

Senate Bill 6442 will cost taxpayers \$45 million, expand bureaucracy, eliminate competition and reduce benefits

A state takeover of K-12 educators' health benefit plans would provide **no cost savings** and **will actually cost taxpayers at least \$45 million, according to the state's own fiscal note**. **SB 6442 and its companion bill, House Bill 2724, also will cost school employees more, reduce benefits and limit choices. It also eliminates local decision-making about educator health benefits. That's why educators oppose Senate Bill 6442 and House Bill 2724. They would:**

Impose higher costs:

- **Add more than \$45 million in NEW taxpayer costs:** Partial costs include \$12 million for start up costs in 2011-13, plus \$9.5 million for additional start up costs in fiscal year 2014. The ongoing cost is then estimated to be \$7.1 million per year.
- Requires an additional **\$25 million per year paid by employees through higher premiums and "point-of-service cost sharing" (higher fees)**.
- **Shift all future cost risks to school districts** for costs above the state allocation.
- **Abandon a system that today costs less and provides more:** Currently, the state pays \$768 a month per full-time equivalent K-12 employee vs. \$850 per full-time state employee, yet K-12 employees get coverage that is as good or better than what state employees receive.

Reduce benefits:

- Require lower overall benefits to avoid immediate cost increases.
- Wipe out health care coverage entirely for thousands of part-time employees who work less than half time.

Eliminate competition and expand state government:

- Replace competition among plans school districts select from with a state monopoly that selects one carrier for all K-12 employees.
- Add another costly function to the state bureaucracy at a time when vital funding for K-12 education and other services is being cut.
- Health care funding should pay for benefits, not growth in state bureaucracy.
- What is the evidence that state government can take over a private program, and perform as well or better at a lower cost?

Reward poor customer service:

- The state Health Care Authority had a recent 9-month backlog in paying state employee health insurance claims.
- Courts ruled against HCA for illegally barring some Medicaid patients from emergency room care.
- Recent *Seattle Times* exposé highlighted how the agency's cost-cutting practices were harming patients.
- Adding over 100,000 enrollees to a K-12 program administered by the HCA would likely mean customer service problems for K-12 employees.
- K-12 employees have had the option to enroll in the state employee health care plan since 1995, and less than one percent of the K-12 employees have made that choice.

SB 6442/HB 2724 is a plan based on higher costs, bigger government, less competition, and poor customer service.

There IS an alternative: [House Bill 2666](#) and SB 6553 will help reduce health insurance costs for school employees with families by modifying local school district insurance pools. HB 2666 costs the state nothing, and it maintains local decision making.

Learn more at www.OurVoiceWashingtonEA.org.

