

the **advocate** UPDATE

VOICE OF OKLAHOMA'S STATE EMPLOYEES

August 2010

Members Will Determine Association's Direction At Annual Convention

OPEA members from Idabel to Boise City and from Miami to Altus will travel to Oklahoma City for the Association's 35th anniversary Convention Aug. 27 and Aug. 28.

The Convention, to be held at the Crowne Plaza on Northwest Expressway, will provide a forum for OPEA members to discuss how the Association reacts to the state's economic downturn of the past few years.

"State employees will gather to determine strategies for combating RIFs, furloughs and service cuts during these tough economic times," said OPEA Executive Director Sterling Zearley. "OPEA has accomplished a lot for state employees over 35 years and has a rich tradition of experience to help



OPEA Board members Jann Ens, Thomas Dunning and Thomas Kalayilparampil discuss issues at the Association's 2009 Delegate Assembly.

chart our course for the future."

"This has to be one of the worst years we've ever seen for state employees during the 35 years

(Continued on page 2)

New Federal Healthcare Law Calls For Changes In State Health Plan

President Barack Obama this spring signed into law the legislation that makes up the Affordable Care Act. Because the law was passed mainly to provide health insurance for people who have none, it will have only a minor effect on the plans that currently cover state employees. Existing plans can apply to the federal government for grandfather status and make only small modifications. HealthChoice has requested this status.

Hopefully, if more Oklahomans are covered by health insurance, fewer will visit emergency rooms for primary care services and most will address problems before they become prohibitively expensive. That, however, remains to be seen.

Meanwhile, the law will require some changes to the state plan in the coming year. Existing plans are not required to comply immediately with some provisions if they achieve grandfather status.

✘ Young people may remain on their parents' insurance pro-

gram until they are 26;

✘ Lifetime limits on coverage will be lifted;

✘ All plans must spend at least 80 percent of premiums on medical costs or be penalized financially;

✘ Children will not be excluded from plans because of pre-existing conditions;

✘ There will be no co-payments or deductibles for preventive care under the Medicare program.

State employee health plans are working to implement the requirements of the new law. However, the plans already are in compliance with some of the mandates. For example, in the plan year beginning in January 2011, participants may cover their dependent children up to age 26, and the lifetime limit on prescriptions will be eliminated. With 95 percent of the premiums expended on medical costs,

HealthChoice is already well within the

(Continued on page 5)

Watch the OPEA website for plan year 2011 insurance rate information on Aug. 20.

Annual Convention - Continued from page 1

OPEA has been in existence,” Zearley added. “We have seen fur-
loughs, RIFs and budget cuts, and it’s frightening. So now is the
time for every one of us to plan the future of OPEA and cele-
brate how far we have come in the past 35 years. We can make
OPEA stronger than it’s ever been. Now is the time to be
involved.”

The Convention begins Friday evening with a reception from
7 p.m. to 10 p.m. The event will include activities for members
and their families, and state legislators have been invited to
attend.

Registration begins at 8 a.m. Saturday, with the opening
gavel of the Delegate Assembly falling at 9 a.m. The Convention
is scheduled to come to a close around 3 p.m., after OPEA
members have put the final touches on and adopted the

Association’s Platform.

“OPEA members are
encouraged to help set the
course for the future by partici-
pating in the Platform process
and attending the Delegate
Assembly,” Zearley said.

The Convention registration
form should be filled out and
returned to the OPEA office at
13 N.E. 28th St., Oklahoma City, Okla. 73105 or faxed to
(405) 524-4671. The registration fee, now \$20 since the July 31
deadline has passed, includes the Friday night meet and greet
event and breakfast, breaks and lunch on Saturday.

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- OPEA Executive Director
Sterling Zearley

Registration Form

**OPEA Convention and Delegate Assembly
Aug. 27 and Aug. 28, 2010 • Oklahoma City, OK**

Name _____

Agency or retiree _____

Address _____

E-mail address _____

Daytime phone _____

Number attending the Friday night reception _____

Registration fee (\$20 after July 31) includes:

Friday night meet and greet event
Convention registration • Saturday breakfast
Saturday breaks • Saturday lunch

Accommodations:

Crowne Plaza
2945 Northwest Expressway • Oklahoma City, Okla. 73112
(405) 848-4811 • (888) 444-0401

Please return this form to:

OPEA
13 N.E. 28th St.
Oklahoma City, Okla. 73105 or fax to (405) 524-4671

OPEA’s 2010 Delegate Assembly Saturday, Aug. 28, 2010 • Crowne Plaza Oklahoma City

8 a.m. to 10:45 a.m. • Registration

**9 a.m. to 9:15 a.m. • Delegate Assembly
Call to order • welcome • flag salute • prayer • introductions**

**9:15 a.m. to 9:30 a.m. • OPEA president’s address
Connie Stockton**

**9:30 a.m. to 9:50 a.m. • State of the Association
Sterling Zearley - OPEA executive director**

**9:50 a.m. to 10:15 a.m. • Presentation on SQ744
Rep. Leslie Osborn**

10:15 a.m. to 10:30 a.m. • Break

**10:30 a.m. to 11 a.m. • Blast From The Past - 35 Years Of
OPEA History • Pat Hall - OPEA’s first executive director •
Sterling Zearley - OPEA’s current executive director**

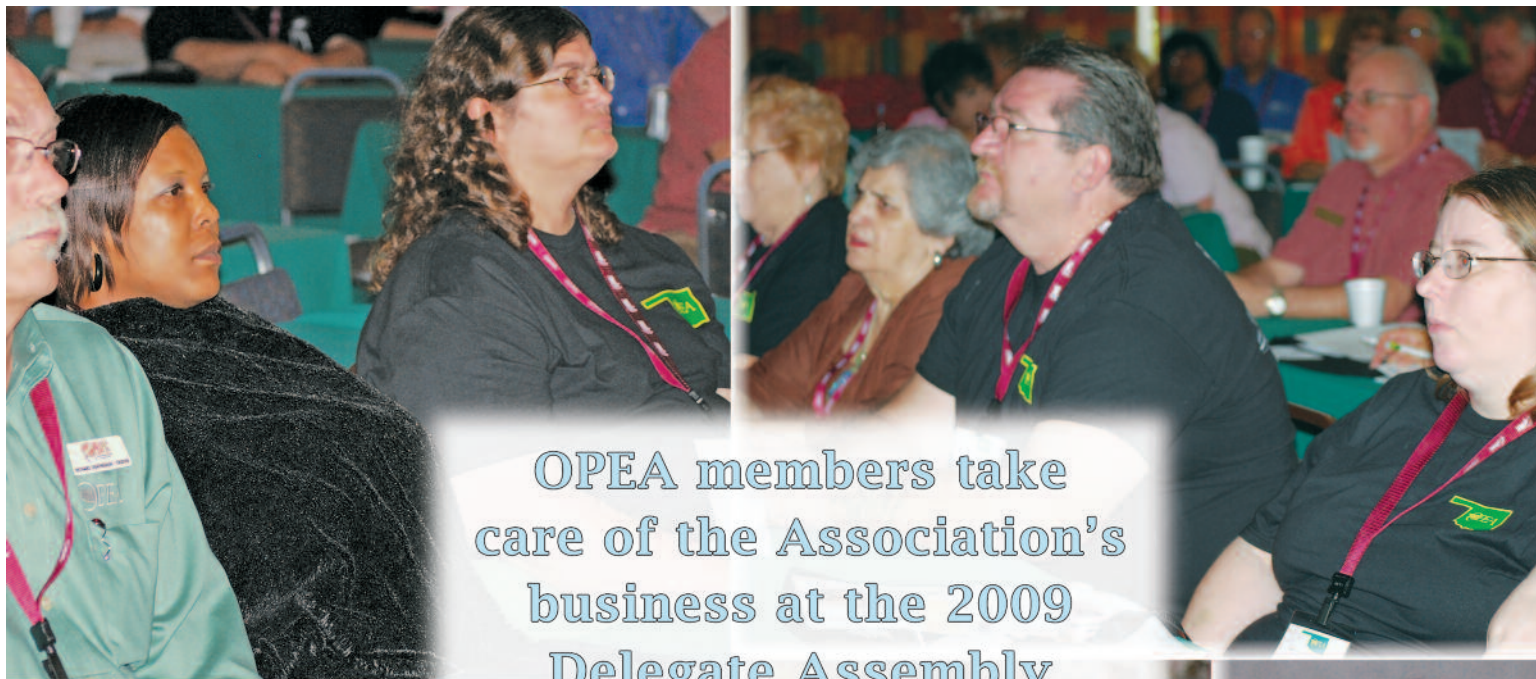
**11 a.m. to 11:45 a.m. • Credential report • adoption and
explanation of rules • Platform Committee report •
discussion and vote on Platform planks**

11:45 a.m. • Recess for awards luncheon

11:45 a.m. to 1:15 p.m. • Lunch and awards

1:15 p.m. to 1:30 p.m. • Break

**1:30 p.m. to 4:30 p.m. • Delegate Assembly reconvenes
Establish quorum • discussion and vote on Platform planks**



OPEA members take care of the Association's business at the 2009 Delegate Assembly



WE WELCOME

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**AS A SPONSOR OF OPEA'S 2010
CONVENTION AND DELEGATE ASSEMBLY**

OPEA Fights To Maintain Benefit Allowance For State Employees

As insurance reform was discussed during the recently completed legislative session, one of OPEA's most important concerns was its efforts to keep state employees from losing money from their paychecks in this challenging year of furloughs and stagnant salaries. Unfortunately, Gov. Brad Henry vetoed SB 2052, which would have prevented state employees from losing benefit dollars in the 2011 plan year.

Since 2001, the state employee benefit allowance has been the average of the high option health plan premiums, plus the average cost of all the dental plans, plus basic life and disability. In addition, employees who cover dependents are provided with funds for 75 percent of the premium of health only for their dependents.

Over the years, the cost of the high option HMOs, which few employees choose, has increased dramatically, driving up the level of the benefit allowance. In addition, as plans entered and left the program, the benefit allowance varied from year to year.

An example of the vagaries of the benefit allowance is the possible scenario for 2011. One HMO, Aetna, has announced it will not participate in plan year 2011. Therefore, only three HMOs and HealthChoice will be used to calculate the benefit allowance, compared to four HMOs and HealthChoice in 2010. This change will cost state employees between

\$35 and \$115 from their paychecks, depending on how many dependents are covered.

allowance or the HealthChoice High premium, whichever is higher.

"The final insurance rates will be set

<i>The Cost Of Losing Aetna</i>	
(Calculations are approximate and based on 2010 premiums)	
Aetna	\$729.71
Community Care.....	\$790.58
Global	\$351.06
Pacificare.....	\$617.30
HealthChoice	\$451.66
Health premium portion of the benefit allowance for a single employee with Aetna bidding	
	\$588.06
Health premium portion of the benefit allowance for a single employee without Aetna bidding	
	\$552.65

Single employees will lose \$35.41 a month from their monthly checks when Aetna leaves the state plan, while employees who cover their families will lose \$113 per month.

SB 2052 would have frozen the state employee benefit allowance at the 2010 level. In subsequent years, the health insurance portion of the benefit allowance would have been the 2010

in August," said OPEA Policy and Research Director Trish Frazier. "Even if the rates remain the same for the next year, the loss of a high-option HMO plan will probably cause the benefit allowance to decrease, costing state employees money in their paychecks. SB 2052 would have allowed dedicated state employees to have a little more to help meet their monthly budgets."



THE SKY IS THE LIMIT

Attend OPEA's 35th Anniversary Convention and Delegate Assembly and play a key role in helping your Association plan for the future.

OSEEGIB Making It Easier To Quit

Medication And Counseling Are Key To Making New Program Work

OSEEGIB is making it easier to quit. At its June meeting, the Oklahoma State and Education Employees Group Insurance Board discussed enhancements to the HealthChoice tobacco cessation program, which is sponsored by OSEEGIB and the Oklahoma Tobacco Settlement Endowment Trust. According to Tracey Strader, executive director of the trust, 25 percent of Oklahomans smoke, compared to the national average of 18 percent, and many of them would like to quit. The enhanced program integrates medication and counseling, which

has proven to be the best way to quit smoking.

HealthChoice has reduced the co-payment for certain prescription tobacco cessation products to \$5 per prescription, which will save members about \$150 each year. In addition, HealthChoice will con-



receive up to 12 weeks of an over-the-counter nicotine replacement therapy product and up to five one-on-one telephone counseling sessions with a trained quit coach. The OTC products and coaching services are available at no charge to health plan members.

To take advantage of the benefits available through the Oklahoma Tobacco Settlement Endowment Trust, contact the Oklahoma Tobacco Quit Line at (800) QUIT-NOW and identify yourself as a HealthChoice member. The help line hours of operation are 7 a.m. to 2 a.m., seven days a week. Members living outside Oklahoma should call (866) 784-8454.

Changes In State Plan

Continued from page 1

requirements of the new federal law.

Health maintenance organizations must certify their cost-efficiency to the Employees Benefits Council.

Currently, state plans do not exclude pre-existing conditions.

Starting in 2018, state plans must do away with co-payments and deductibles for preventive care.

The legislation also establishes a temporary reinsurance program for early retirees, which allows healthcare plans to apply for grants to help offset premiums for pre-Medicare retirees. OSEEGIB applied for this program on the first day it was made available, but it is doubtful that the grant will be obtained in time to help retirees in the 2011 plan year.

At its July meeting, the OSEEGIB board reviewed preliminary rates for next year, taking into account the provisions of the new healthcare law. The rates for the HealthChoice plan could increase in the next year by an average of 3.8 percent if HealthChoice receives grandfather status. Employees covering spouses could be affected the most, with the projected increase for spouses at 10 percent. Before final rates are set on Aug. 20, OSEEGIB will review possible changes to the HealthChoice plan.

OPEA has called for the \$50 office visit co-pay to be lowered, and, according to information from the agency, this is one of the proposals that will be considered.

tinue to cover two 90-day courses of a prescription product during each plan year.

HealthChoice has partnered with the Oklahoma Tobacco Settlement Endowment Trust and Free and Clear – which specializes in web-based learning and phone-based behavioral coaching to help employers, health plans and government entities improve overall health and productivity – to provide members with over-the-counter nicotine replacement therapy products such as patches, gum and lozenges, as well as telephone coaching. Members can

“25 percent of Oklahomans smoke, compared to the national average of 18 percent, and many of them would like to quit.”

Health Insurance Plans Won't Be Taxed In 2011

Several OPEA members have received e-mails claiming that the federal health care legislation passed this year would require them to pay income tax on the value of their health insurance plan, beginning in January 2011.

This claim is incorrect.

The misinformation stems from a provision of the Affordable Care Act that requires that taxes be paid on high-cost “Cadillac” plans. However, the tax won't go into effect until 2018, when insurers will have to pay a tax on the amount of the premium above \$10,200 per year for an individual and \$27,500 for a family.

Dental and vision insurance are not subject to the tax.

Beginning in 2011, employers must report the value of their workers' healthcare plan on their W-2 form, but only for educational purposes.

OPEA Early Legislative Endorsements - 2010

<u>Incumbent Senators</u>	<u>Primary Result (July 27)</u>	<u>General Election (Nov. 2)</u>
Sen. Cliff Aldridge	Won	Yes
Sen. Jay Paul Gumm	No	Yes
*Sen. David Myers (Contested his opponent's registration)		No/re-elected
*Sen. Anthony Sykes	Won	No/re-elected

<u>Incumbent Representatives</u>	<u>Primary Result (July 27)</u>	<u>General election (Nov. 2)</u>
Rep. John Auffet	Runoff - Aug. 24	No
Rep. Dennis Bailey	No	Yes
Rep. Gary Banz	No	Yes
Rep. Mike Brown	No	Yes
Rep. Samson Buck	No	Yes
Rep. Ed Cannaday	Won	Yes
Rep. Mike Christian	No	Yes
Rep. Ann Coody	No	Yes
Rep. David Dank	Won	Yes
*Rep. David Derby	Won	No/re-elected
Rep. Wes Hilliard	No	Yes
Rep. Scott Inman	No	Yes
Rep. Charlie Joyner	No	Yes
Rep. Ken Luttrell	No	Yes
Rep. Scott Martin	No	Yes
Rep. Danny Morgan	No	Yes
*Rep. Jason Murphey	Won	No/re-elected
Rep. Jason Nelson	No	Yes
Rep. Brian Renegar	No	Yes
Rep. Phil Richardson	No	Yes
Rep. Seneca Scott	No	Yes
Rep. Mike Shelton	No	Yes
*Rep. Jerry Shoemake	Won	No/re-elected
*Rep. Jabar Shumate	Won	No/re-elected
Rep. Randy Terrill	No	Yes
Rep. John Trebilcock	No	Yes

<u>Non-incumbents</u>	<u>Primary Result (July 27)</u>	<u>General election (Nov. 2)</u>
*David Holt	Yes	No/elected
*Rob Johnson	Yes	No/elected

*=Endorsed candidates who have already won re-election or election to office (total of 8)

Bold "Won"= Endorsed candidates who won their primary but still have a general election (total of 3)

Endorsed OPEA candidates who have lost re-election or election so far=0