

Attachment 1
1-31-22 SEDU

Testimony on H0443

Katy Morden

From: Fred Birnbaum <fred@idahofreedom.net>
Sent: Sunday, January 30, 2022 5:27 PM
To: Katy Morden; Senator Steven Thayn; Senator Dave Lent; Senator Lori Den Hartog; Senator Carl Crabtree; Senator Jim Woodward; Senator Kevin Cook; Senator David Nelson; Senator Janie Ward-Engelking
Subject: Written testimony against H443 for consideration on 1/31/22
Attachments: Section 67-5763 – Idaho State Legislature - GOVERNMENTAL BODY AUTHORIZED TO MAKE CONTRACTS FOR GROUP INSURANCE FOR OFFICERS AND EMPLOYEES.pdf; Section 67-5761 – Idaho State Legislature - POWERS AND DUTIES - GROUP INSURANCE.pdf; Section 33-1228 – Idaho State Legislature - SEVERANCE ALLOWANCE AT RETIREMENT (1).pdf

Dear Senators of the Education Committee and Committee Secretary Katy Morden:

I signed up to testify on H443 only to receive an email stating that I had only signed up to register my opposition but NOT testify. In case this is not resolvable by Monday at 300PM, I am submitting my comments in writing for the record.

These are the concerns with H443:

1. The bill sets up a fund for which \$75.5 million is earmarked in a forthcoming FY22 supplemental from JFAC for public schools. However, this fund can only be used as a reserve fund/buy-in for the current State Health Care Plan which is administered by Blue Cross. The plan is due for a competitive RFP next year. Wouldn't it make sense to NOT set up the fund before the RFP? Rather the winner of the RFP should have access to the fund, NOT the incumbent before the RFP. Just to be clear, I am not saying that Blue Cross is pocketing the money. Rather the fund is for the state plan which Blue Cross (BC) administers, passing this bill now gives BC a competitive advantage over other providers. H443 is putting the cart (use of the fund) ahead of the horse (the RFP).
2. In an email to House Colleagues, Rep. Furniss said: "**HB 443** does **NOT** create a monopoly for the existing Insurance company. 85% of the schools currently have the same insurance company as the state employee plan now."

Well, this leaves me scratching my head. If 85% of the schools currently have BC, how will passing H443 NOT increase their leverage? Will BC lose business to other insurance providers who don't have access to the buy-in fund? I might add that the optics of having the current and former Directors of H&W, as former BC employees as well as the Governor's former General Counsel (GC), now GC at Blue Cross, are not great.

3. This is new information that I don't believe was shared at the House hearing, because the hearing was held immediately after the bill printed.

*attachment 1
Fred Birnbaum
January 31, 2022*

Comments on House Bill 443

Director Dean Cameron, 1.31.2022

- Mr. Chairman, I have been asked to testify in support of H443.
- For many years, the Idaho legislature has grappled with how to help districts with more affordable health insurance.
- It has long been a belief that pooling would help and joining the states existing pool would help even more. But we could never find a way to make that possible.
- My thanks to Representative Furniss and Horman for the work and their perseverance.
- My thanks to the Governor for his leadership.
- And my thanks to you for making a difference in the lives of teachers and families across the state.
- I believe all school district will benefit from this bill whether or not they choose to participate.
 - I believe that the state pool will become the standard by which all plans will be measured.
 - Every carrier will know and every district will know that there is the option of going to the state plan.
 - The mere option will keep competitors offering the best price for the product.

- Participating in the state plan will insure more dependents.
 - School districts often can only afford to pay for coverage for the employee.
 - The teacher is forced to pay an expensive premium for their dependents or buy coverage outside or go without coverage.
 - If your dependent is ill or has severe medical conditions you have no good choices. Can you imagine your salary mostly being used in paying premiums for your dependent because you have no other choice?
 - Rates are higher because typically the only dependents on a school plan are older or unhealthy
 - I would also remind you that the dependents cannot qualify for the APTC or premium subsidy for ACA plans under what is called the “family glitch”
- Through the years we have seen many districts attempt to go self-funded. While that is a viable choice for some, it is not a viable option for all.
 - Simply they do not have the size or resources to do so.
 - By having the option to join the state’s pool they get the best of both worlds.
 - Lower administration.
 - Self-funding without insurmountable risks
- I believe our state will benefit for the passage of this bill.
 - I believe it will help us attract and retain the best teachers at a very challenging time.
 - I believe it will benefit the state economically as our teachers are more adequately funded.

- I believe as a society we are benefit the more our citizens are insured.
 - Health condition are caught and treated sooner.
 - Rates are lower the more preventive measures are taken.
 - Rates are lower the more we have insured.
- Mr. Chairman thank you again for making a difference to all Idahoans.