

PEEHIP Board Lowers Premiums for Member and Spouse-only Coverage

BY DON YANCEY, DEPUTY DIRECTOR

On March 6, 2018, the PEEHIP Board voted to restructure its premiums, create a new premium tier, and lower premiums for **members or retirees who are enrolled in PEEHIP with spouses as their only dependent.** The PEEHIP Board took the action in response to members' concerns that it seemed unfair that those with only a covered spouse paid the same premium as those who had coverage for their spouse and other dependents. The PEEHIP Board heard your concerns and made the change to address them.

It is important to know that it costs the plan on average almost **3 times as much to cover a spouse as to cover a non-spouse dependent.** That is the reason

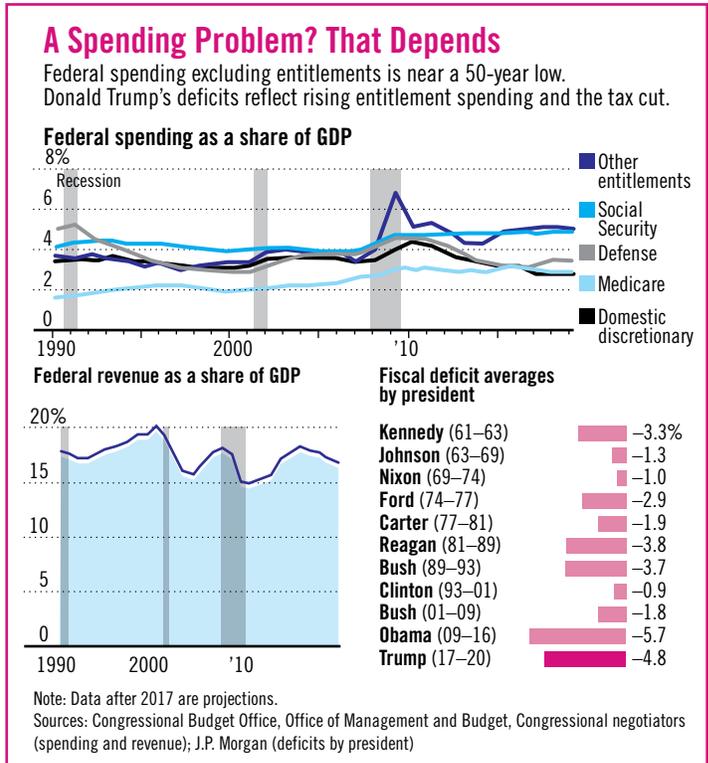
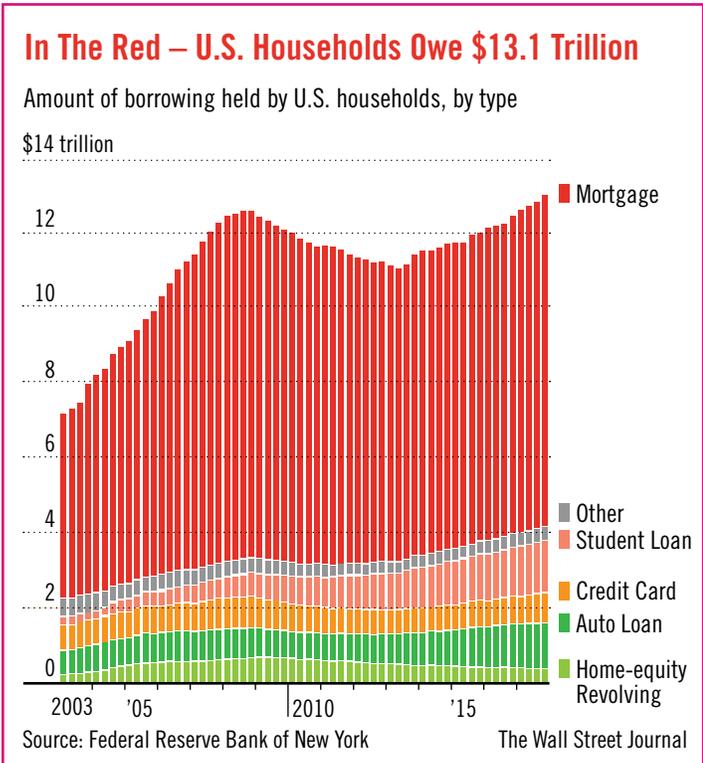
a member enrolled in coverage with no dependents other than his or her spouse pays more than a member enrolled in coverage with only non-spouse dependents. The cost differential is due in large measure to the fact that as a group, spouses are much older (and thereby require more healthcare) than other dependents, who are almost all children aged birth to 26.

Generally, active members with spouse-only coverage and retirees with non-Medicare eligible spouse-only coverage will pay **\$25 per month LESS** than under the previous premium structure. **This equals an annual savings to the member or retiree of \$300.** If you receive the *PEEHIP Advisor* insert, please refer

to it for specifics on all retiree premium reductions, which are dependent on Medicare eligibility and other factors.

These premium reductions will go into effect May 1, 2018. **Please note that there will be no premium increase for anyone as a result of the premium structure change.** Although this premium reduction will cut PEEHIP's revenue by \$5 million annually, the Board felt it was more important for the Board to address members' concerns.

The PEEHIP staff and Board will continue to work hard to meet the challenge of rising healthcare costs while keeping costs to the members as low as possible. ●



How Alabama Taxes Compare

SOURCE: PARCA

ALABAMA'S TAXES AND REVENUES COMPARED

In 2015, Alabama state and local governments collected a total of \$15 billion in taxes, or \$3,144 per resident. Across the U.S., the median value for state and local taxes per capita was \$4,379.

Thus, the median state had a per capita tax advantage of \$1,235 over Alabama. In other words, if Alabama collected taxes at the per capita rate of the median state, local and state governments here would have an additional \$6 billion to spend building and maintaining roads;

providing police and fire protection; operating civil and criminal courts; supporting schools and colleges; libraries and parks; and the myriad of other functions governments perform.

National comparisons aren't always convincing because of regional economic differences. But Alabama stands out even in the Southeast.

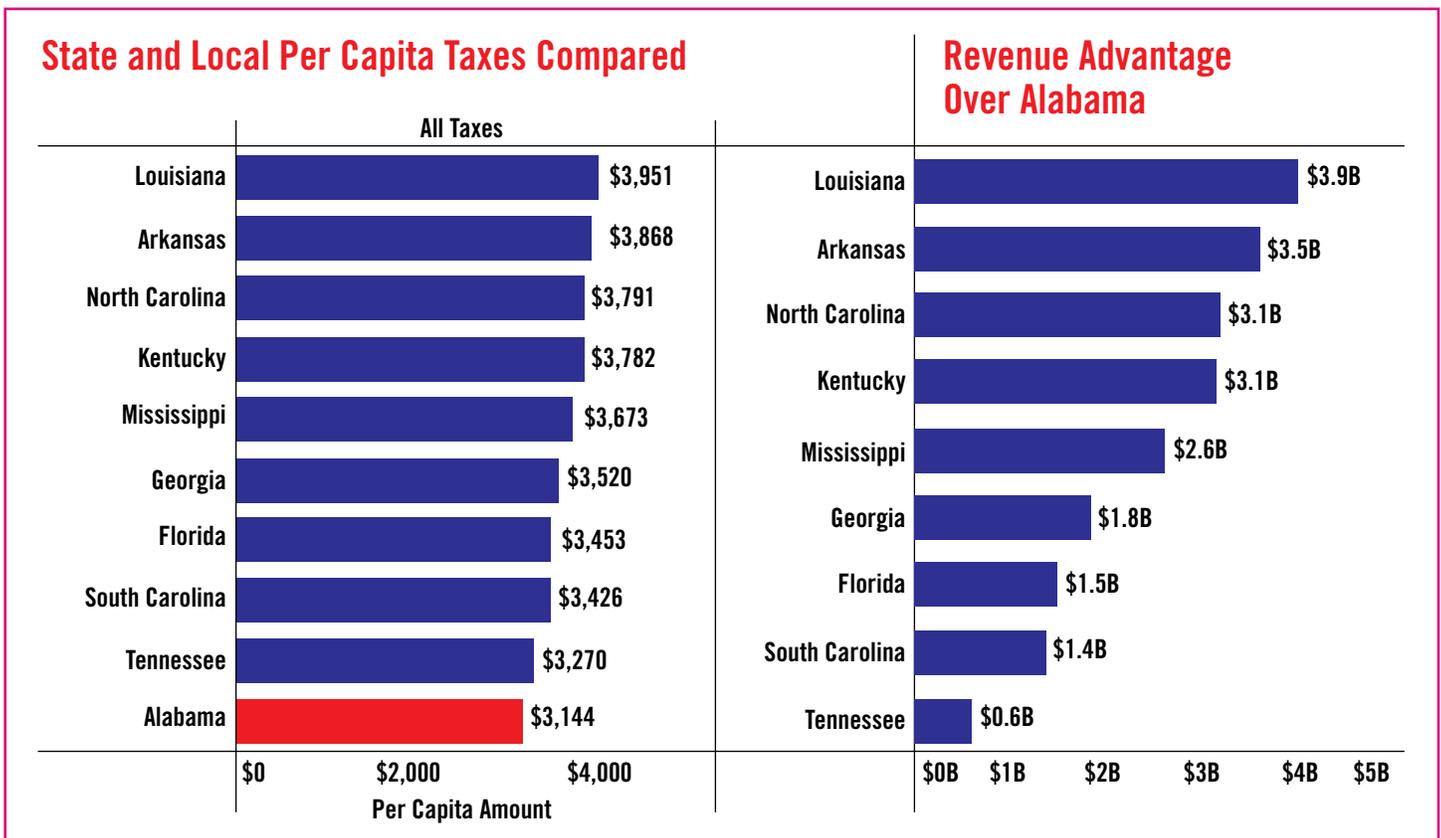
Figure 1 presents two sets of calculations. On the left, the Southeastern states are compared and ranked on their total state and local tax collections divided by

their populations, producing a total for tax collections per capita.

Alabama ranks at the bottom. The state closest to Alabama in terms of per capita tax collections is Tennessee, which collects \$126 dollars more per resident than Alabama. The top Southeastern state in terms of taxes per capita is Louisiana, which collects \$807 more per resident than Alabama.

The chart below illustrates the tax revenue advantage governments in the region enjoy over Alabama. ●

Figure 1. State and Local Taxes Per Capita, Source: U.S. Census Bureau, PARCA calculations.



The World's Plastic Pollution Problem

- The first global analysis of all mass-produced plastics conducted by a group of U.S. academics and released last year found that humans have produced **8.3 billion tons of plastic since the 1950s** with the majority ending up in landfills or polluting the world's continents and oceans.
- Last year, a *Guardian* investigation

found that **one million plastic bottles are bought around the world every minute**, and that number is expected to jump another 20% by 2021.

- Despite an absence of humans, Arctic beaches are now heavily polluted with plastic. Last year, scientists found nearly 18 tons of plastic on one of the world's most remote islands,

Henderson Island, an uninhabited coral atoll in the South Pacific.

- **Plastics are also notorious in the greenhouse gas department.** Roughly 8% of the petroleum used worldwide each year goes to make plastic directly or to power the plastic manufacturing processes, according to a report by the Worldwatch Institute. ●

Alabama Trooper Shortage is a Matter of Life and Death

BY DAVID STEWARD, PRESIDENT OF THE ALABAMA STATE TROOPER ASSOCIATION

Between late 2010 and the end of 2014, the state of Alabama did not hire a single state trooper. Despite this freeze, we still had over 400 state troopers.

Now we have less than 300.

That leaves us over 700 men and women short of the number that we need (1,000) according to the Center for Advanced Public Safety at the University of Alabama.

In fact, since that hiring freeze, trooper levels have dipped 22% further. The year before the freeze there were 333 fatal accidents on Alabama roads. Last year there were 848.

That's a 155% increase in roadway fatalities.

After spending the last 21 years as a state trooper, I can assure you there's a clear correlation between those numbers. There is no question that more troopers on the road deter accidents and saves lives.

Response times can be measured in hours, not minutes in rural counties. Many times troopers are handling multiple counties, covering hundreds of miles. Ideally backup is a few minutes away, but at current levels, it could be 45 minutes

or more. We've reached a point in staffing where it's no longer just a safety concern for the people we serve, it's a safety concern for our officers.

The force continues to grow older with a shrinking applicant pool to replace them. Many in our current force are eligible for retirement or will be soon. Without



the ability to offer competitive salaries and benefits, those pools will continue to shrink.

It's not just a manpower shortage, resources are scarce as well. Troopers head out onto the highways in cruisers that are past their useful life, with equipment that needs to be replaced. Safety concerns are exponentially compounded when you're

understaffed and underequipped.

Alabama doesn't have unlimited funds, but the state is in a very different economic situation than we were in 2010. The unemployment rate has hit record lows, the economy is growing, and the state budgets are in better shape than they've ever been. One of the primary

functions of government is protecting its citizenry and that begins with a properly funded state police unit.

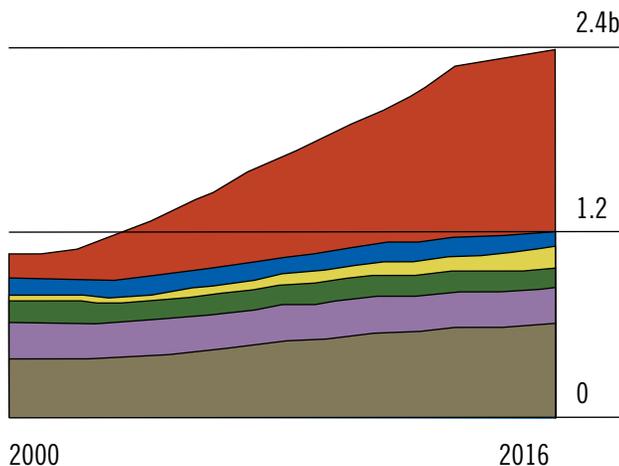
This notion was borne out in a recent survey of Alabamians. 75% of respondents believe a lack of troopers is leading to unsafe roadways. 75% also think troopers should receive more funding, even if it means making other cuts in the budget.

The decision to serve the people of this state was an easy one, but the job can be anything but. Our current funding level makes it nearly untenable. Alabama has a long history of unwavering support of our first responders. Please encourage your lawmakers to continue that tradition. ●

A Global Imbalance of Steel Power

World steelmaking capacity, in metric tons per year

China U.S. India Japan EU Other



From 2000 to 2016
China's share of global
steelmaking capacity
grew from 14% to

49%

Source: Bloomberg

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- April 1-2, 8-9, 15-16, 19, 22, 29-30
- May 6-7, 10, 14, 17, 21, 25-30
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Renaissance Montgomery—\$119

- April 1, 29-30 • May 6-9, 11-13, 25-31
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- April No Dates • May 8-9, 11-12, 25-26, 29-31
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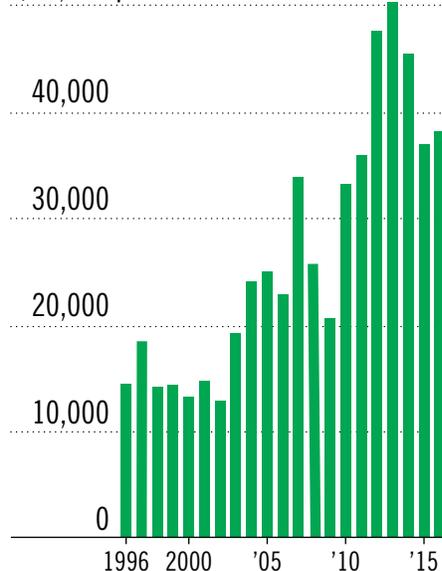
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Farm Income Down

Revenue minus production costs

\$50,000 per farm



Source: U.S. Department of Agriculture
The Wall Street Journal

Most U.S. farm households can't solely rely on farm income, turning what was once a way of life into a part-time job. On average, 82% of U.S. farm household income is expected to come from off-farm work this year, up from 53% in 1960, according to the U.S. Department of Agriculture.

"Most farmers are still on their land today because of their off-farm jobs," said Dan Kowalski, head of research at CoBank, one of the largest U.S. agricultural lenders. "Without these jobs, these farms would be consolidating at a faster rate." ●



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