



My name is Suzanne Dirmaier. I served on the Act 85 Vermont Educational Health Benefits Commission as the designee for Vermont-NEA. The last time I spoke to you was on January 18, 2018.

The bulk of my comments then centered around the reasons that VT-NEA could not support the Health Benefits Commission majority report.

Those reasons included a lack of agreement on the principles of equity, affordability and income sensitivity.

The task of finding agreement on the series of charges to the commission among nine people as you already know, was difficult. The chair started looking for consensus with the third charge of eight...; "whether to use income-sensitized premiums..." as that topic had wide-spread support in earlier discussions among the commissioners. Unfortunately, the school boards could not support the inclusion of income sensitivity as a firm recommendation.

Why does Vermont-NEA believe income sensitivity must be considered? Let's take the information we know to date.

Premium Share: Employees pay between 4% and 20% of the premium usually tied to the Gold CDHP.

Out-of- Pocket Costs: Currently out of pocket costs for employees range from zero dollars to more than a thousand dollars, depending on their work classification and tiers of coverage (e.g. single, two-person/parent child, family). Most employees to be clear, are making contributions to their OOP costs.

Wages: First-year teachers in Vermont, in 2016-2017, earned starting salaries between \$33,548 and \$42,676 – a difference of \$9,128. That same year teachers with a Masters' Degree and some number of additional graduate credits ranged from \$60,376 to \$88,255 – a difference of \$27,879. Wages for support staff and non-certified professional are difficult to quantify, however, we do know that great disparities exist in those categories as well. We have almost no data on what administrators currently make in Vermont, but I suspect these figures are wide ranging too.

If the State provides a single benefit through legislation or bargaining for all school employees we believe the following also must happen.

Equity: Vermont must provide the same tiers of coverage to all school employees. This does not exist universally now. There are employees, for example, who have access only to single coverage with just a \$400 stipend from the district to pay for it, while other employees have access to all tiers of coverage with varying levels of employer contributions. The inequity is striking and longstanding.

If the State provides a single benefit plan for all school employees it must take into account the diverse levels of premium cost sharing that exist at present between employee groups and employers. And it must give serious consideration to the income disparity among employees within and among different groups, teachers, support staff and administrators.

Affordability and income sensitivity:

In the past three months, since the start of the new high-deductible plans, we at VT-NEA have experienced a high volume of calls from our membership about issues surrounding health insurance. To be clear, we have had many about the well reported TPA problems, but to my point about income sensitivity and affordability, many calls are not about the third-party administration issue at all.

What we have heard directly from members - is that some are forgoing prescription drugs and medical needs because they simply don't have the out-of-pocket (OOP) money necessary to avail themselves of prescription drugs and/or medical care – it can be as much as \$1,200 they have to pay up front, first dollar, before they receive any financial assistance from their school district for medical or prescription services.

In general, school employees are feeling whip-sawed by change to their health insurance and their access to quality care.

Finally, in January I was asked by a member of this committee, if we had more time, would the Commission been able to come to agreement? Time certainly can aide a deliberative process, but it is also a commodity we don't have enough of.

I strongly urge this committee to consider the “bargaining purgatory” that local boards and school employees have been trapped in for almost a decade. Well-meaning legislation - Act 153 in 2010, (modified by Act 30, 58, 56 and 156), Act 46 and Act 85 -- have all created opportunities and consequences for local bargaining. We need stability and predictability moving forward. We simply cannot continue to bargain non-stop with nearly every contract in the state open nearly every year.