

# Everett School Employee Benefit Trust

Trustees: Mike Gunn Molly Ringo Elizabeth Selders Susan Lindsey  
David Jones, Chair John W. Morrill, Secretary

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4730 Colby Avenue ♦ Everett ♦ WA ♦ 98203 ♦ Phone: (425) 385-4023 ♦ Fax: (425) 385-4022

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Everett School District Employees:

One of the hottest topics in the 2012 legislative session was K-12 Health Care Benefits. The legislature had much debate and discussion right down to the end of the special session. Many of you have had questions as to its implications and asked questions such as “What does this mean for me?” Since the Everett School Employee Benefit Trust has a structure different than in all but a few school districts, many of the issues and concerns regarding K-12 benefits and rate structures did not apply to us, but were issues throughout the state for employees in other districts.

The following is a summary of four key goals of the legislation, and a description of anticipated impacts on the Benefit Trust and our employees.

## Key Legislative Goals

1. Improve transparency of health benefit plan claims and financial data.

We believe school districts will have access to the financial data (claims history and expenses) of health insurance providers. This will happen through newly required reporting by school districts and their providers. Prior to enacting this law the Legislature and Health Care Authority were unable to collect data from all the school districts, and thus were not able to base their policy decisions on a complete picture to determine whether or not consolidating K-12 health care would be more cost effective. Having access to this information will also be of value to the Trust in examining current providers, negotiating new rates and coverage levels.

2. Create greater affordability for full family coverage.

Since its inception the Benefit Trust has placed a strong value in providing coverage to support families as well as employees. In a number of districts, employees bear the full cost of coverage for family members. The Trust is in compliance with this provision except possibly for a small adjustment that will need to be made to the Group Health plan rate structure.

3. Promote healthcare innovations and cost savings, and significantly reduce administrative costs.

The Trust's Wellness Plan is considered to be a model. (This year it was one of three school districts in the nation to receive the School Employee Wellness Program award.) The Health Care Authority and Legislature are well aware of the Trust's innovative approach.

4. Provide greater parity in state allocations for state employee and K-12 health benefits.

We are unclear as to what this means and are waiting for clarification.

As with any new legislation, there are many regulations still being written and details developed. Keep in mind that this legislation is designed to gather more information for the legislature to make a more informed decision regarding the cost effectiveness of the current health care delivery model. In the meantime, there are some changes, but for the most part it appears that they will have little impact on the Trust and eligible employees. The legislative action requires a significant amount of data reporting by school districts and benefit providers. In 2015, reports will be submitted to the Governor, Legislature and joint committees which must include a review of multiple years of data to determine if it would be more cost effective to have the state provide medical benefits and recommendations for legislative action. Also it is important to remember, while the state examines K-12 health care, we will also experience changes due to the enactment of the federal health care law.

As the implementation of this legislation moves forward, the Trust will continue to keep you apprised of issues that may impact our employees and the Trust.

Sincerely,

Trustees of the Everett School Employee Benefit Trust



Molly King

Susan Lindsey

John M. Morill

Elizabeth B. Selders

David W. Jones -