



LEGISLATIVE *Update*

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Cowell's power grab moving through House committees

Despite the strong objections of several House members, State Treasurer Janet Cowell's attempt to wrestle more control of the State Health Plan away from the SHP Board of Trustees received a favorable report from the House Insurance Committee on Tuesday.

With a strong SEANC presence in the audience, the committee voted to give House Bill 232, the Cowell Power Grab Bill of 2013, a "favorable report," meaning the bill moves onto another committee for further review. The bill would give Cowell the authority to adopt, implement and administer health management programs and wellness programs for the State Health Plan on her own without the consent of the State Health Plan Board of Trustees.

"We understand that we face an uphill battle with the state treasurer with the General Assembly," said SEANC Executive Director Dana Cope. "She controls almost four times more money than the members of the General Assembly. Thanks to our members' nearly \$80 billion retirement fund, she also wields enormous influence by awarding high-dollar money management contracts."

Currently, Treasurer Cowell serves on the SHP Board as an ex-officio member where she may offer proposals to the board. HB 232 would place Cowell in control of the SHP and represents a massive change in her power and duties affecting the SHP.

During the meeting, SEANC Legislative Affairs Director Ardis Watkins was asked to share SEANC members' views on the bill. "It is our belief that, without question, changing this statutory language gives the treasurer broad power. It also flies in face of the intent of the legislation that created the board in 2011," Watkins said. "This is a significant, massive change that is not necessary."

In 2011, SEANC successfully shepherded legislation to move the governance of the SHP out from under control of the General Assembly to a voting board housed in a state agency. The purpose of this transfer was for a group of voting members to provide appropriate oversight, end sweetheart contracts and the constant cost-shifting to state employees and retirees.

HB232 was introduced by Rep. Jerry Dockham (R-Davidson), who is the committee's chairman. Reps. Tom Murry (R-Wake), Bob Steinburg (R-Chowan) and Vice Chairwoman Pat McElraft (R-Carteret) stood up against the power grab in the meeting, questioning whether or not the change was necessary or fair.

Murry questioned whether the change was needed and if it would diminish the board's power. McElraft said she was troubled by the surcharges as well, adding, "I don't think you can pick one or two lifestyles and suggest that makes an unhealthy person."

Steinberg said he had "a problem with the language," adding, "It appears that we are giving the Treasurer absolute authority over the State Health Plan. That is a change."

Rep. Rick Glazier (D-Cumberland) said he would rather pass the bill and make changes in the future if the treasurer oversteps her authority, a statement to which Steinberg objected, saying, "I'd rather be proactive than reactive."

The bill now moves to the House Finance Committee. SEANC members are urged to contact committee chairpersons [Rep. Julia Howard](#) (R-Davidson) at 919-733-5904, [Rep. Robert Brawley](#) (R-Iredell) at 919-733-5741, [Rep. David Lewis](#) (R-Harnett) at 919-715-3015 and [Rep. Mitchell Setzer](#) (R-Catawba) at 919-733-4948 to voice their concerns over Cowell's power grab.

Cowell tries to host photo op with state employees at State Capitol

A day after the vote, Janet Cowell did what she seems to do best — taking a walk to promote herself while penalizing state employees at the same time in the General Assembly.

Cowell's "Walk a Mile with the Treasurer" 10 a.m. event at the State Capitol Wednesday was sparsely attended since state employees were working at that hour. She claimed to promote wellness with the event and gave away t-shirts, but did not incentivize wellness by reducing costs for those who exercise; instead she seems determined to tempt employees with a stick designed as a carrot.

"I don't need a free pedometer from the State Health Plan, I need affordable family medical coverage so that I have enough money to join a gym," said SEANC Second Vice President Stanley Gales. "Instead of making us spend 90 minutes on the phone taking a health assessment, they should encourage spending 90 minutes in a gym."

"SEANC is all for wellness. We believe that the penalties Janet Cowell plans for the State Health Plan do not promote wellness and will hurt employees," SEANC Executive Director Dana Cope said. "We should use real incentives to achieve real wellness results."

"It's a shame Cowell is willing to sacrifice the taxpayers, and over 700,000 retirees' and state employees' health care, while staging political photo ops for her future campaigns," said SEANC President Sidney M. Sandy. "SEANC has always stood for holding politicians accountable and we won't be intimidated by the State Treasurer just because she alone with no oversight controls our retirement monies."

Her latest scheme, adding surcharges in the name of wellness, will triple State Health Plan premiums for state employees. Cowell is currently trying to wrestle control of the State Health Plan away from the SHP Board of Trustees.

"There is no question that retirees and state employees are the underdog, fighting a well-funded entrenched politician with the power of investing \$78 billion of taxpayer money," Cope said. "However, we are tired of politicians that get in control of the state treasury and try to use that power for their own future political ambitions."

The SEANC Legislative Update is published when the N.C. General Assembly is in session by SEANC's Legislative Affairs Department. For more information, contact Legislative Affairs Director Ardis Watkins at awatkins@seanc.org.