



PEIA UPDATE

2010 PEIA Finance Board Plan (as adopted on 12/16/2009)

Good news! As a result of your phone calls, emails and attendance at the PEIA public hearings, as well as the work by PEIA Finance Board member, and AFT-WV staff representative Josh Sword, there will not be an increase in deductibles for active employees. In addition, we were also successful in significantly reducing the out-of-pocket maximum increase proposal. And, we beat back an attempt by PEIA officials to implement a “flat across the board” increase in premiums. Under the PEIA premium proposal, most service employees would have incurred a 12.5% increase in premiums while higher paid public employees would only have incurred a 2.5% increase. WVSSPA Executive Director Bob Brown gave a fiery speech at the PEIA Finance Board meeting accusing highly paid PEIA officials of crafting a proposal that would have reduced their premium increases while shifting the burden to lower paid employees.

Here are the major components of the PEIA Financial Plan, **effective July 1, 2010**.

I. Premium and out-of-pocket increases:

- A 4% increase in premiums. For most single plan service employees this will amount to a \$2 or \$3 per month.
- **Thanks to an amendment offered by Josh Sword, there will not be an increase in deductibles for active employees.** The proposed PEIA plan had called for a \$50.00 increase in deductibles for active employees depending on the plan. Retirees however will incur a \$25.00 increase in deductibles.
- There will be an increase in the maximum out-of-pocket costs for **family plans only, but the increase will be 50% less** than the original PEIA proposal. Because we were able to beat back the original PEIA proposed increase, families will save hundreds of dollars.
 - For example, a school service employee making \$22,000, their out-of-pocket maximum for the **family plan** moves from \$1,100 to \$1,650, instead of the \$2,200 proposed by PEIA officials. Out-of-pocket maximums will not increase for individual employee plans.

II. Prescription Plan:

- A change in the prescription drug formulary for both active and retired employees;
 - Approximately 4% of utilized drugs will be moving to a higher tier thereby requiring participants to use generic drugs or face higher co-pays for certain drugs.

III. Other Changes:

- Employees will be encouraged to undergo blood work and other testing. However, a failure to undergo the blood test will **not** result in an increase in premiums. Co-payments will be waived and plan participants will not incur any costs for these tests.
- Much like the tobacco discount, employees who have signed an affidavit that they have completed a living will by 2012, will receive a yet-to-be-determined premium discount. Participants **will not** be required to share their living will with PEIA.

IV. WVSSPA was successful in defeating the following two proposals. They will NOT be implemented.

- The creation of a new WV plan that would have limited employees to receiving care in West Virginia.
- Public employee's spouses, who have access to health care through their employer but choose a PEIA family plan, would have been forced to pay a higher premium.

Stay tuned for our membership mobilization/media campaign to preserve affordable and accessible health care for current and future school employees.

PLEASE POST!