

# SB 5 State Health Insurance Pooling Option for Schools, University of Alaska, and Local Government

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# What Does SB 5 Do?

Provides the option for school districts, the University of Alaska, and governmental units to participate in AlaskaCare: the state healthcare program.



# What Drives the Cost of Public Education in Alaska?

Small  
Schools



2  
Healthcare



Energy



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- **"Alaska has the highest per capita healthcare costs in the US** (Passini, Frazier, & Guettabi, 2018), which negatively affects private and public sectors of our economy. Healthcare costs are a part of teacher compensation. Alaska unadjusted per-pupil spending on teacher salaries is 14th in the nation - but after adjusted to US cost-of-living, the amount is 23% below the national average. Similarly, Alaska's unadjusted per-pupil spending on educator's employee benefits is 64% above the US average - but after adjusted is only 9% above the US average.
- **While the challenge of high healthcare costs is not unique to education, in a fixed budget scenario these costs put downward pressure on wages, making it more difficult for Alaska districts to offer teachers a nationally competitive salary.**



# Benefits of Health Insurance Pooling

## Save Money

- Eases the downward pressure on districts and local government budgets.

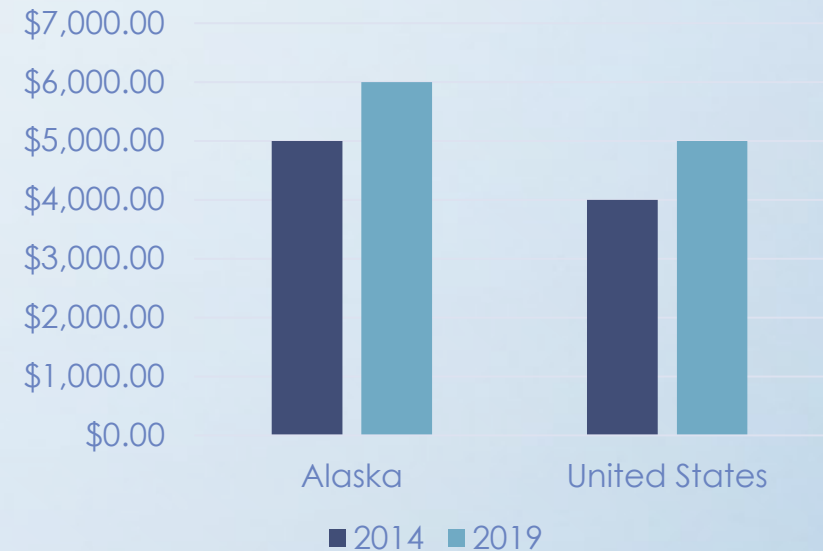
## More Healthcare Options

- Expands healthcare options.

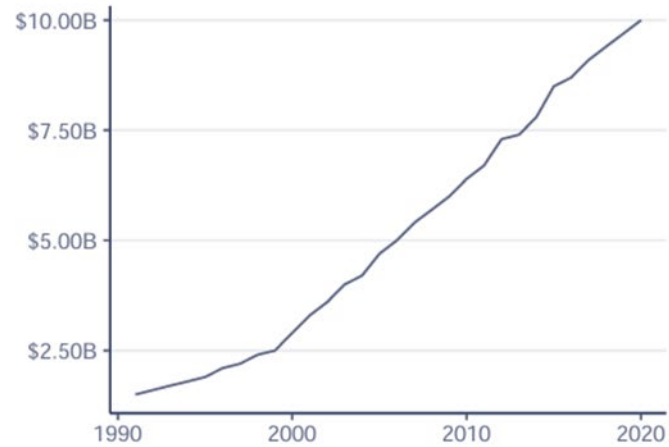
## Reduced Staff Burden

- Schools can focus on providing a quality education.
- Local governments can focus on public services.

Health Care Spending per Enrollee by Payer

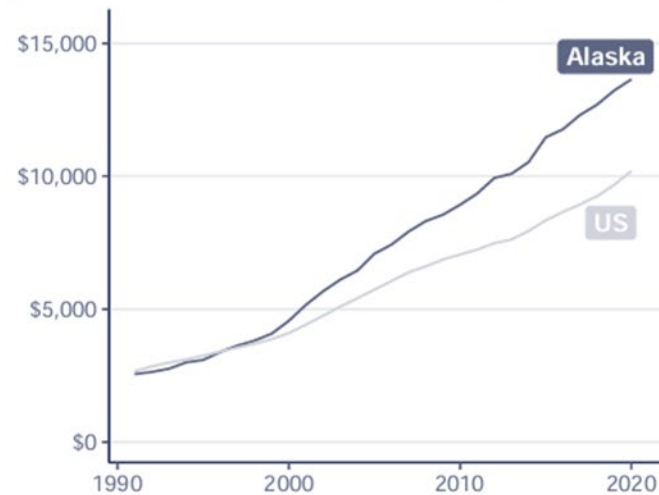


**Figure 2: Alaska Health Care Spending**  
(in billions of dollars)



Source: CMS health expenditure data

**Figure 3: Health Care Spending per Person**



Source: CMS health expenditure data

### Claims and Admin Costs

State of Alaska	\$2,513/mo
KGBSD	\$2,730/mo
Mat Su	\$2,645/mo

### Employer Cost

State of Alaska	\$1,908/mo
KGBSD	\$2,475/mo
Mat Su	\$2,315/mo

**Let Districts Decide!**

**Let the University of Alaska Decide!**

**Let Local Governments Decide!**



# Thank you!

Senate Bill 5 State Health Insurance Pooling  
Option

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