



# LEGISLATIVE *Update*

State Employees Association of North Carolina • [www.seanc.org](http://www.seanc.org)

P.O. Drawer 27727 • Raleigh, NC 27611 • 888-732-6242/919-833-1616 (Press 1)

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## **Senate Bill 265 Moves to Transfer Oversight of State Health Plan *SEANC's Top Legislative Priority Within Reach – NCAE Asleep at Their Own Wheel?***

The North Carolina Association of Educators (NCAE), the organization representing public teachers, is having a truth problem this week in Raleigh. Unfortunately, NCAE is trying to use SEANC as a pawn in an attempt to attack Senate leadership on [Senate Bill 265](#) (legislation that would establish major changes for the State Health Plan [SHP]) and make it look as though legislators left NCAE out of the legislative process. None of this is true, but NCAE has to do something to explain why they have not been working to reform the SHP.

The following is an excerpt from a [letter](#) NCAE sent to legislators yesterday:

***NCAE understands that some in the General Assembly have made a deal with the State Employees Association of North Carolina in exchange for the transfer of the State Health Plan to the Treasurer's Office. For the record, teachers, educators, and retirees are NOT part of this deal and we were never consulted about these increased out-of-pocket expenses. We will also remind you that agents of the State Employees Association of North Carolina are not speaking for public educators and retirees when they endorse increased out-of-pocket expenses behind closed doors.***

The letter was signed by NCAE Government Relations Director [Brian Lewis](#).

Let's be clear on what the truth is in this situation. There has been no deal to endorse increased out-of-pocket expenses in exchange for transferring the SHP to the treasurer's office. That is ridiculous. What SEANC did, which seems to upset NCAE's representatives, is **actually** lobby on behalf of members!

Let's reveal another truth! Lewis told WRAL-TV that he was not permitted to speak at the Senate Insurance Committee that heard SB 265 on Tuesday, March 22. But the reason why he didn't speak at that meeting is because he wasn't even there! No announcement was made to prohibit anyone from speaking. A different lobbyist from NCAE was present at the meeting but did not ask to speak. How Lewis could say he was denied speaking is beyond any rational thought. Lewis did assure WRAL-TV, however, that he would be speaking the next day when SB 265 was heard in the Senate Appropriations Committee meeting.

Cut to Wednesday to the Senate Appropriations Committee meeting.

Lewis did attend, but he arrived when the meeting was almost over and the speakers were done. Another lobbyist from NCAE was there and did speak briefly on the bill. Apparently, Lewis seemed to be far too busy attacking SEANC on Twitter.

Finally, Lewis keeps writing that SEANC has been talking with [Sen. Tom Apodaca](#), the Senate point-person on SHP changes. Well yes, of course we have! It would be insane for us not to tell him everything that matters to our members about the SHP. You, the members, pay us to do our job! We have never waited for elected leaders to come to us – we always go to them.

In contrast, no one from NCAE lobbied Sen. Apodaca on the SHP until the bill was already written and under consideration by legislative committees. This year's General Assembly is a long session. Anyone who was paying attention knew that a SHP bill was coming.

It's a shame that NCAE lobbyists haven't learned from the old adage that 90 percent of success in life is showing up. After all the trash talk we've seen about SEANC and SB 265, the bill that would accomplish [SEANC's top legislative priority](#) as determined by members at the 2010 convention, the fact is that NCAE's lobbyists have been no-shows when it comes to standing up for their members for years. This has left SEANC to do almost all the advocacy work for the state employees AND teachers. For state employees who are paying into NCAE while SEANC does the work – that's quite a deal. When members vote, SEANC lobbyists take that as marching orders and actually try to do something about it!

SEANC's third ranked legislative priority as voted at the 2010 convention was to keep a premium-free SHP. However, a premium for the SHP became all but a done deal when Gov. Perdue gave the Standard 80/20 plan a premium in her budget.

In 2009, when [SB 287](#) increased SHP out-of-pocket costs across the board, SEANC fought the fight alone. In fact, at a meeting with then-Speaker Joe Hackney, NCAE told him they understood the situation and that costs had to go up in the bill despite the fact that NCAE's convention voted to "vigorously oppose any changes to the SHP." SEANC knows this to be true because we were there.

Here's a lesson in Lobbying 101. When the governor and both houses of the legislature are in solid agreement on an issue, that issue will be nearly impossible to defeat. Nonetheless, SEANC spoke out twice in committee meetings this week against the premium. We will continue to lobby that issue as the bill moves through the legislative process. However, from the day that the governor's budget recommendations were released, we recognized that we needed to focus a tremendous amount of effort on reforming the SHP.

Every two years, SHP benefits erode a little more, yet no one in the legislature has been willing to open up its secret, no-bid, cost-plus contract with Blue Cross and Blue Shield of North Carolina – OR give state employees and retirees a voice in what the SHP benefit structure should look like. Until now.

SB 265 would create premiums within the SHP and there is no getting around that. But the positive portions of this bill far outweigh the negative. Those positives include:

- Move oversight of the SHP to a board of trustees housed in the treasurer's office
- Gives state employees and retirees four out of eight seats on the oversight board of trustees
- Put a statutory end to cost-plus contracts that allow million-dollar bonuses for big insurance CEOs to come out of your pocket
- Makes public the actual terms of Blue Cross' secret contract for the SHP
- Removes the punitive BMI and tobacco pieces of the plan

All of this is a tremendous step forward. For the first time, state employees and retirees will have a strong voice and a real ability to reclaim the SHP.

This is what NCAE opposes? All because they oppose the premium?

SEANC's question to NCAE is this: if you are representing your members' wishes not to have a premium, why didn't you do that when the governor put out a premium for anything but the substandard Basic 70/30 plan?

On Twitter this week, NCAE said "Once again, SEANC is going-it-alone." SEANC has no problem standing alone in the fight to break up Blue Cross' no-bid, sweetheart contract. After all, we've done it for years.