

HEALTH Watch



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*There are two types
of education...
One should teach us
how to make a living,
And the other
how to live.
— John Adams*

LAWMAKERS AND YOUR HEALTH INSURANCE

As expected, the 2004 legislative session again finds the lawmakers grappling with huge budget deficits. One bill currently under consideration in the legislature is House Bill 44 (HB44). This bill is virtually identical to the legislation that was passed last year and included in the tax referendum, but was not enacted when the referendum failed to pass.

Like the earlier legislation, HB44 would change the premium structure of the health plan for active and retired state employees and teachers. Some of the main points of the bill would:

- Require that active and retired employees pay a share of their health insurance premium based on the average in surrounding southeastern states;
- Tie increases in active and retired employees' premiums to years in which the legislature grants cost-of-living raises;
- Establish a target employee contribution percentage for the six health insurance premium classes: active employee, active employee with dependent coverage, non-Medicare retiree, non-Medicare retiree with dependent coverage, Medicare retiree, and Medicare retiree with dependent coverage;
- Provide some relief for employees whose family income is less than 200% of the Federal Poverty Level (FPL); and
- Require that employees who retire with less than 25 years of state service pay a greater portion of the total retiree premium based on the number of years they worked.

Long Time SEIB Employee Retires

With more than 25 years of State service, 23 of it with the SEIB, Teresa Danzey Morgan retired at the end of February. Teresa started with the SEIB, when it was administered by the RSA in the 1980s, and was one of the first employees when the SEIB became a separate agency. She has been a fountain of enrollment and benefit knowledge and has helped thousands of State workers and their dependents over the years. Teresa will be greatly missed in our office and by the many State employees she helped. She plans to keep busy traveling and spending more time with her family.

Montgomery Advertiser
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 A GANNETT NEWSPAPER
 Incorporating the Alabama Journal, 1950

State savings must come from pockets of state workers

Some weeks ago Gov. Bob Riley announced the appointment of a 40-member committee with a rather wordy title: "The Governor's Commission on Efficiency, Consolidation and Funding."
Bob Ingram
 COMMENTARY
 At the first meeting of this group the governor nuanced no words. The General Fund, with an operating budget of a fraction over \$1 billion, was facing a \$290 million shortfall. His charge to the members, Fitz

was to provide the same rates it currently provides state workers at the same rates and should surprise no one in state government. The increasing costs of health insurance for public employees and retirees has been a subject of debate for the past few years. What is surprising is the untold liability that has been a subject of these dire predictions. New estimates by Mellon and PricewaterhouseCoopers show that Alabama faces an estimated \$10.9 billion in health insurance costs in coming decades for current and future retirees of its public schools, colleges and state agencies. In order to meet that obligation, the state would have to come up with somewhere between \$600 million and \$1 billion in new revenues for just health insurance costs, according to finance officials.

Riley plan cuts extra funds for health insurance

BY DAVID WHITE
 News Staff Writer
MONTGOMERY — Alabama agency employees now pay \$100 per hospital admission and \$15 per day for the second through 10th days in the hospital. There's no copay after that.
 But those payments next year could jump to \$200 or \$600 per hospital admission and a copay of \$100 to \$150 per day for the second through fifth days, William Ashmore, executive director of the State Employees' Insurance Board, said Wednesday.
 Gov. Bob Riley has proposed giving the SEHIP an extra \$10.5 million from the state General Fund next year, for short of the requested to meet rising medical costs.
 The 11-member board over-see health insurance for state employees and retirees. Its members include state Finance Director Drayton Nabers Jr. and Retirement Systems of Alabama chief executive David Brunner.
 Ashmore briefed SEHIP members Wednesday on ways they could cut insurance benefits or raise premiums to cope with an increase of \$16.2 million from the General Fund next year. But Nabers after the meeting said the General Fund would be so short of money that Riley is proposing an increase of only \$10.5 million.
 If state lawmakers approve that lower amount, Ashmore said, the SEHIP board, besides forcing to cancel dental coverage and make people pay the first \$250 each year on doctor visits, said, the board likely would have to raise the copay from the current \$25 to at least \$35 per visit.
 "We're talking benefit cuts that are just huge," he said. Brunner said the cost increases and benefit cuts could

Health coverage costs spiral up

Using new projections by state consultants, the Riley administration is pointing out to the public that the state simply cannot afford to continue to provide the same rates it currently provides state workers at the same rates and should surprise no one in state government. The increasing costs of health insurance for public employees and retirees has been a subject of debate for the past few years. What is surprising is the untold liability that has been a subject of these dire predictions. New estimates by Mellon and PricewaterhouseCoopers show that Alabama faces an estimated \$10.9 billion in health insurance costs in coming decades for current and future retirees of its public schools, colleges and state agencies. In order to meet that obligation, the state would have to come up with somewhere between \$600 million and \$1 billion in new revenues for just health insurance costs, according to finance officials.

Insurance

Covered state employees, teachers and retirees need to help absorb higher costs.
 Without changes last week, according to Nabers, the state would have to face \$283 million in new debt every year for state employees and retirees. A statement released by the Finance Office notes: "This is more than the entire General Fund budget for Medicaid for FY 2004, almost three times the General Fund budget for Mental Health, and more than five times what we will spend from the General Fund this year for the entire Department of Public Safety."
 On the teachers side of the ledger, the state would face \$112 million in new debt every year, which is 17 times as much as we usually spend on textbooks for our public schools, students, and 37 times as much as we will spend this year for the Alabama Reading Initiative.
 Nabers would like to see the state boards that oversee insurance, the Public Education Employees' Health Insurance Plan Board and the State Employees' Insurance Board, start to address the problems by either reducing benefits or increasing premiums or co-pays that state employees, teachers and retirees

State retiree health costs now \$10.9B

By Jannell McGrew
 Montgomery Advertiser
 ▶ State bingo bill delayed 3B

Take out your wallet, and pay every man, woman and child in Alabama \$2,400 each. health care is approximately \$10.9 billion — a far cry from the \$7.5 billion estimate he gave last month.

FLURRY OF ACTIVITY

Unless you've been comatose or out of the country lately, you have seen the troubling reports on the financial crisis the State now faces. Much attention has been focused on the benefits and premium structure of State employees' health insurance program.

The Board has been busy providing the Governor, legislators and media with various reports, financial projections, cost trends, etc. Executive Director William Ashmore authored a survey of neighboring states that compared employee benefits, premiums, and compensations with those of State of Alabama employees. The February *HealthWatch* featured a summary of this comparison for the 13 southeastern states. Press releases were distributed to the major newspapers in the state to ensure that the figures released by the media were accurate.

In this issue we want to show the difference between Alabama State Employees' Health Insurance Plan (SEHIP) benefits and 13 of the largest employers in Alabama that represent more than 400,000 employees. (Note: All plans in the survey are administered by Blue Cross Blue Shield of Alabama.)

Benefits	SEHIP Copays and Deductibles	Private Sector Copays and Deductibles are		
		Below	Equal	Above
Hospital				
Deductible	\$100.00	0	7	6
Daily Copay	\$15.00	8	0	5
Physician Office Visit	\$25.00	5	6	2
*Prescriptions				
Tier 1	\$10.00	6	6	0
Tier 2	\$20.00	8	4	0
Tier 3	\$50.00	12	0	0

* One company did not report their prescription copays.

We also want to show a comparison of the State employee health insurance benefits in the neighboring states to ours:

	Alabama	Florida	Georgia	Mississippi	Tennessee
Current Benefits:					
Hospital Deductible	\$100	\$250	\$250	\$450	\$300
Physician Office Visit	\$25	\$15 Primary \$25 Specialist	\$30	20%	10%
Prescription Drugs					
Deductible	\$0	\$0	\$0	\$50	\$0
Generic	\$10	\$10	\$15	\$11	\$5
Preferred	\$20	\$25	\$25	\$27	\$20
Non-Preferred	\$50	\$40	20% (\$35 min to \$100 max)	\$42	\$40
Plan Deductible	\$100	\$250	\$300	\$450	\$300

TAKE CHARGE OF YOUR HEALTH

The State Employees' Insurance Board is excited to offer its members a new Disease Management Program effective July 1, 2004. This is a voluntary program for anyone with diabetes, COPD (chronic obstructive pulmonary disease), and coronary artery disease. The program is designed to incorporate the physician and member in the management of the disease process. Studies have shown that education, awareness, and accountability are the keys to a successful Disease Management Program.

Educational materials will be mailed to all members explaining the program and how you can get involved.

BCBS ForYourBenefit

Have you checked out Blue Cross's ForYourBenefit website? If not, go to www.bcbsal.org and click on *Customers*. On the *Customers* screen click on *ForYourBenefit*.

If you haven't registered, click *Register Now*. You will be presented with terms and conditions that you must agree to and then you have to furnish some basic information to set up your account.

Once you are registered, you can view:

- Your current Eligibility Information
- Your Claim Information
- Your Flexible Spending Account Summary (if you participate)

You can also request replacement ID cards, a Certificate of Creditable Coverage, and various forms and informative brochures.

IF YOU SEE AN ERROR IN YOUR ACCOUNT, PLEASE NOTIFY THE SEIB!

Thank You Brenda!

For the last twelve years Brenda Emfinger has faithfully served on the State Employees' Insurance Board as your active employee representative. During her tenure on the Board, Brenda was always outspoken in her support for state employees. Through her untiring efforts, state employees enjoy one of the best and affordable health plans in the southeast. Brenda's intelligent and thoughtful presence on the Board will be missed. Thank you Brenda for twelve years of devoted service to state employees.

Welcome Robert Wagstaff

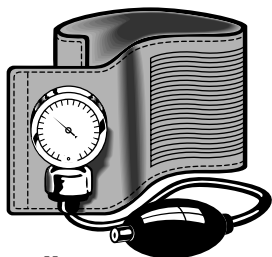
Robert Wagstaff, a career state employee, was recently elected as an active employee representative to the State Employees' Insurance Board. Robert has served on multiple ASEA employee committees and is committed to protecting the benefits of state employees. We welcome Robert and look forward to his service on the Board.



May Is National Blood Pressure Month

It's Never Too Late to Get Healthier!

New research shows that it's never too late to get healthier. Regardless of your age, there's a good chance that you can turn your health around. This is especially true of habits that affect the circulatory system, say doctors at the Centers for Disease Control and Prevention (CDC).



Check out these facts:

- Sedentary 40-year-old women who start walking briskly for half an hour four days a week soon have nearly the same lower risk of heart attack as those who have exercised their entire lives.
- Women who eat just 8 ounces of fish a week can cut their risk of stroke in half.
- Eating more fruits, vegetables and fiber changes the blood's sensitivity to insulin within two weeks, helping decrease the risk of diabetes almost immediately.
- From the day you quit smoking, carbon monoxide levels in your body drop dramatically. Within a week, your blood becomes less "sticky," and your risk of heart attack begins to decline.

Also in May - National Employee Health & Fitness Day

National Employee Health & Fitness Day (NEHF) 2004 is Wednesday, May 19, 2004. Administered annually by the National Association for Health & Fitness, NEHF is a national health observance, created to promote the benefits of physical activity for employees at their worksites. In its 15th consecutive year, NEHF has enlisted tens of thousands of company participants from around the world.



Do you know. . .



- Who can be covered as dependents and what documentation is required?
- What is utilization management and when is the \$500 deductible imposed?
- What is maternity management and how can you save \$100?
- How do you enroll for coverage as a retiree?
- Where can you find copies of the SEIB Administrative Procedures Guide, Blue Cross Blue Shield Summary of Benefits, HealthWatch newsletters, Routine Vision Care and Lasik Discount Network provider listings, etc?

For answers, go to www.seib.state.al.us/2k2/seip/ee.asp.

APRIL/MAY HEALTH CALENDAR

Focus On	Sponsored By	Website
Alcohol Awareness	National Council on Alcoholism and Drug Dependence	www.ncadd.org
Arthritis	Arthritis Foundation	www.arthritis.org
Asthma and Allergy Awareness	Allergy and Asthma Network/ Mothers of Asthmatics	www.aanma.org
Better Sleep	American Sleep Disorders Association	www.asda.org
Child Abuse Prevention	National Center on Child Abuse and Neglect	www.calib.com/nccanch
High Blood Pressure	American Heart Association	www.amhrt.org
Melanoma/Skin Cancer Prevention	National Cancer Institute	www.nci.nih.gov
Mental Health	National Mental Health Association	www.nmha.org
Stroke Awareness	National Stroke Association	www.stroke.org