at the 88/12 weighted average ratio.

Unfortunately the state economic downturn still took its toll on the medical plans. Shrinking state revenue caused lawmakers to slash many areas of state government. State employee wages and benefits suffered.

Though the Governor pulled back on negotiated wage increases, her initial budget had proposed funding to cover a projected 8% increase in escalating employee medical costs. However the final budget compromise with the Legislature reduced the funding to 3% - funding that was no way near what was necessary to cover rising costs. Local 17 and other state unions battled during the session to maintain current benefit levels but in the end the massive budget deficit took its toll.

So while the premium sharing ratio remains the same, the Public Employees Benefits Board was tasked with negotiating with medical providers to revise plan benefits in light of appropriations not keeping pace with costs.

On July 8th the PEBB voted on revised plan benefits that will see rising costs in the form of higher annual deductibles, higher co-payments for office visits, higher out-of-pocket maximums, etc. Actual costs will vary from member to member based on your individual circumstances and the medical plan you are enrolled in.

View the specifics at the PEBB website:

<http://www.pebb.hca.wa.gov/changes2010.html>

Members are reminded that open enrollment to change your medical plan takes place this fall. We urge all state members to view the changes in order to educate themselves prior to the open enrollment.

Also, as a hedge on the increasing costs, members are reminded of two provisions in the Local 17 state contract that may help cushion the blow of higher medical costs.

The two provisions: Pretax Health Care Premiums and Medical Dental Expense Account (Articles 42.22 and 42.23) provide members the opportunity to dedicate pre-tax dollars to cover many medical expenses. By planning ahead members can calculate their yearly out-of-pocket medical costs and deposit “untaxed” salary into an account from which to draw from for medical expenses during the year. Contact your payroll office for specifics on these programs.