From: Michael Johnson
To: Sen. Mike Dunleavy
Subject: SB90
Date: Wednesday, April 10, 2013 12:28:10 PM

Dear Senator Dunleavy,

As rural citizens of Alaska, health insurance coverage is very important to our staff. Medical issues often involve not only the doctor bills, but also travel and lodging expenses. Having adequate medical and dental coverage allows margin to accommodate for these other costs. It is important, as an employer, that we provide quality health insurance for our colleagues.

Currently, providing health insurance benefits to our employees presents an ever increasing challenge to our budget and educational services. When I started as a teacher, the Copper River School district paid $7071.84 per employee per year for health insurance. Together with the employees, we now pay $20,544 per employee per year. Even with that increase, the deductible and co-pay is higher for the employee. The Copper River School District's annual insurance costs exceed 1.3 million dollars out of an approximately 7 million dollar operating budget.

Our health insurance costs have gone up an average of 9% per year since 2004. For a small employer, these increases create chaos in the budget process. We often don't know the exact amount of the increase until mid or late April. For Alaska's economy, it creates yearly difficulty in the legislature's budgetary process and public school funding debate.

You often hear about fuel increases and utility costs. Those have certainly been significant, but they do not represent near the costs that health insurance imposes.

SB90 and HB196 are measured and thoughtful approaches to providing assistance across the state. With the instability of the insurance market and health care policy in our country, a state insurance pool will create a welcomed buffer for our education system.

Respectfully,

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