

Legislative Talking Points

PEIA

- The compensation package is a huge factor in employment decisions. Without stable/affordable health care, an individual's compensation level falls as they bear the burden of increased out-of-pocket expenses. Such expenses factor into the recruitment and retention of employees.
- Long-term sustainable funding must be found in order to offset the cost of PEIA's medical rate of inflation. Estimates of the rate of inflation are approximately \$50 million each year. Based on those calculations, the revenue stream would need to be \$250 million in five years.
- The state of West Virginia must realize there is medical inflation and they must increase funding each year in order to maintain the health care plan and prevent the shifting of costs to participants.
- Without increased funding, plan participants are typically asked to bear the cost and that is a significant blow to their resources. Increased premiums, co-pays, deductibles and out-of-pocket maximums. A revenue stream must be found in order to prevent PEIA from balancing the plan on the back of the employees.
- Cuts to PEIA make it more difficult to recruit and retain highly qualified teachers, education support professionals and other state employees.
- The Legislature must address the language surrounding the 80/20 premium split to avoid plan participants from seeing their premiums increased each time the state increases its contribution. Language that requires "...the state to pay no less than 80% of the costs and employees to pay no more than 20%..." needs to be amended into the statute by the Legislature.
- Prescription drug costs are a huge component to the inflationary costs of the plan. The legislature needs to explore ways to reduce the cost PEIA pays for drugs as a way to contain the cost of the plan.
- A funding stream(s) must be identified to provide additional money into the general revenue account to be appropriated for PEIA. A variety of sources have been identified for the increased revenue. They include: increased severance tax on natural gas, tax on sugary drinks, increase the cigarette tax, tax on digital downloads, etc.