

## Support House Bill 3075: Restore coordinated spousal coverage and insurance opt-out

**Act now to help small school districts and other public employers while restoring hard-earned benefits for teachers, caregivers, law enforcement, and others.**

Public servants like educators, health care workers, and public safety personnel already make huge sacrifices to serve our state. Now, without legislative action, they will lose hard-earned, contractually negotiated health care benefits that many families rely on. What's more, unless the legislature acts to remedy this situation, health care premiums at PEBB and OEBB are predicted to *increase*, and school districts will lose a key tool for holding down costs.

Support HB 3075 to hold down costs for public employers, improve attraction and retention of valued employees, and restore critical health care benefits to hard-working families.

### BACKGROUND

In 2017, the legislature passed SB 1067, enacting certain attempts at cost containment measures. Many were helpful. However, some provisions have had unintended effects at best, such as shifting costs to school districts, and at worst have increased costs and caused financial hardship for workers and their families. Furthermore, the changes unfairly singled out couples who both work in public service.

#### What provisions of SB 1067 are we attempting to change?

- Prohibited coordinated spousal coverage only for spouses working in public service
- Eliminated insurance opt-out incentives

Reports produced for both PEBB and OEBB in 2018 showed that the repeal of coordinated spousal coverage did not have the intended effect on cost, either because savings were not substantial or because the repeal actually **increased costs** to one or both boards.

Actuarial analysis presented at the February meeting of the OEBB board showed that the prohibition on coordinated spousal coverage and opt-out incentives combined will **increase premium costs roughly 1-2%** for each of the major insurance carriers.

### SOLUTION

The legislature must take action early this session to address these provisions before they go into effect, and before harm is done to the public sector workforce, our schools, and other public agencies.

House Bill 3075 will provide a solution by undoing the prohibitions on coordinated spousal coverage and once again permit school districts and other local employers to negotiate win-win solutions for employer and employee by permitting insurance opt-out incentive payments.

