



SB 110 State Health Insurance Pooling Option

for Schools, UA, Local Governments

Senate Education
Monday, April 3, 2023

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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.

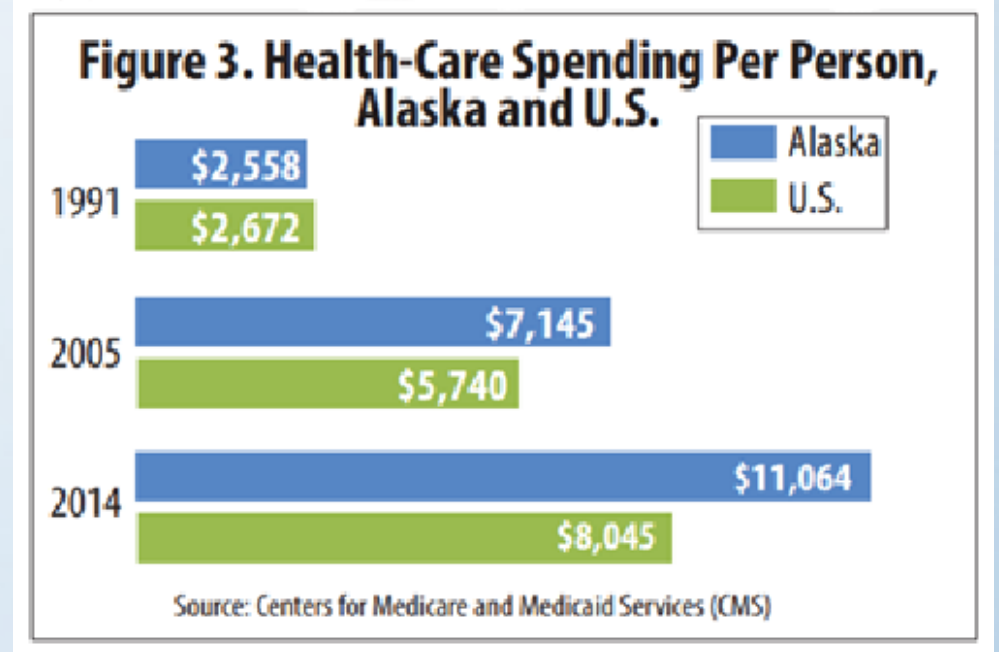
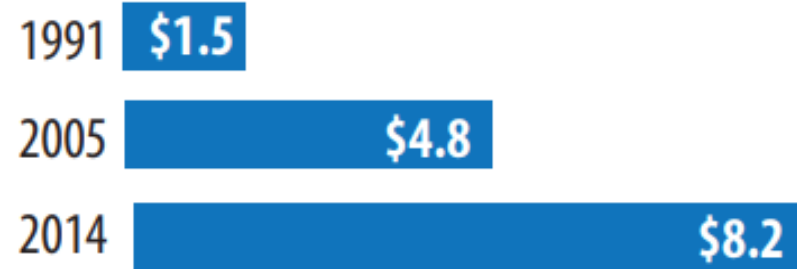


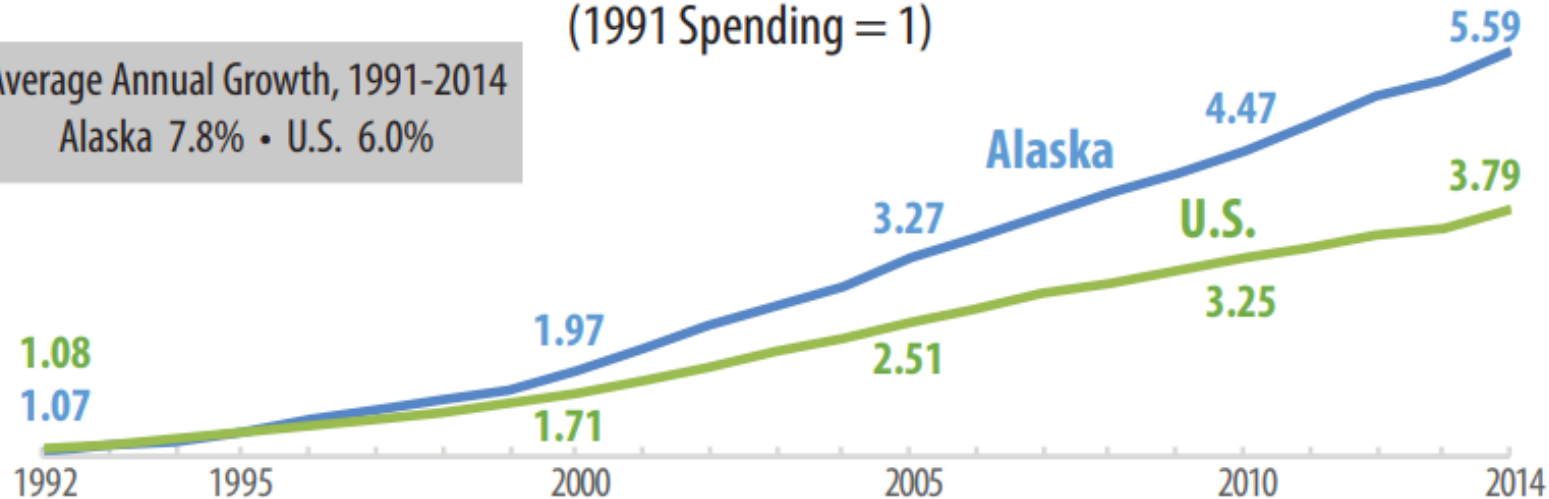
Figure 1. Alaska Health-Care Spending
(In Billions of Dollars)



Source: Centers for Medicare and Medicaid Services (CMS)

Figure 2. Growth in Health-Care Spending, Alaska and U.S., 1991-2014
(1991 Spending = 1)

Average Annual Growth, 1991-2014
Alaska 7.8% • U.S. 6.0%



Source: Authors' calculations, based on data from Centers for Medicare and Medicaid Services (CMS)

- The AlaskaCare employee plan’s current average per-employee-per-month claims and administrative cost is \$1734 (\$20,808 per year).
- The current per-employee-per-month *employer contribution* is \$1,685. It will increase to \$1,793 in FY24.
- The monthly employee contribution (“employee premium”) varies as follows:

2023 ACTIVE EMPLOYEE PREMIUMS		
For AVTECTA - AK Vocational Teachers (TA), APEA - Confidential (KK), APEA - Supervisory (SS), ACOA - Correctional Officers (GC), TEAME - Mt. Edgecumbe Teachers (TM), MEBA - Marine Engineers (BB) Employees not covered by collective bargaining (Exempt)		
Plan	Employee Only	Employee & Family
Standard Medical Plan	\$125	\$303
Economy Medical Plan	\$63	\$167
Consumer Choice Medical Plan	\$25	\$71
Standard Dental Plan	\$37	\$102
Economy Dental Plan	\$0	\$0
Managed Vision	\$15	\$40

Thank you!

Senate Bill 110 State Health Insurance Pooling
Option

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