

To: Members of the NC State Health Plan Board of Trustees
From: Carol Vandenberg, Professional Educators of North Carolina (PENC)
Date: March 21, 2017
Subject: Proposed 2018 Benefit Change Recommendations

Dear NC State Health Plan Board Members:

On behalf of the thousands of members of Professional Educators of North Carolina – including teachers, administrators, professional and support staff – thank you for allowing us the opportunity to comment upon the proposed 2018 State Health Plan benefit design changes. As we have noted in the past, these benefits are a critical component of the compensation package offered to our teachers and state employees, and without a strong package of offerings in place, it will be increasingly difficult to recruit and retain quality teachers and state employees. It is in our best interest to ensure that the offerings are as rich and as competitive as possible, providing all members with viable and accessible options that meet their needs.

We appreciate the challenge you have to develop a plan that would meet your obligation to ensure financial stability of the plan for members. It is our hope that you will also aim to have your measures be the least disruptive to member utilization of quality, functional and practical health benefits that are financially accessible to all.

It is our understanding that your consideration will consist of a proposal that includes removing the 70/30 no cost option for members and offering instead that option with a \$25 premium, increasing the premium for the 80/20 plan by over 200%, removing all but one of the wellness credits that keep plans more affordable and eliminating the CDHP which is the richest plan currently available.


We believe it is critical for you to keep in mind during the course of your consideration that throughout an eight-year period from 2009, many educators received lackluster raises. Over that time, those same educators have seen a deterioration of their health benefits and have taken on additional costs to maintain those benefits. Any increase in costs for our members will be unwelcome and burdensome given that we don't know what is ahead for them in salary increases, if any, this year.

We are hopeful that the State Health Plan Board and staff will find more ways to keep member premiums in check so that members will be able to participate in a plan that encourages health and wellness for them and their families. In that respect, we are very thankful that the proposal does not

include a plan to increase family premiums. We know that the choices to be made will set the path for the solvency of the State Health Plan for generations to come and we don't consider that issue lightly. We understand your obligation and hope that you balance that with member interests.

We appreciate the work of the State Health Plan staff and board, and also appreciate stakeholder involvement. Our thanks to you for the opportunity weigh in on this matter.

Sincerely,



Carol Vandenberg, J.D.
Executive Director
Professional Educators of North Carolina (PENC)
www.pencweb.org
Carol@pencweb.org
919.788.9299