

## **House FY 2012 Budget Increases Employee/Retiree SHBP Premiums**

The FY 2012 Budget that was passed out of the House includes an **increase** in employee/teachers/retiree **premiums** to the State Health Benefit Plan **from 10% to 20% effective for Calendar Year 2012.**

You have likely read news articles about the **\$250 million shortage** in the SHBP and that the House FY 2012 budget now includes yet another premium increase to SHBP members while the state continues to decrease funding to the plan.

If you would like to contact your representative and senator to express your concerns, the following facts about how much your cost has increased may help you in crafting your message.

- Your premiums for the SHBP have increased by 30% during the last 3 years, and if you have children covered, the premium has increased at a higher rate since you “picked-up” 50% of the projected increased dependent cost for coverage for children up to the age of 26.
- Your deductibles have increased on average about 35%;
- Your copays, coinsurance and maximum out-of-pocket costs have increased over the last 3 years at 50%.

You may also like to include the following facts in your request to your elected officials:

- that you have not received an adjustment or that you received a reduced adjustment in pension payments during the last 3 years
- that state employees have not received an increase in pay in 3 years;
- that teachers have not received an increase in the pay plan in 2 years;
- that state employees and teachers have actually suffered a reduction in pay because of the furloughs imposed.

If you recall, the financial condition of the SHBP would not be in such dire straits had Governor Perdue not reduced revenue into the plan in FY 2008-2010 that required the use of approximately \$900 million from the plan’s reserves. A portion of that reserve was contributed by members also.

DCH states that the State has reduced the funding for the cost of the Public School Employees (including their retirees) from \$279 million to \$25 Million in FY 2011 and has included only \$30 million for this population in FY 2012.

The bottom line is that the members have paid their share in the last 3 years through premium increases and reduced benefits (increased deductibles and out-of-pocket expense). Over the same period, the State has reduced its contribution to the SHBP by approximately \$900 million to fund other State programs.

Further, DCH’s presentations show that the State is contributing in FY 2012 only about 27%-30% of the cost to provide benefits for the Public School Employees (including retirees). If the State does not fund an appropriate amount for coverage of this population, you—the member—will have your premium increased to partially fund the shortfall in FY 2012.

### ***What you need to do:***

If you are concerned about the funding of the SHBP, contact your legislator and senator. Express your concern about the inequities of passing a much greater portion of the SHBP costs to you—the member—while reducing the funding being contributed by the State. Ask your Senator to adequately fund the SHBP, and at minimum to agree with the Governor’s recommendation to limit the increase in premiums to only 10% rather than the House version of 20%.

You can find your representative by visiting <http://www.legis.ga.gov/en-US/default.aspx> and then clicking on "Find your Legislator." When the screen is presented, enter your address. Please take care to follow the GSRA guidelines for communicating with your elected officials.

In addition, you may want to contact the officers of the Senate Appropriations Committee listed below.

Chairman:	Senator Jack Hill	404-656-5038	<a href="mailto:jack.hill@senate.ga.gov">jack.hill@senate.ga.gov</a>
Vice Chairman:	Senator Greg Goggans	404-463-5263	<a href="mailto:goggans@vzw.blackberry.net">goggans@vzw.blackberry.net</a>
Secretary	Senator Tim Golden	404-656-7580	<a href="mailto:tim.golden@senate.ga.gov">tim.golden@senate.ga.gov</a>

The Senate Appropriations Committee is very large. If you would like to contact each member of the Senate Appropriations Committee, please visit <http://www.senate.ga.gov/committees/en-US/committee.aspx?Committee=103&Session=21>. A postcard or letter can be addressed to each Committee member at:

Senate Appropriations Committee  
234 State Capitol  
Atlanta, GA 30334  
Main Telephone: 404 656-5038

**If you want to express your opinion, it is important that you make your contact within the next several days.**