

Health Care Issues

Senator Norment:

Northumberland County has struggled with Health Insurance costs for a long time. Our group consists of the School Board employees and the county employees which total about 245 policies. We are considered small by our insurance provider. About 7 years ago we asked for legislation to be pooled into the State Employees plan in order to have a larger group but were turned down due to the fact that the state employees group is self insured. We then looked at self insurance but with a \$25 Million Dollar total budget the liability was too great for the taxpayers.

In a small group one severe claim can affect our rates. In 2002 our rates increased 31.9% due to one heart surgery and one kidney disease. Our average annual increase over the past ten years is approximately 15%. The increases have gotten so bad that the Board of Supervisors has considered dropping the benefits and increasing an out of pocket co-pay of \$1,000.00 before any benefits are obtained. This is unreasonable due to the low wages of the cafeteria workers, custodial staff, sanitary employees and some administrative positions.

I have acquired a comparison of rates for the four Northern Neck Counties:

Employee Plan	Northumberland Co.	Lancaster Co.	Richmond Co.	Westmoreland Co.
Employee Only	\$500.00	\$533.82	\$541.00	\$500.00
Employee & Spouse	\$925.00	\$1,067.64	\$1,001.00	\$925.00
Employee & Family	\$1,350.00	\$1,601.46	\$1,461.00	\$1,350.00
County Pays	\$426.00	\$400.00	50%	70%

At the current rate of increase we are looking at the rates doubling every 7 years the county will not be in a position to contribute in the health insurance plan. Another problem we have is the upper part of the county uses Riverside in Tappahannock and the lower end of the county uses Rappahannock General. Anthem is the only insurance provider that will cover both hospitals so it puts us in the position that we are forced to go with Anthem.