

# LSUHSC-NO Faculty Senate Resolution 14-02

## Delaying the Possible Erosion of Health Plans Administered by the Office of Group Benefits (OGB)

*Introduced at the request of the Association of Louisiana Faculty Senates, as well as Southeastern Louisiana University Faculty Senate President James Kirylo and Louisiana State University Faculty Senate President Kevin Cope*

**WHEREAS** the executive branch of Louisiana government is revising those state health insurance plans that are administered by the Office of Group Benefits (“OGB”) so as to shift more costs to employees, whether by increasing out-of-pocket costs, imposing higher deductibles, assessing prescription fees, or multiplying service exclusions;

**WHEREAS** estimates indicate that these proposed changes will increase out-of-pocket costs to employees and retirees by approximately 47%, an unexpected and disproportionate increase that is unjust to, and that imposes an extreme hardship on, present and former public servants;

**WHEREAS** the proposed policy changes will result in state workers and retirees paying more and getting less, in startling contrast to and inversion of the “do more with less” motto of the current state administration;

**WHEREAS** the salaries for faculty and staff at LSUHSC-NO and other institutions of higher education across the state have not kept pace with cost-of-living allowances equal to inflation;

**WHEREAS** the proposed changes will inflict economic damage on state workers throughout Louisiana, especially those in unclassified or similar positions who have few advocates and who lack other means to defend themselves, and will counteract those small raises or cost-of-living adjustments that employees or retirees have received in recent years;

**WHEREAS** no satisfactory explanation has been given for the astounding erosion of the OGB reserve fund from six-hundred eighty million dollars to approximately two-hundred twenty-five million dollars in only two years;

**WHEREAS** the reduction of viable choices among benefit plans will further diminish the ability of Louisiana's colleges and universities to recruit and retain faculty and to remain competitive with other states in either higher education or in the industries with which higher education collaborates;

**WHEREAS** the sudden decay of the OGB medical insurance offerings is likely to trigger a rush to transfer to the LSU First plan, a rush that threatens to unsettle the LSU plan and to create costly administrative burdens;

**NOW THEREFORE BE IT RESOLVED THAT** the LSUHSC-NO Faculty Senate joins with the Faculty Senates of LSU – Baton Rouge and Southeastern Louisiana University in opposing the proposed changes to the OGB-administered health plans, at least until proper studies and audits have been completed, and in warning that the proposed changes will be extraordinarily harmful for state workers and retirees; and

**BE IT FURTHER RESOLVED THAT** the LSUHSC-NO Faculty Senate joins with its two fellow Senates in cautioning that so dramatic a change in the affordability of health plans for the many thousands of voters and taxpayers who constitute the staff of Louisiana higher education institutions will harm both the people and the economy of our state.