

TO: Senate Education Committee

FROM: Jeff Fannon, Vermont-NEA Executive Director

DATE: May 2, 2018

RE: Educator Health Care – Draft 5.1

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Thank you for allowing me a chance to speak about your draft bill, but I'll start with some background. Our proposed health care solution would create one equally governed Commission to establish a single health plan for all school employees that would also establish premium shares and cost-sharing arrangements. All employees would have access to all tiers of coverage based upon one's ability to pay and it would allow for a phase-in of these coverage and costs details. Finally, our proposal also requires meaningful health care reform measures so that we begin to address the increasing costs of health care and not just merely shift who pays the ever-increasing cost of health care.

Version 5.1 of the bill does move in the right direction inasmuch as it establishes equality at both tables—the plan design table and the cost table. The two table approach does, however, seem to be a bit cumbersome and the resolution process does seem to be unnecessarily process orientated. Our proposal would have moved to binding arbitration much quicker, i.e., the parties get a decision sooner, which we think is advisable.

We believe the draft needs to be clearer about a few items that I'll enumerate here:

- Retirees - we want to make crystal clear that retirees do not suffer any harm in this transition
- All school employees need to be covered
- All employees need to have access to all tiers of coverage
- The historic academies need to be included and protected
- The draft bill's restructured VEHI needs to have language added that requires it to investigate health care reforms that lower costs
- Any transition should protect employees with, for example, income sensitivity and gradual changes