

SCR010 – Concurrent Resolution on State Employee Benefits and Providing a Refund from the State Health Insurance Pool (Fillmore, L)

Anticipated Fiscal Impact:

No Fiscal Impact

This resolution provides state employees with additional benefit options while maintain cost neutrality for the state.

First, the resolution would allow employees with other coverage the ability to opt out of state medical or dental benefits and receive a salary increase. PEHP has reviewed and estimates the amount of the increase in salary is small enough compared to the potential cost savings to the state in medical premiums that it would offset the amounts for increased salary, including any associated benefit costs for retirement, LTD, and workers compensation.

There are approximately 4000 state employees who could opt out of medical coverage because they have other coverage. The state could save about \$5,000 for every eligible employee who opted out of medical coverage and received a salary increase. We do not have an estimate of the number of employees that would select this option. While we are unable to project potential savings, we are confident that this would not cost the state whether few or many opt-out of coverage

Second, employees on the Consumer Plus Plan would be given the ability to convert 100% of their HSA to case, provided that an employee pay all related taxes, which has the effect of maintaining cost neutrality for the state and equity of benefit costs among state employees.

Third, the resolution would direct the creation of HSA-based dental plans which plans would lower benefits in exchange for an additional HSA contribution that would be designed to remain cost-neutral to the state.