

May 1, 2009

Smoking educators in Alabama to pay more

PHILLIP RAWLS

Associated Press

Alabama's health insurance plan for public education employees is going to keep the same basic rates for most participants when the new fiscal year begins Oct. 1, but smokers will have to pay slightly more.

The board of the Public Education Employees Health Insurance Plan decided Friday to maintain the same basic rates for active employees: \$2 per month for individual coverage, \$132 for dependent coverage and \$134 for family coverage. The rates for retired education employees will also stay the same.

The board unanimously raised the surcharge for smokers by \$2 per month to a total of \$25 starting Oct. 1. That affects about 20,000 people.

As a cost-saving measure, the board voted to eliminate all of its wellness program except flu shots. Deputy Director Marc Reynolds said eliminating health screenings, osteoporosis screenings, Weight Watchers and other feature of the wellness program should save \$3.5 million in the new fiscal year. But he said it could be more costly in the long run if illnesses are detected later and the treatment is more expensive.

The board had to look for cost savings and revenue generators because the education budget passed by the Legislature on Thursday provided for no increase in funding for health insurance for the 284,655 active and retired employees and dependents who have coverage. The Legislature did that, at the request of the Alabama Education, to put as much money as possible toward maintaining school jobs during the recession.

AEA Executive Secretary Paul Hubbert, who is also chairman of the insurance board, said Friday that unless the economy makes a quick recovery, an increase in rates will likely be necessary in a year.

"Next year we are going to have a bigger problem," he told the board.

The state's other health insurance board for non-education employees, the State Employees' Insurance Board, will meet in the summer to make decisions for the next fiscal year.
